



**AUDIT REPORT
ON
THE ACCOUNTS OF
17 DISTRICT COUNCILS
OF PUNJAB (SOUTH)**

AUDIT YEAR 2018-19

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ACL	Audit Command Language
AIR	Audit and Inspection Report
AA	Administrative Approval
ADP	Annual Development Program
AASHTO	American Association of State Highway and Transportation Officials Standards
APS	Additional Performance Security
B&R	Building and Roads
CEO	Chief Executive Officer
CCTV	Close Circuit Television
CO	Chief Officer
C&W	Communication and Works
DAC	Departmental Accounts Committee
DC	District Council
DO	District Officer
DO (I&S)	District Officer (Infrastructure & Services)
DNIT	Draft Notice Inviting Tenders
DO (P)	District Officer (Planning)
DDO	Drawing and Disbursing Officer
DGA	Director General Audit
GST	General Sales Tax
HQ	Headquarter
INTOSAI	International Organization of Supreme Auditing Institutions
IPSAS	International Public Sector Accounting Standard
JMF	Job Mix Formula
LG&CD	Local Government & Community Development
LED	Light Emitting Diodes
L-Section	Longitude Section
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System

NAM	New Accounting Model
NIT	Notice Inviting Tenders
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PLG	Punjab Local Government
PLGB	Punjab Local Government Board
PPRA	Punjab Procurement Regulatory Authority
PSI	Pounds Per Square Inch
PST	Punjab Sales Tax
PARCO	Pak Arab Refinery Company
PCC	Plain Cement Concrete
POL	Petroleum, Oil and Lubricants
RDA	Regional Director Audit
RR&MTI	Road Research and Material Testing Institute
SRO	Statutory Regulatory Order
S&GAD	Services and General Administration Department
TSE	Technically Sanctioned Estimate
TST	Triple Surface Treatment
TTIP	Tax on Transfer of Immovable Property
WIP	Work-in-Progress
X-Section	Cross Section

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 District Councils is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of 17 District Councils of the South Punjab for the Financial Years 2016-18 (January, 2017 to June, 2018). The Directorate General of Audit, District Governments, Punjab (South), Multan, conducted audit during Audit Year 2018-19 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 are listed in the Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The report has been finalized in the light of the written responses of management concerned. However, DAC meetings were not convened till finalization of this report.

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 Audit, District Governments, Punjab (South), Multan is responsible for carrying out the audit of Local Governments comprising District Health and Education Authorities, Municipal Corporations, Municipal Committees, District Councils and Union Councils 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 Audit has a human resource of 103 officers and staff, constituting 24,912 mandays and budget amounting to Rs 123.474 million was allocated in Audit Year 2018-19. Director General Audit, District Governments Punjab (South) carried out audit of the accounts of 17 District Councils for the Financial Years 2016-18 (January, 2017 to June, 2018).

District Councils were established w.e.f. 01.01.2017 and conduct operations under Punjab Local Government Act, 2013. The Chairman is the Executive Head of the District Council and carries out functions of the District Council through offices as notified in Punjab Local Government Act (PLGA), 2013 and Chief Officer is the Principal Accounting Officer (PAO) of the District Council. According to the Act, the District Council Fund comprises District Local Fund and Public Account. The Chairman and the Chief Officer are personally responsible to ensure that the business of the District Council is conducted proficiently, in accordance with law and to promote the objectives of the District Council as set forth in Sections 73 to 80 of PLGA, 2013.

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 public

money as laid down in the Punjab Local Governments Act, 2013 and Punjab Local Governments Accounts Rules, 2017.

3. Every item of expenditure was incurred with the approval of the competent authority in the Government.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue was made in accordance with the prescribed laws, rules and regulations and accounted for in the books of accounts of the District Council.

a) Scope of Audit

Out of total expenditure of the 17 District Councils for the financial years 2016-18, auditable expenditure under the jurisdiction of DG Audit District Governments Punjab (South) Multan was Rs 11,102.524 million covering seventeen PAOs. Out of this, DG Audit, District Governments Punjab (South), Multan audited an expenditure of Rs 4,290.225 million which, in terms of percentage, is 39% of total auditable expenditure.

Total receipts for the financial years 2016-18 were Rs 13,207.528 million. DG Audit District Governments Punjab (South) Multan audited receipts of Rs 5,055.309 million which, in terms of percentage, were 38% of total receipts.

b) Recoveries at the Instance of Audit

Recoveries of Rs 2,945.581 million were pointed out by Audit which was not in the notice of the management before audit. Nil recovery has been verified during the year 2018-19, till the time of compilation of Report.

However against the total recovery amount of Rs 2,024.545 million pertaining to Paras (over one million) drafted in this report, no amount of recovery has been made by the management till the time of finalization of this report.

c) Audit Methodology

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

spot examination and verification of record was also carried out in accordance with the applicable laws / rules. International Standards for Supreme Audit Institutions (ISSAI) were followed in letter and spirit.

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

d) Audit Impact

A number of improvements in record maintenance and procedures have been initiated by the District Council concerned; however audit impact in shape of change in rules is not relevant being the first audit of the District Council.

e) Comments on Internal Control and Internal Audit Department

Internal controls and internal audit mechanisms of District Councils were not found satisfactory during Audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like unauthorized / irregular withdrawal of public funds for government employees against their entitlement, misappropriations and non-production of record to audit. Negligence on the part of District Council may be captioned as one of the important reasons for weak Internal Controls.

f) The Key Audit Findings of the Report

- i. Fraud / Misappropriation involving an amount of Rs 173.060 million was reported in three case¹
- ii. Non-Production of record involving an amount of Rs 1,197.662 million was reported in seven case²
- iii. Irregularities and non-compliance involving an amount of Rs 6,220.620 million were noticed in 152 cases³

¹Para No. 9.2.1.1, 10.2.1.1,16.2.1.1

²Para No. 1.2.1.1, 2.2.1.1,3.2.1.1, 5.2.1.1, 6.2.1.1, 7.2.1.1, 15.2.1.1

³Para No. 1.2.2.1 to 1.2.2.15, 2.2.2.1 to 2.2.2.7, 3.2.2.1 to 3.2.2.2, 4.2.1.1 to 4.2.1.7, 5.2.2.1 to 5.2.2.7, 6.2.2.1 to 6.2.2.15, 7.2.2.1 to 7.2.2.12, 8.2.1.1 to 8.2.1.4, 9.2.2.1 to 9.2.2.14, 10.2.2.1 to 10.2.2.17, 11.2.1.1 to 11.2.1.10, 12.2.1.1 to 12.2.1.3, 13.2.1.1 to 13.2.1.8, 14.2.1.1 to 14.2.1.5, 15.2.2.1 to 15.2.2.6, 16.2.2.1 to 16.2.2.8, 17.2.1.1 to 17.2.1.9

- iv. Performance issues involving Rs 1,668.763 million were noticed in 51 case⁴
- v. Internal Control Weaknesses involving an amount of Rs 5,076.193 million were noticed in 66 cases⁵

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

g) Recommendations

PAOs of District Councils are required to:

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

⁴Para No. 1.2.3.1, 2.2.3.1, 3.2.3.1, 8.2.2.1, 9.2.3.1, 10.2.3.1 to 10.2.3.6, 11.2.2.1 to 11.2.2.4, 12.2.2.1 to 12.2.2.6, 13.2.2.1 to 13.2.2.5, 14.2.2.1 to 14.2.2.8, 15.2.3.1 to 15.2.3.3, 16.2.3.1 to 16.2.3.10, 17.2.2.1 to 17.2.2.4

⁵Para No. 1.2.4.1 to 1.2.4.14, 2.2.4.1 to 2.2.4.10, 3.2.4.1 to 3.2.4.9, 9.2.4.1 to 9.2.4.2, 10.2.4.1 to 10.2.4.2, 11.2.3.1 to 11.2.3.4, 12.2.3.1 to 12.2.3.3, 13.2.3.1 to 13.2.3.6, 14.2.3.1 to 14.2.3.4, 15.2.4.1 to 15.2.4.2, 16.2.4.1 to 16.2.4.6, 17.2.3.1 to 17.2.3.4

SUMMARY TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rupees in Millions)

Sr. No.	Description	No.	Budget		Actual		Total Actual
			Expenditure	Receipt	Expenditure	Receipts	
1	Total PAOs in audit jurisdiction	17	18,523.905	13,597.676	11,102.524	13,207.528	24,310.052
2	Total formations in audit jurisdiction	17	18,523.905	13,597.676	11,102.524	13,207.528	24,310.052
3	Total entities (PAOs) audited	14	18,523.905	13,597.676	4,290.225	5,055.309	9,345.534
4	Total formations audited	17	18,523.905	13,597.676	4,290.225	5,055.309	9,345.534
5	Audit & Inspection Reports	17	18,523.905	13,597.676	4,290.225	5,055.309	9,345.534

Table 2: Audit Observations Classified by Category

(Rupees in Millions)

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	324.797
2	Financial management	2,417.036
3	Internal controls	5,035.397
4	Others	6,559.068
	Total	14,336.298

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

Sr. No	Description	Expenditure on Physical Assets	Salary	Non-Salary	Civil Works	Receipts	Total Current Year	Total Last Year
1	Total Financial Outlay	259.663	2,238.805	1,343.620	7,260.436	13,207.528	24,310.052	-
2	Outlays Audited	150.753	945.567	741.171	2,452.735	5,055.309	9,345.535	-
3	Amount Placed under Audit Observations/ Irregularities Pointed Out	320.832	476.697	2,318.267	6,643.837	4,576.665	14,336.298	-
4	Recoveries Pointed Out at the Instance of Audit	0.513	57.276	7.942	155.698	1,803.116	2,024.545	-
5	Recoveries Accepted / Established at the Instance of Audit	0.513	-	3.192	45.700	745.950	795.355	-
6	Recoveries Realized at the Instance of Audit	-	-	-	-	-	-	-

*The amount mentioned against Sr. No.2 in column of "Total" is the sum of expenditure and receipt, whereas, the total expenditure was Rs 4,290.225 million

Table 4: Irregularities pointed out**(Rupees in Millions)**

Sr. No.	Description	Amount under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	6,549.550
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	173.060
3	Accounting Errors (accounting policy departure from IPSAS ⁶ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	106.397
4	Quantification of weaknesses of internal control systems.	4,400.983
5	Recoverable and overpayments, representing cases of established overpayments or misappropriations of public monies	1,908.646
6	Non-production of record.	1,197.662
7	Others, including cases of accidents, negligence etc.	0
Total		14,336.298

Table 5: Cost Benefit**(Rupees in Million)**

Sr. No.	Description	Amount
1	Outlays Audited (Items 2 Table 3)	9,345.535
2	Expenditure on Audit	0.900
3	Recoveries realized at the instance of Audit	-
4	Cost-Benefit Ratio	-

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

CHAPTER 1

1.1 District Council, Bahawalnagar

1.1.1 Introduction

District Council, Bahawalnagar was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Bahawalnagar is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Bahawalnagar as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans
- Review the performance of all offices working for the District Council
- Review the performance report presented by the Chairman
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws
- Prevention and removal of encroachment on public ways, streets and properties
- Prevention of nuisance in public ways, streets and properties
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule
- Regulation or prohibition of the excavation of earth, sand, stones or other material
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals
- Celebration of public festivals

- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities
- Promotion of sports including sports for persons with disabilities. Provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water
- Construction of culverts, bridges and public buildings
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations
- Enforce all municipal laws, rules and bye-laws regulating its functioning
- Promote animal husbandry and dairy development
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions and
- Undertake other development activities

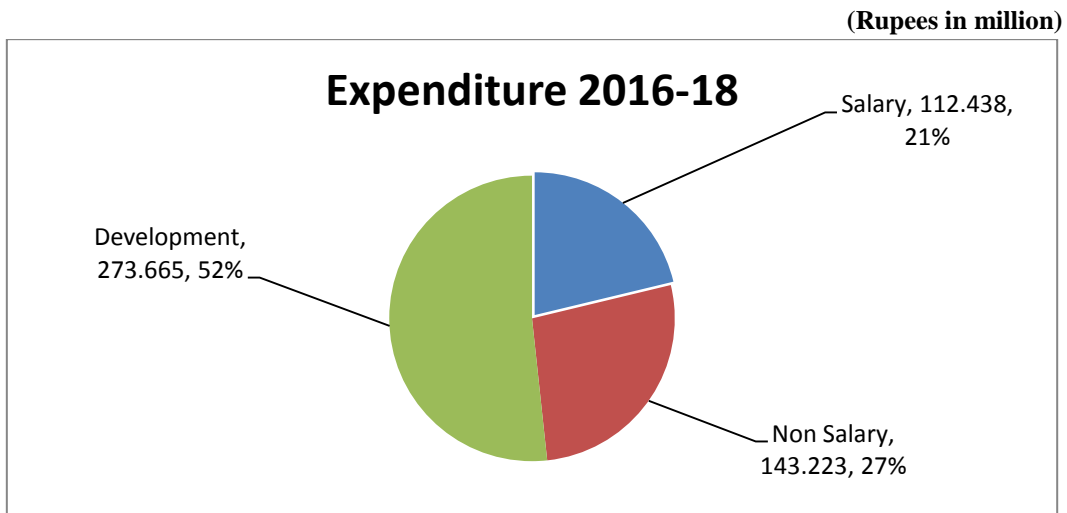
The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

1.1.2 Comments on Budget and Accounts

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

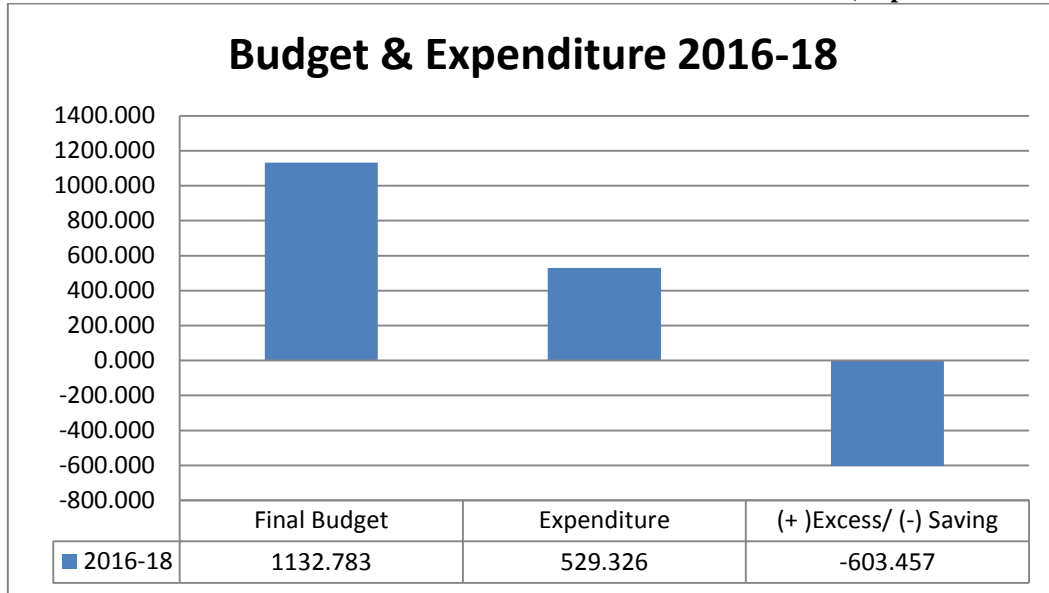
(Rupees in million)

2016-18	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	191.743	112.438	(79.305)	-41.36 %
Non-Salary	491.040	143.223	(347.817)	-70.83 %
Development	450.000	273.665	(176.335)	-39.19 %
Total	1,132.783	529.326	(603.457)	-53.27 %
Receipts	1,118.293	786.501	331.792	30 %



As per Financial Statements of the District Council, Bahawalnagar for the Financial Years 2016-18, total budget (Development & Non-Development) was Rs 1,132.783 million. Against the final budget, total expenditure of Rs 529.326 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 603.457 million came to the notice of Audit. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



1.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Bahawalnagar which was established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

1.2 AUDIT PARAS

1.2.1 Non Production of Record

1.2.1.1 Non production / maintenance of record – Rs 649.416 million

According to Section 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, “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.

Scrutiny of record of District Council Bahawalnagar revealed that the management neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 649.416 million during 2016-18. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	GST invoices record on various schemes and expenditure	364.832
2	Reconciled expenditure statements and receipts statements	0
3	Pension cash book	38.842
4	Supplier invoices of quality proof utilization of bitumen of 80-100 grades.	9.357
5	Arrears of water rate, sewerage tax, recovery from tenants of kachi abadies, rent of shops, professional tax, license fee / tax, building plan fee and receipts in other heads	0
6	Tax on immovable property	236.385
7	Quarters and residences of urban union councils, Services Books of staff, auction and sale proceeds of different articles, arrears from the offices, etc.	0
	Total	649.416

Due to weak internal controls and willful evasion from audit, record was not properly maintained and produced for audit verification.

Non production / maintenance of record created doubts regarding legitimacy of expenditure incurred / revenue realized for Rs 649.416 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR ParaNo. 8, 13, 15, 51, 59, 69, 71 &78]

1.2.2 Irregularities & Non Compliance

1.2.2.1 Unlawful opening of tenders because of incomplete tender committee for the schemes – Rs 361.788 million

According to section (9) of Government of the Punjab Local Government Works Rules, 2017 the tender committee shall comprise of:

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

Scrutiny of record of District Council Bahawalnagar revealed that the management opened tenders of 105 development schemes having administrative approval / technical sanction valuing Rs 361.788 million without complete tender committee in violation of above rule. Members at serial No. 2 and 3 of the tender opening committee were not present at the time of tender opening. Detail is given below.

(Amount in Rupees)

Sr. No	Tender Opening Date	No. of Schemes	Amount
1	26.09.2017	18	131,141,000
2	24.04.2018	87	230,647,000
Total		105	361,788,000

Due to financial indiscipline of the department, tenders were opened by incomplete tender committee.

Opening of tenders by incomplete tender committee indicated non-transparent tendering which resulted in awarding the contracts of Rs 361.788 million to favorite contractors.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends appropriate action against the concerned besides fixing of responsibility, under intimation to Audit.

[AIR Para: 7]

1.2.2.2 Irregular expenditure due to non-compliance of PPRA Rules – Rs 13.510 million

According to Rule 10 of PPRA, Rules 2014, procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 13.510 million on purchase of water boozers, hydraulic trolley, de-watering sets, computer equipment, furniture, stationary and printing items by violating the above rule. Detail specifications were not given in the print and electronic media. Competition on these specifications was also not created / maintained among the suppliers. During purchase, process of prequalification of firms was also not adopted by taking technical proposals and their evaluation. Further purchase was made uneconomically from general order supplier instead of directly from manufacturer. Detail is as follows:

(Amount in rupees)

Sr. No.	Financial Year	Expenditure Head	Total Expenditure
1	2017-18	Purchase of Water boozers, hydraulic trolley and de-watering sets	7.053
2	2017-18	Purchase of Computer equipment, Misc. items. etc.	3.772

Sr. No.	Financial Year	Expenditure Head	Total Expenditure
3	2017-18	Purchase of Furniture	2.229
4	2017-18	Purchase of stationery and printing items	0.456
Total			13.510

Due to financial indiscipline, procurements were made without mentioning specifications and without ensuring compliance of PPRA rules.

Procurements without ensuring compliance of PPRA rules resulted in irregular expenditure of Rs 13.510 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para No. 11, 30, 32, 35 & 72]

1.2.2.3 Irregular expenditure due to splitting of Technical Sanctions – Rs 9.318 million

According to Para 2.77 of PWD code, work cannot be split into groups, if urgency so demands then the sanction of the Chief Engineer is must and the acceptance of tender rest with the authority who is competent to accept the tender of the scheme as a whole in case of each group also. It is further added that two groups of one estimate cannot be allotted to one and the same contractor even if the contractor was lowest in both cases.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 9.318 million on “Construction of Mosque of District Council”, during 2016-18, by splitting the scheme in two parts. Moreover, two parts of the scheme were allotted to the same contractor in violation of above rule.

Due to malafide intention and weak managerial controls, works were splited.

Splitting of works resulted in irregular expenditure of Rs 9.318 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 57]

1.2.2.4 Doubtful expenditure on repair works – Rs 7.210 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.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 7.810 million on “Const. / Repair Mettled Road Nore Wala Band Takht Mall to Qasimak, Arif Wala Road to Kaku Bodala, Minhcinabad road to kot Makhdoom”. As per record entries of measurement book, before removing of sub base course of old road work of earth filling of brims was carried out at the angle of 90 degree without taking any slope (as earth filling was to be done in a box). Work of earth filling was carried out of 2.5’ to 3.5’ height for 7’ to 10’ width. The work of earth filling was not possible without taking slope. Preparation of estimate and then execution of work was carried out in this manner that base course of the road was trimmed out with a blade during the operational time of road in equal size (4” depth and 10’ width). But in day to day observation a road could not be damaged in this manner. Wear and tear of a road is in odd way from different RDs / places. Further work of road edging 9” depth was carried out without removing a single brick and a single inch

of sub base course of old road. Furthermore due to wrong calculation excess payment of Rs 600,000 was made as payment of Rs 7,210,030 was need to make instead of Rs 7,810,030.

(Amount in rupees)

Sr. No.	Name of Sub Work in Scheme	Contractor	M.B No.	Expenditure Amount
1	Cosnt / Repair Mattele Road Kot Makhdoom	Sikandran Enjeering	227 (37-51)	1,788,335
2	Cosnt /Repair Mattele Road Kaku Bodala	Sikandran Enjeering	227 (37-51)	1,781,187
3	Mettled Road Nore Wala Band	Sikandran Enjeering	227 (37-51)	1,837,805
4	Cosnt / Repair Mattele Road Takht Mall To Qasimak	Sikandran Enjeering	227 (37-51)	1,802,703
Total				7,210,030

Due to weak financial management, and weak internal control expenditure was made on construction of road in doubtful manner.

Doubtful expenditure of Rs 7.210 million was incurred on repair of roads which resulted in loss to government.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that investigation should be made by independent committee and recovery be made, under intimation to Audit.

[AIR ParaNo. 22]

1.2.2.5 Irregular payment for purchase of vehicles – Rs 6.678 million

According to Rule 27 (1) of Punjab Local Governments (Accounts) Rules 2017, the DDO, sanctioning authority, head of finance office and accounts officer shall ensure implementation of PPRA Rules 2014 in letter and spirit.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 6.678 million on purchase of vehicles which was subject to following observations:

1. Advance payment of Rs 6.678 million was made to the suppliers without obtaining prior approval from the Finance Department.
2. Advance payment was not adjusted despite lapse of considerable period of time.
3. Delivery challan, inspection reports and other related record was not produced to ensure deductions of income tax and LD charges.

(Rupees in million)

Sr. No.	Particular	Supplier	Cheque No.	Date	Amount
1	Massy Furgosan 385	Millat Tractor Ltd.	133953112	30.06.2017	1.398
2	Toyota Fortuner	Toyota Motors	0805752012	18.02.2017	5.280
Total					6.678

Due to weak internal controls, vehicle was purchased without ensuring compliance of financial discipline.

Non compliance of financial discipline resulted in irregular payment of Rs 6.678 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 11 & 54]

1.2.2.6 Irregular purchase of Generator – Rs 4.474 million

According to Rule 10 of PPRA, Rules 2014, a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of, or a reference to, a brand name or a

catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 4.474 million on purchase of 100 KV generator during 2017-18. Expenditure was held irregular as neither specifications of the generator to be procured were determined nor technical bids were invited and evaluated. Moreover, very costly item was not purchased directly from the manufacturer. Furthermore, prevailing market price of the generator was from Rs 1.460 million to Rs 1.976 million whereas excessive expenditure of Rs 3.014 million was incurred on purchasing the generator from general order supplier.

Due to weak financial controls, PPRA Rules were violated.

Violation of PPRA Rules resulted in irregular expenditure of Rs 4.474 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends for regularization and recovery of excess payment, under intimation to Audit.

[AIR Para No. 12]

1.2.2.7 Doubtful expenditure on repair of machinery and other items – Rs 3.385 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 3.385 million on repair of electric motors and transformers which subject to following observations:

1. Motor of water supply scheme of 174/M became out of order on 16.06.17 and repaired vide bill No. 208 dated 22.06.17. During the repair of motor, repair of transformer was also claimed vide bill No. 209 dated 21.06.17 from the same supplier. Bill Nos. and dates contradicted each other.
2. All machinery could not be burnt as relays were installed alongwith motors.
3. Any document from WAPDA was not on record to ensure that the transformer became out of order.
4. Specifications of parts purchased / repaired were not on record

Due to weak internal control doubtful expenditure was made on repair of machinery.

Expenditure of Rs 3.385 million was made on repair of machinery in doubtful manner.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that investigation should be made by independent committee to reach the factual position, under intimation to Audit.

[AIR Para No. 36]

1.2.2.8 Unjustified expenditure on renovation of rest house – Rs 2.671 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.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 2.671 million on purchase of furniture, curtain clothing and crockery etc for the rest house during 2017-18 which was subject to following observations:

1. All rooms of the rest house were occupied by the officers and staff of District Council BWN without payment of rent charges. Furthermore, electricity charges, house rent allowance and conveyance allowance was not recovered from the occupants. Neither register of guests and allotment record was produced nor any revenue was realised. Consumption of cleanliness items revealed that rest house was in use.
2. Expenditure was incurred on purchase of furniture, curtain clothing and crockery etc. but replaced assets were neither physically available nor relevant stock registers were shown to audit.
3. Purchase of electric gyser and heater was made in violation of government instructions regarding energy saving.

(Amount in rupees)

Item Purchased	Bill No	Date	Supplier	Gross Amount
Sofa sets etc.	4152	15.8.2017	Khursheed Traders	1,990,404
Plants	549	nil	Al Sana Traders	70,400
Crokery	535	04.01.18	al-Sana Traders	43,290
Electricity Items	920	19.1.2018	M/S CH .Builders	48,642
Gyser	nil	4.12.2017	M/S Ch.Builders	99,240
Blankits	4456	nil	Khursheed Tradaers	48,555
Crokery	4490	nil	Khursheed Tradaers	48,906
Cleanliness Items	4484	nil	Khursheed Tradaers	16,565
Pillow and Bed Sheets	4480	nil	Khursheed Tradaers	44,261
Cleanliness Items	4433	17.11.2017	Khursheed Traders	49,187
Almera	424	26.7.2017	Ch. Builders	73,289
Different Items	428	25.7.2017	Ch. Builders	67,156
Crokery	537	11.1.2018	Al-Sana Traders	21,470
Crokery	611	Nil	SalmanTraders	49,982
Total				2,671,347

Due to weak managerial controls, public money was used for personal benefit of staff.

Due to personal use of rest house revenue was not realised despite expenditure of Rs 2.671 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends inquiry alongwith fixing responsibility on the persons at fault, under intimation to Audit.

[AIR Para No. 70]

1.2.2.9 Irregular expenditure on holding of sessions – Rs 2.336 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.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 2.336 million on conducting of sessions (Ijlass) during January 2017 to June 2018 which subject to following observations:

1. Advertisement was not made in print / electronic and PPRA website for hiring of such services, payments were being made to contractors of own choice.
2. Public halls could have been booked on request of the public office without incurring any expenditure. Loss was sustained by paying rent to private marriage halls for holding public meetings.
3. Doubtful expenditure was made as Rs 289 per person were charged for one item of green tea vide bill no.611 dated 19.01.18 of M/s Choudary Builders.

4. A bill vide No. 3840 dated 08.05.2017 of Anjum Taders was drawn twice of Rs 99,500 and 92,750 which also made the expenditure doubtful.
5. Different per head rates of dinner were paid from Rs 350 dated 18.11.17 vide bill no.313 of M/s Waheed & Sons to Rs 815 dated 3.7.17 vide bill no.10 of M/s Al-sana Trader.
6. Agenda of the session, attendance of the participants, minutes of the meeting were not provided to audit.

Detail is given in **Annexure-C/BWN**.

Due to weak managerial control expenditure on sessions were incurred in irregular manner.

Irregular incurrence of expenditure on sessions may result in misuse of fund.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends inquiry and recovery of loss besides fixing responsibility on the person at fault, under intimation to Audit.

[AIR ParaNo. 45]

1.2.2.10 Non accountal into stock – Rs 2.042 million

As per rule Sub rule 15.4 (a) “ All materials received should be examined, counted, measured and weighed ,as the case maybe, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers”.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 2.042 million on purchase of perishable items like phenyl, energy savers, stationery etc. during 2017-18. Items purchased were neither entered in stock register nor was issuance shown to audit. Detail is given in **Annexure-D/BWN**.

Due to weak managerial controls and non-compliance of financial rules and procedures items were not entered into stock register.

Non-compliance of the financial discipline resulted in unjustified expenditure of stated amount.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends fixing responsibility and making the loss good from the concerned persons, under intimation to audit.

[AIR Para No. 67]

1.2.2.11 Unauthorized expenditure on self publicity – Rs 2.026 million

According to Rule 2.10 of Punjab Financial Rules Vol-1, no authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage or Government revenues should not be utilized for the benefit of a particular person.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 2.026 million on advertisement and self publicity (through printing of pana flexes and rent of displaying of flex on hording boards) which were subject to following observations:

1. Pana Flexes showing pictures of officers and politicians were displayed for self publicity and political gains.

2. Neither the flexes were entered in the stock register nor were issued to any one as no reference of stock register was mentioned on the surface of the bill.
3. Expenditure was made on inauguration of Bhiki Power plant in Havelian which was irrelevant to district Bahawalnagar.

Due to weak financial management, and weak internal control expenditure was made on self publicity.

Unauthorized expenditure of Rs 2.026 million was made in doubtful manner.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that investigation should be made by independent committee and recovery be made, under intimation to Audit.

[AIR Para No. 40]

1.2.2.12 Doubtful expenditure on repair of vehicles – Rs 1.415 million

According to Rule 2.10 (a) (1) of Punjab Financial Rules Vol-1, “same vigilance should be exercised in respect of expenditure incurred from government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money”. Further, as per Delegation of Financial Power Rules, more than 50% of book value could not be expended on repair of vehicles.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 1.415 million on the repair of vehicles and Road Roller which was subject to following observations:

1. Expenditure of Rs 445,584 and Rs 509,408 was made on repair of BNC-142 and BNB-9299 without assessing their book value. Further BNB-9299 was still out of order and parked under the shadow of tree synopsis (picture) on record. Furthermore, as per report of DO (R)

Mr. Rao Sajid dated 10.05.18 vehicle BNB-9299 was out of order and condition of vehicle was very poor instead of that said vehicle was completely overhauled before 10 months in the month of August, 2017.

2. Road roller No.2 was on road during the repair period and constructing road “Hadi wala and Kahn Sing Ganga”.
3. In addition to above log books of both vehicles and history sheets of all were not provided / maintained.

(Amount in rupees)

Machinery/ Vehicle	Cheque #	Date	Bill No	Date	Supplier	Gross Amount	Application	Satisfactory Report
Repair Road Roller No.2 ZC BWN	807197999	16-01-2018	12	8.12.2017	BS Construction Company	99,871		Repair Road Roller No.2 ZC BWN
Repair Road Roller No.2 ZC BWN	806904831	23.10.2017	9	23.10.2017	BS Construction Company	359,930	01.08.17	19.10.17
Total						459,801		

Machinery/Vehicle	Cheque #	Date	Bill No	Date	Supplier	Gross Amount	Item
BNB9299	807778080	6.6.2018	5	31.4.2018	Karman Wala	76,640	Pol
BNB9299	807807359	28.6.2018	101	nil	Salman Traders	432,768	Complete Repair
BNC-142	807807359	28.6.2018	112	nil	Salman Traders	445584	
Total						954,992	

Due to weak financial management, and weak internal doubtful expenditure was made on repair of vehicles.

In absence of necessary record doubtful expenditure of Rs 1.415 million was made on repair of vehicles.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that investigation should be made by independent committee and recovery be made, under intimation to Audit

[AIR Para No. 6]

1.2.2.13 Doubtful expenditure on POL – Rs 1.267 million

According to Para 20 of West Pakistan Staff Vehicles (Use & Maintenance) Rules, 1969, Log Book, History Sheet and Petrol Account Register shall be maintained for each Govt. owned vehicle.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 1.267 million on POL of under mentioned vehicles without maintaining log books. Log books of these vehicles were not provided despite repeated verbal and written requests by audit.

(Amount in rupees)

Vehicle	Cheque #	Date	Bill No	Date	Supplier	Gross Amount
BNB9299	807778080	6.6.2018	5	31.4.2018	Karman Wala	76,640
BNB9299	703427617	10.4.2018	nil	nil	Karman Wala Pump	109,448
BNB9299	807025813	10.11.2017	999	30.6.2017	Kashmir Petroleum	203,091
BNC-142	805752029	23.3.2017	149	31.01.2017	Kashmir Petroleum	24,237
BNC-142	805752029	23.3.2017	204	28.2.2017	Kashmir Petroleum	30,302
BNC-142	807340368	1.2.2018	214	30.11.2017	Afzal Petroleum Service	62,187
BNC-142	807464604	20.4.2018	220	31.1.2018	Afzal Petroleum Service	39,908
BNC-142	807025812	10.11.2017	1002	30.6.2017	Kashmir Petroleum	184,752
BNC-142	807807378	30.6.2018	256	30.4.2018	Afzal Petroleum	28,154
BNC-142	807464666	19.03.18	225	28.02.18	Afzal Petroleum	57,107
BNC-142	807778005	29.5.2018	242	31.3.2018	Afzal Petroleum	62,280
BNB9299	807025813	10.11.2017	999	30.6.2017	Kashmir Petroleum	203,091
BNC-142	-	-		April, May, June 2017	Kashmir Petroleum Service	186,170
Total						1,267,367

Due to weak financial management and weak internal control funds were misused.

Without maintaining of log books of vehicles expenditure was doubtful on pol of Rs 1.267 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that vehicle should be returned from the concerned department, under intimation to Audit.

[AIR Para No. 27]

1.2.2.14 Unauthorized expenditure on contingent paid staff – Rs 1.109 million

According to the Austerity Measures for the years 2016-17, issued by the Finance Department, Government of the Punjab, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

Scrutiny of record of District Council Bahawalnagar revealed that the management appointed contingent paid staff by incurring expenditure of Rs 1.109 million on their wages during 2016-17 without obtaining prior approval from the Finance Department, Government of the Punjab and the Austerity Committee, in violation of above rule.

(Amount in rupees)

Month	No. of Employees		Amount		Total
	Mandi Sadiq Gunj	Faqir Wali	Mandi Sadiq Gunj	Faqir Wali	
Mar-17	13	2	123,500	0	123,500
Apr-17	13	2	162,500	0	162,500
May-17	13	2	169,000	0	169,000
Jun-17	13	2	45,500	0	45,500
January 2017 to July 2017/1/2017	9	2	0	208,000	208,000
08.06.17 to 04.09.17/1/2017	9	2	400,500	0	400,500
Total			901,000	208,000	1,109,000

Due to non-compliance of instructions of the government and violation of financial discipline appointment of contingent paid staff was made.

Appointment of contingent paid staff without prior approval of the competent authority resulted in unauthorized expenditure of Rs 1.109 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that the expenditure be got regularized from the competent authority, under intimation to Audit.

[AIR ParaNo. 5]

1.2.2.15 Irregular payment for execution of earth work – Rs 1.069 million

According to Chief Engineer Punjab North High Way Department, Lahore letter No. 11.PST/77/1890/1940/P(2) dated 19/11/1984, “that no payment should be made to any contractor on account of earth work unless and until the Natural Surface Levels (NSLs) are recorded in the measurement book duly checked and signed by the Sub-Engineer / Sub-Divisional Officer and Contractor”.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 2.769 million on construction of matted road “Lumbran wali Jhal to Bheni Moharan Tehsil Minchinabad” which was held doubtful, as excavation of culvert was made upto 3 feet out of which construction of bed and wall (pacca Brick work) was made 2.5 feet. So level of culvert remained 0.5 foot below the surface of earth. Then expenditure on earth filling was not justified as there was no need of earth filling. (Quantity of earth filling 79828 cft x Rate 8513.45/1000)= Rs 1.069 million.

Due to weak financial management and weak internal control doubtful expenditure was made on earth filling.

Doubtful expenditure of Rs 1.069 million was made on earth filling which resulted in loss to government.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that investigation should be made by independent committee and recovery be made, under intimation to Audit.

[AIR Para No. 26]

1.2.3 Performance

1.2.3.1 Non achievement of targets – Rs 61.096 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management did not achieve the targets of revenue under various heads amounting to Rs 61.096 million against allotted budget of Rs 643.639 million.

Due to inefficiency of the staff targets of receipts were not achieved.

Above action of the management resulted in loss to Govt. due to non-achievement of targets.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends action against responsible besides recovery of said amount from the concerned, under intimation to Audit.

[AIR Para No. 25]

1.2.4 Internal Control Weaknesses

1.2.4.1 Non transfer of property to DC – Rs 94.959 million

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

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

Chief Officer District Council approved three (03) land sub divisions/ Housing Schemes during 2016-18 but area of roads, parks, open space, solid waste management and public buildings valuing Rs 71.241 million was not got transferred in the name of DC. Detail is given below:

(Amount in rupees)

Sr. #	Name of Housing Scheme/Land Sub Division	Register/ Un Registered	Total Area	Total Marley	Rate per Marla	Total Commercial Area	Total Open Area	Land to be Transferred	Transfer Land Area	Amount
	Tehsil Bahawalnagar							0		-
1	Sardar City Mousa Bhota Arif Wala Road	ZC BWN	98	1960	40131	4.17	6	166.8	0	6,693,851
2	Al Razaq Cana Islam Pura	ZC BWN	22	440	66459	0	0	45.2	0	3,003,947
3	Satluj City Rab Nawaz Pura	ZC BWN	464	9280	81796	23	32.5	752.4	0	61,543,310
Total				11680				964.4		71,241,108

Due to weak internal controls, property was not transferred to District Council.

Non transfer of property in the name of District Council resulted in loss of Rs 71.241 million to District Council fund.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends for transferring of land in the name of District Council besides initiating action against the person (s) at fault besides transfer of property in the name of DC, under intimation to Audit.

[AIR Para No. 63]

1.2.4.2 Loss due to realization of rent at less than prevailing market rates – Rs 58.879 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management realized rent of shops/ plots at abnormally low rates located in different markets than the prevailing market rates. The incharge of Mandi Sadiq Ganj UC stated about abnormally low rent of shops than the prevailing market rates. Moreover lease agreements of these shops were not got re-newed and rents were not re-fixed keeping in view current market situations in violation of property rules. Due to abnormal delay in re-fixing of rent resulted in loss of Rs 58.879 million during 2016-18. Detail is as below:

(Amount in rupees)

Sr. No.	Description	No. of Shops / Plots	District Council Rent	Market Rent	Difference	Months	Recoverable Amount	Amount on the Basis current Rent	Amount on the Basis of Market Rate
1	Big Shops	22	2,911	6,000	3,089	18	1,223,244		
2	Small Shops	10	1,742	3,000	1,258	18	226,440		
3	Commercial Plots	164	50 pesa per square foot	Rs 25 rupee per square foot	24.50	18	15,038,214	639924	15,678,138
4	Residence plots	594	7 Rupee per Marla	Rs 100 per Marla	93	18	42,391,024	460,772	42,851,796
							58,878,922		

Due to weak internal controls, lease rent was not re-fixed and rent was realized at less than prevailing market rates.

Realization of rent at less than prevailing market rates resulted loss of Rs 58.879 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery and renewal of lease agreement besides fixation responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 14]

1.2.4.3 Non-recovery of water rates – Rs 23.378 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management did not get recover Rs 23.378 million on account of water rates during financial year January 2017 to June 2018. The detail is as under:

(Amount in Rupees)				
Sub Office	Description	Demand	Recovery	Balance
Urban Union Council Dahranwala				
	01.01.2017 to 30.06.17	-	-	-
	Water Rate	991,800	273,700	718,100
	01.07.2017 to 30.06.18			-
	Water Rate	1,814,400	1,255,000	559,400
Urban Union Council Mandi Sadiq Gunj				
	01.01.2017 to 30.06.17	-	-	-
	Water Rate	1,992,900	160,400	1,832,500
	Water Rate Arrear	4,551,501	532,150	4,019,351
	01.07.2017 to 30.06.18			-
	Fee for approval of Building / Construction Plan	100,000	43,987	56,013
	Conversion fee for Change in Building/Land use	350,000	203,876	146,124
	Water Rate	2,430,000	898,220	1,531,780
	Water Rate Arrear	4,551,501	736,070	3,815,431
Urban Union Council Fair Wali				
		-	-	-

Sub Office	Description	Demand	Recovery	Balance
	01.01.2017 to 30.06.17			-
	Water Rate	3,224,100	629,324	2,594,776
	Water Rate Arrear	1,600,000	438,890	1,161,110
	01.07.2017 to 30.06.18			-
	Water Rate	6,594,721	3,050,804	3,543,917
	Water Rate Arrear	3,655,886	256,445	3,399,441
				23,377,943

Due to weak financial management, less recovery was made.

Less recovery on account of water rates resulted in loss of Rs 23.378 million to District Council.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of Rs 23.378 million on account of water rates, under intimation to Audit.

[AIR Para No. 19]

1.2.4.4 Non imposing of penalty for late completion of development works – Rs 17.722 million

According to direction “7” of the General Directions for Guidance of the tenderers, “The tenderer shall, at his own expense, inspect and examine the site and surroundings and obtain for himself, on his own responsibility, all information that may be necessary for preparing tender. The tenderer shall also satisfy himself before submitting his tender as to the nature of grounds, hydrological and climatic conditions, the form and nature of the site, nature and lay out of the terrain, availability of labour, water, electric power and transporting facilities in the area.

Scrutiny of record of District Council Bahawalnagar revealed that the management awarded different works with prescribed time limits but the works were not completed within stipulated time and undue favor to the contractors was extended by not imposing penalty for abnormal delay in completion of work

resulting in loss of Rs 17.722 million. Various works were delayed without taking time extension. In absence of time limit extensions it was apprehended that contractors were doing works at their own choice without any monitoring and check & balance system. Moreover lab test reports were received after the date of completion.

Due to weak management penalty was not imposed on the contractors for late completion of works.

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

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned for abnormal delay and fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 31]

1.2.4.5 Loss due to non-recovery of fees from private housing schemes – Rs 12.185 million

According to Rule 8 (7) of the Punjab Private Site Development Schemes (Regulations) Rules 2005 and Chapter IV Section 20 (1) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, No scheme shall be advertised or publicized in any forum, media or press nor plots or houses shall be offered for sale in any scheme prior to its sanction.

Scrutiny of record of District Council Bahawalnagar revealed that the management did not recover prescribed fee to Rs 12.185 million during January, 2017 to June 2018 from the management of land sub divisions and housing schemes. Detail is as below:

(Amount in rupees)

Sr. #	Name of Housing Scheme/Land Sub Division	Register/Un Registered	Total Area	Total Marley	Rate per Marla	Total Fee	Received	Less Received
1	Allama Iqbal town Chak 170M	Under Process	37.3	743	10000	113,300	1,000	112,300
2	M.Iqbal City 17/G Qazi Wala Road	Under Process	80	1600	25000	481,000	1,000	480,000
3	Iman City Chak 169/M	Illegal	38	760	0	1,000	-	
Tehsil Bahawalnagar								
8	Sardar City Mousa Bhota Arif Wala Road	ZC BWN	98	1960	40131	983,567	498,000	485,567
1	Al Razaq Cana Islam Pura	ZC BWN	22	440	66459	315,419	-	315,419
2	Satluj City Rab Nawaz Pura	ZC BWN	464	9280	81796	8,059,668	5,000	8,054,668
3	Palm Avenue	Illegal	240	4800	30000	1,685,000	-	1,685,000
Minchinabad								
1	Moon City Mandi Sadiq Gunj	Under Process	96	1920	22400	527,000	1,000	526,000
2	Green Land City	Illegal	61	1220	38000	525,600	-	525,600
Total								12,184,554

Due to weak internal controls, various fees were less/ not recovered from the owners of housing schemes/ land sub divisions.

Non recovery of prescribed fees resulted in loss of Rs 12.185million

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of Rs 12.185 million from the concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 62]

1.2.4.6 Non-collection of cost of land & development charges from dwelling units of katchi abadies – Rs 6.645 million

According to Board of Revenue letter No. DG(KA)BOR/8-200/2012 dated 22.11.2012, the grace period for imposition of penalty of delay in payments will be upto 30.06.2013. Thereafter, current valuation table rates will be charged. Further, According to Rule 47(1) of PLG (Budget) Rules, 2017 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund and entered in proper receipt head.

Scrutiny of record of District Council Bahawalnagar revealed that the management did not recover an amount of Rs 6.645 million on account of cost of land and development charges from the dwelling units of seven (7) Kachi Abadies of urban union council Faqir Wali.

Due to weak internal controls, outstanding dues of kachi abadies were not recovered.

Non recovery of cost of land and development charges resulted in loss of Rs 6.645 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of Rs 6.645 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 9]

1.2.4.7 Non-recovery of permit / license fee – Rs 5.124 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management did not recover license / permit fee of Rs 5.124 million during 2017-18. Management did not make due efforts to recover the fee / taxes from various businesses. Detail is given in **Annexure-E/BWN**.

Due to weak financial management, license fee was not recovered.

Non recovery of license fee resulted in loss to the District Council of Rs 5.124 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery amounting to Rs 5.124 million besides fixing responsibility against the persons at fault, under intimation to Audit.

[AIR Para No. 20]

1.2.4.8 Loss due to non-recovery of rent of shops / plots – Rs 5.122 million

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

Scrutiny of record of District Council Bahawalnagar revealed that the management failed to recover rent of shops/ plots amounting to Rs 5.122 million during 2017-18 from tenants / lessees. **Annexure-F/BWN.**

Due to poor efficiency of the collection staff recovery on account of rent of shops / plots were not made.

Non recovery of rent of shops / plots resulted in loss of Rs 5.122 million to District Council fund.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of Rs 5.122 million from the concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 17]

1.2.4.9 Unjustified dismantling of meeting hall – Rs 5.000 million

According to Rule 2.10 of Punjab Financial Rules Vol-1, no authority should exercise its powers of sanctioning expenditure to pass an order which will

be directly or indirectly to its own advantage and Government revenues should not be utilized for the benefit of a particular person.

Scrutiny of record of District Council Bahawalnagar revealed that the management dismantled meeting hall without any documentary evidence of declaring it dangerous from building department. Detail of furniture and fixture installed in hall was also not provided.

Due to weak internal control the building of meeting hall was dismantled without taking NOC from Building Department.

Dismantling of meeting hall without getting NOC from Building Department resulted into loss to Government.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that matter should be investigated at appropriate level besides fixing responsibility at the person at fault, under intimation to Audit.

[AIR Para No. 47]

1.2.4.10 Non collection of pension contribution from employees – Rs 3.710 million

According to Rule 68 of Government of the Punjab, District Authorities (Budget) Rules, 2017, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

Scrutiny of record of District Council Bahawalnagar revealed that the management did not collect pension contribution of Rs 3.710 million from twenty (36) employees working in the union councils and various other departments.

Due to weak financial management and weak internal control collection of pension contribution was not made from employees.

Non recovery of pension contribution resulted in less collection Rs. 3.710 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of Rs 3.710 million on account of P.C, under intimation to Audit.

[AIR Para No. 1 & 55]

1.2.4.11 Unjustified expenditure on national days / events – Rs 3.218 million

According to Rule 2.10 of Punjab Financial Rules Vol-1, no authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage and Government revenues should not be utilized for the benefit of a particular person.

Scrutiny of record of District Council Bahawalnagar revealed that the management incurred expenditure of Rs 3.218 million on celebrating of different events by purchasing irrelevant refreshment items, high charges renting and hiring of different items more than the cost of these items. **Annexure-G/BWN.**

1. Huge expenditure was incurred on rent of tentage, CCTV Cameras, Catering, lighting and bill boards instead of purchasing those items of recurring use.
2. Rent paid was almost equal to the price of those items.
3. Rent of lighting was paid in lump sum without any detail of items acquired on each occasion.
4. Expenditure on meals, sweets and other refreshment items was made in violation of austerity measures and without maintaining consumption record.

Due to weak internal control doubtful expenditure was made on celebration of different eves.

Above action of the management resulted in doubtful expenditure of Rs 3.218 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends that recovery of stated amount from the concerned be affected and deposited into account besides taking disciplinary action against the persons held responsible, under intimation to Audit.

[AIR Para No. 52]

1.2.4.12 Non deduction of PST on services and repair of different items – Rs 1.548 million

According to Finance Act, 2012 a Provincial Sales Tax (PST) on services was imposed by the Government. According to letter No. PRA/WH/DAO-127 dated 18-11-2015 issued by the Punjab Revenue Authority Multan, the withholding agents were liable to ensure that sales tax on services @ 16% is deducted and deposited before making any payment.

Scrutiny of record of District Council Bahawalnagar revealed that the management did not deduct Provincial Sales Tax (PST) of Rs 1.548 million on services and repair of different items for the year 2017-18.

Due to weak internal control PST was not deducted on services and repair heads.

Non deduction of PST on repair resulted into over payment of Rs 1.548 million

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of PST, fixing responsibility and action against the concerned, under intimation to Audit.

[AIR Para No. 73]

1.2.4.13 Overpayment due to non deduction of shrinkage – Rs 1.452 million

According to the direction in chapter 3 of MRS “Earthwork (Excavation and Embankment)” for Earth Work (Excavation & Embankment at Serial No. 2(b), deduction for settlement from the bank measurement when the earth work is done by machines, deduction of shrinkage between 3% to 6% should be agreed to with the contractor.

Scrutiny of record of District Council Bahawalnagar revealed that the management allowed the payment of earthwork without deduction of shrinkage @ 6% for Rs 1.452 million in various works of construction of metalled roads/sollings during 2016-18. It is pertinent to mention that in some schemes shrinkage was deducted from the earthwork but in following schemes shrinkage was not deducted that was quite un-understandable. Detail is given below:

Due weak internal control shrinkage was not deducted from the payments made to contractors.

Non deduction of shrinkage and excess payments resulted in loss to the Government.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of overpaid amount besides appropriate action against the person(s) at fault, under intimation to Audit.

[AIR Para No. 48]

1.2.4.14 Overpayment due to non-utilization of packed bitumen – Rs 1.187 million

According to Sr. No. 8 of Chapter 18 (Roads and road Structure) of Rate Analysis issued by the Punjab Finance Department Lahore, packed bitumen has to be utilized in surface treatment of roads. Further, “Bitumen (80-100) grade will be arranged from National Refinery Karachi and documentary proof is to be provided to District Officer Roads, for release of payment against the work done”.

Scrutiny of record of District Council Bahawalnagar revealed that the management overpaid Rs 1.187 million to contractors on account of bitumen during 2017-18. Neither the documentary proof of (80-100) grade packed bitumen in shape of supply order, gate pass etc. was provided nor reduced the rate up to the rate of bulk bitumen.

Due to weak internal controls rate of packed bitumen was charged without providing any proof.

Utilization of non-specified bitumen resulted in overpayment of Rs 1.187 million to the contractors.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends fixing of responsibility besides recovery of Rs 1.187 intimation to Audit.

[AIR Para No. 53]

CHAPTER 2

2.1 District Council, Bahawalpur

2.1.1 Introduction

District Council, Bahawalpur was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Bahawalpur is a body 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.

The functions of District Council, Bahawalpur as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans
- Review the performance of all offices working for the District Council
- Review the performance report presented by the Chairman
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws
- Prevention and removal of encroachment on public ways, streets and properties
- Prevention of nuisance in public ways, streets and properties
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule
- Regulation or prohibition of the excavation of earth, sand, stones or other material
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals
- Celebration of public festivals

- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities
- Promotion of sports including sports for persons with disabilities. Provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water
- Construction of culverts, bridges and public buildings
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions and
- Undertake other development activities

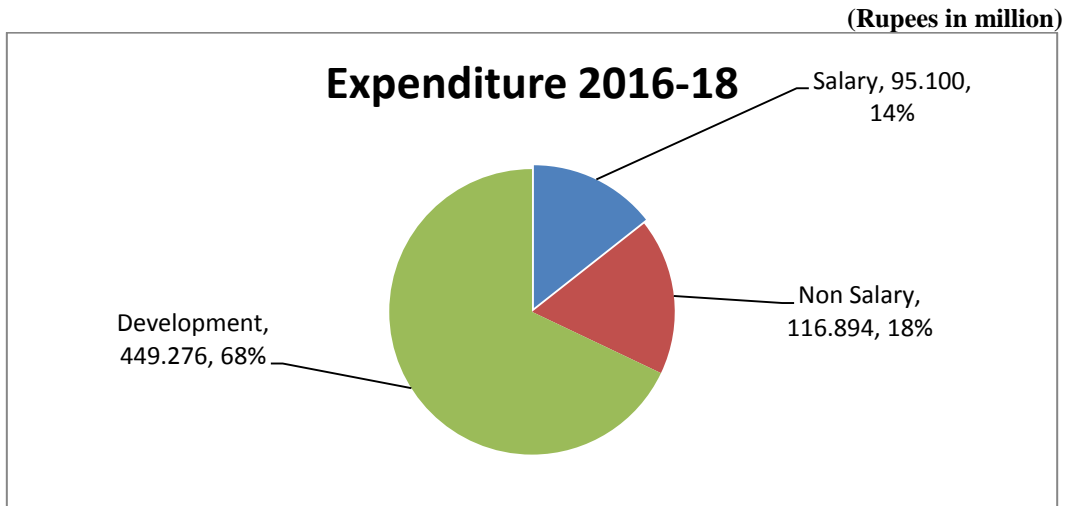
The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

2.1.2 Comments on Budget and Accounts

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

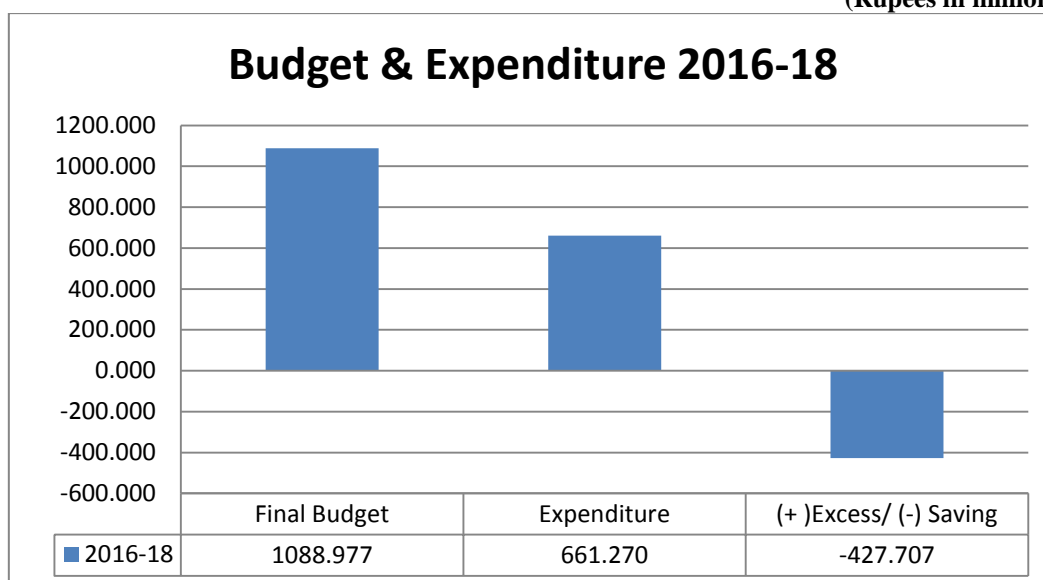
(Rupees in million)

2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	278.392	95.100	-183.292	-65.84%
Non-Salary	196.495	116.894	-79.601	-40.51%
Development	614.090	449.276	-164.814	-26.84%
Total Expenditure	1088.977	661.270	-427.707	-39.28%
Receipts	284.840	317.598	32.758	11.50%



As per Appropriation Accounts 2016-18 of the District Council, Bahawalnagar, total budget (Development & Non-Development) was Rs 1088.977 million. Against the final budget, total expenditure of Rs 661.270 million was incurred by the District Council during January, 2017 to June, 2018. A lapse/ saving of Rs 427.707 million came to the notice of Audit. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



2.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Bahawalpur established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

2.2 AUDIT PARAS

2.2.1 Non Production of Record

2.2.1.1 Non maintenance / production of record – Rs 139.165 million

According to Section 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.

Scrutiny of record of District Council Bahawalpur revealed that the management neither maintained nor produced record despite repeated requests amounting to Rs 139.165 million during 2016-18. Detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Non maintenance of cash book for development works	97.674
	Back up record of tax on immoveable property	41.491
2	Stock registers, record of auction & collection rights of receipts, classified receipt register, list of record transferred from TMA BWP (Sadar) and all other TMAs, register of moveable and immoveable properties, log books etc.	-
Total		139.165

Due to weak internal controls and willful evasion from audit, record was not properly maintained and produced for audit verification.

Non maintenance / production of record created doubts regarding legitimacy of expenditure incurred / revenue realized for Rs 139.165 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 02, 06 & 44]

2.2.2 Irregularities & Non Compliance

2.2.2.1 Opening of tenders by incomplete tender opening committee – Rs 605.455 million

According to section (9) of Government of the Punjab Local Government Works Rules, 2017 the tender committee should be comprised of:

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

Scrutiny of record of District Council Bahawalpur revealed that tenders of 767 schemes valuing Rs 605.455 million were opened with incomplete tender opening committee during 2016-18. Tender registers of various dates showed that the tenders were opened only by DO (I&S) and no other member participated in the process, in violation of above rule. Detail is given below:

(Rupee in million)			
Sr. No.	Date of tender	No. of development schemes	Amount of schemes
1	24.04.17	176	128.101
2	13.06.17	46	21.92
3	12.09.17	293	290.075
4	21.04.18	189	104.000
5	07.05.18	63	61.359
Total		767	605.455

Due to financial indiscipline, tenders were opened by incomplete tender opening committee.

Opening of tenders by incomplete tender opening committee resulted in violation of government rules as well as irregular opening and allotment of the schemes / works.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 18]

2.2.2.2 Irregular issuance of work orders and expenditure thereof – Rs 14.947 million

According to Rule 6 of PLG Works Rules 2017, comparative statement will be signed by the whole committee.

Scrutiny of record of District Council Bahawalpur revealed that comparative statement was not signed by the convener i.e. Chief Officer and work orders for the schemes / works costing Rs 14.947 million were issued to the contractors during 2016-17. Detail is given below:

(Amount in rupees)

Description	W/Order	% below	TS	Agreement cost	1st R/B
Rehabilitation & Construction of Metalled Road from Khanqah Sharif 13000 road Adda Rasheed Abad to Pull Maharan Tehsil bahawalpur	5/6/2017	16.66	12,674,000	10,555,610	15.06.17
Rehabilitation & Construction of Metalled Road from Pakka to Pull Maharan Tehsil bahawalpur	5/6/2017	16.66	5,269,000	4,391,185	15.06.17
Total			17,943,000	14,946,795	

Due to weak internal controls, work orders were issued without approval of convener of tender opening committee.

Issuance of work orders without signatures of convener on comparative statement resulted in irregular execution of schemes.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends regularization of the expenditure from the competent authority besides appropriate actions against the person(s) at fault, under intimation to Audit.

[AIR Para No. 35]

2.2.2.3 Loss due to non-imposition of penalty for late completion of works – Rs 7.157 million

According to clause 2 of tender form, the contractor shall pay as compensation an amount equal to one percent of the amount of contract, subject to maximum of 10% of the estimated cost of work.

Scrutiny of record of District Council Bahawalpur revealed that DO (I&S) awarded different works with prescribed time limits but the works were not completed within stipulated time and undue favor to the contractors was extended by not imposing penalty for abnormal delay in completion of works in violation of above rule resulting in loss of Rs 7.157 million. Works were delayed without taking time extensions from the competent authorities. **Annexure-H/BWP**.

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

Non imposing of penalty for late completion of works resulted in loss of Rs 7.157 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 32]

2.2.2.4 Irregular expenditure on purchase of vehicle – Rs 5.281 million

According to Government of the Punjab, Finance Department's letter No. FD (FR)VI-9/2000(P) dated 14.05.2005, the concerned DDO shall be responsible for rendering vouched accounts, in the prescribed manner, in respect of the entire expenditure, including the expenditure against the amounts drawn in advance, duly certified by the Coordination committee, for the purpose of final adjustment by the Accountant General Punjab, DAOs Concerned and the DDO shall also maintained complete record, as prescribed, and retain the vouched accounts for audit scrutiny.

Scrutiny of record of District Council Bahawalpur revealed that the management made payment of Rs 5.281 million for purchase of vehicle "Toyota Fortuner" during 2016-17 which was subject to following observations:

1. Funds of Rs 5.100 million for purchase of vehicle were received on 07.02.2017 whereas advance payment of Rs 5.281 million was made to the supplier on 24.02.2017 without obtaining prior approval from the Finance Department. Moreover, payment of Rs 181,000 was made in excess of budget / funds provided.
2. Advance payment was not adjusted despite lapse of considerable period of time.

Detail is given below:

(Rupees in million)

Vr. No. & Date	Cheque date	Quotation date	Contractor	Qty. & Type of Vehicle	Total
25/21.02.17	24.02.17	20.02.17	Toyota Sahiwal Motors	Toyota Fortner (2700)	5.281

Due to weak internal controls, vehicle was purchased without ensuring compliance of financial discipline.

Non compliance of financial discipline resulted in irregular payment of Rs 5.281 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No.15&24]

2.2.2.5 Irregular purchases without observing PPRA rules – Rs 4.732 million

According to Rule 9 and 12(1) of the Punjab Procurement Rules 2014, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time”. Furthermore, according to rule 59(c) of PPRA rules 2014, a procuring agency may involve in direct contracting if, the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier when the same are not available from alternative sources (ii) only one manufacturer or supplier exists for the required procurement but in such a case, the procuring agency shall specify the appropriate which may authorize procurement of proprietary object after due diligence.

Scrutiny of record of District Council Bahawalpur revealed that expenditure of Rs 4.732 million was incurred during 2016-18 without consolidating annual demand and various items were purchased by splitting the indents violating PPRA rules. Moreover, purchases were made through direct

contracting without open competition despite the fact that similar items could have been purchased from other suppliers as well.

Due to financial indiscipline, PPRA rules were not observed.

Non-observance of PPRA rules resulted in irregular expenditure of Rs 4.732 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 43]

2.2.2.6 Unauthorized payment of Secured Advance in violation of Works Rules – Rs 4.365 million

According to Rule 18(12) of PLG Works Rules, 2017 no advance payments paid to the contractor shall be made by a local Government.

Scrutiny of record of District Council Bahawalpur revealed that DO (I&S) made advance payments of Rs 4.365 million to various contractors in violation of above rule and terms of work orders issued to the contractors. Detail is given below:

(Amount in Rupees)					
Sr. No.	Works	Work order date	Base course	MB/pages	1st r/b
1	Rehabilitation & Construction of Metalled Road from Khanqah Sharif 13000 road Adda Rasheed Abad to Pull Maharan Tehsil Bahawalpur	5/6/2017	370,110	18/1-3	15.06.17
2	Rehabilitation & Construction of Metalled Road from Pakka to Pull Maharan Tehsil Bahawalpur	5/6/2017	318,942	204/1-2	15.06.17
3	Construction of Metalled Road from PanjooWala Khoo to RD-13000 road Tehsil Bahawalpur(No MB produced)	13.05.17	1,617,674	17/1-5	15.06.17
4	Construction of Metalled Road from Metalled	20-09-17	1,386,000	411/5	26.06.18

Sr. No.	Works	Work order date	Base course	MB/pages	1st r/b
	Road to Tube Well Ch. Munir				
5	Construction of Metalled Road from Pakka Bara Road to Mari Sheikh Shajra	20-09-17	672,000		
Total			4,364,726		

Due to weak financial controls, secured advance was paid to the contractors.

Payment of secured advance resulted in irregular payment of Rs 4.365 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 26]

2.2.2.7 Unauthorized excess payment of quantities than provided in technically sanctioned estimate - Rs 1.770 million

According to PLG Works Rules, 2017 the work may be executed strictly according to the scope and provision of the technically sanctioned estimates.

Scrutiny of record of District Council Bahawalpur revealed that DO (I&S) made excess payment of Rs 1.770 million during 2016-18 as quantities of various items were paid in excess of TS estimates in violation of above rule. Detail is given below:

(Amount in rupees)

Sr. No.	Name of work	Revised TS date	Item description	Qty in TS	Qty paid	Excess qty	Rate as per TS	Amount	Date of passed bill
1	Construction of Metalled Road from Pakka Bara Road to Mari Sheikh Shajra	23.05.18	E/work in o/soil upto 1/2 mile	0	158349	158349	6526.2	1,033,417	28.04.18
			P/L sub base course	8606	11700	3094	10646.9	32,942	
2	Construction of Metalled road BastiNaeem Khan to Abbas Petroleum Service	26.04.18	E/work in o/soil upto 100 rft	303108	400539	97431	5060.75	493,074	13.02.18
3	Construction of Metalled road Oudi	26.04.18	P/L road edging	9368	10800	1432	29.7	42,530	02.02.18

Sr. No.	Name of work	Revised TS date	Item description	Qty in TS	Qty paid	Excess qty	Rate as per TS	Amount	Date of passed bill
	road to BastiWagi		P/L base course	15760	17160	1400	12000	168,000	
Total								1,769,963	

Due to weak administrative controls and financial mismanagement, quantities of items were paid in excess of TS estimates.

Payment on the basis of excess quantities than the quantities of TS estimates resulted in excess payment of Rs 1.770 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends to inquire the matter at appropriate level besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 34]

2.2.3 Performance

2.2.3.1 Loss due to non / less achievement of targets of receipts – Rs 18.678 million

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

Scrutiny of record of District Council Bahawalpur revealed that collection staff failed to achieve the targets of receipts under various heads. Record showed that receipts of Rs 18.678 million (78%) of targets remained unrealized during 2017-18. Detail is given below:

(Amount in rupees)

Sr. No.	Receipt heads	Revised target	Actual collection	Balance 30.06.18	%age
1	License permit fee	4,000,000	3,836,750	880,763	22%
2	Sale of sullage/waste water	300,000	-	300,000	100%
3	Fee for fair, agricultural shows	50,000	-	50,000	100%
4	Fine for encroachment	50,000	-	50,000	100%
5	Fine for building violators	50,000	-	50,000	100%
6	Enforcement	50,000	-	50,000	100%
7	Advertisement fee on sign billboards of shops/hoardings	5,000,000	1,932,559	3,635,335	73%
8	Machinery charges	400,000	-	400,000	100%
9	Copying fee	100,000	-	100,000	100%
10	Share from Defunct TMA	12,400,000	-	12,400,000	100%
11	Boating	1,500,000	738,037	761,963	51%
Total		23,900,000	6,507,346	18,678,061	78%

***Source: Annual Accounts 30.06.2018**

Due to weak administrative controls, receipts were not / less realized.

Non / less realization of receipts resulted in loss of Rs 18.6786 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of receipts besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 04]

2.2.4 Internal Control Weaknesses

2.2.4.1 Non-maintenance of separate books of accounts and classified accounts of expenditure – Rs 661.270 million

According to Rule 8 (B&C) of PLG (Budget) Rules, 2017 each DDO shall incur expenditure strictly against the budgetary allocations under the relevant object code and in accordance with the rules and keep in safe custody the departmental expenditure record and maintain the budget control register. Furthermore, according to Rule 37 of PLG Budget Rules 2017 vide Para 37(2)(a) (d), that DDO shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and each DDO shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

Scrutiny of record of District Council Bahawalpur revealed that DDOs working under control of Chief Officer (CO) incurred expenditure of Rs 661.270 million during 2016-18 but separate books of accounts were not maintained. Separate DDO wise budget was prepared and got approved but separate books of accounts i.e. cash book, contingent register, budget control register etc. were not maintained by each DDO. Expenditure statement was not prepared DDO wise instead whole expenditure was clubbed in one statement. There were no separate bank accounts of each DDOs and all payments were drawn from one general bank account being operated by the Chief Officer.

Due to weak financial controls, separate books of accounts were not maintained by the DDOs.

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

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends maintenance of separate books of accounts besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.01]

2.2.4.2 Loss due to non recovery of different fees on construction of Solar Park and Sugar Mill – Rs 266.401 million

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

Scrutiny of record of District Council Bahawalpur revealed that Quaid-e-Azam Solar Park and Ittefaq Sugar Mill was constructed without getting approval from the District Council. The management of Solar Park and sugar mill did not pay different fees of District Councils resulting in loss of Rs 266.401 million. Detail is given below:

(Rupees in million)

Description	Total Area sft	Map Fee	Conversion Fee	Total Fee
Quaid-e-Azam Solar Park	2178000	217.800	0.975	218.775

Name & Address	Nature of Building	Total Area	Rate of Building fee @ Rs 10 p/sft total area	Building Fee	Conversion fee @5%	Rate	Total Fee
Ittefaq Sugar Mills Channi Goth Tehsil Ahmedpur East	Industry	4192423 sft	10	41,924,230	5,702,030	1,187,923	47.626

Due to weak administrative controls, different fees were not recovered on construction of solar park and sugar mill.

Non recovery of different fees resulted in loss of Rs 266.401 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No.07 & 21]

2.2.4.3 Non transfer of property in the name of District Council and non execution of mortgage deed – Rs 159.984 million

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

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

Scrutiny of record of District Council Bahawalpur revealed that Chief Officer approved two (02) land sub division schemes during 2016-18 but area of roads, parks, open space, solid waste management and public buildings valuing Rs 132.968 million was not got transferred in the name of DC. Moreover, mortgage deed was also not executed equal to 20% of saleable area valuing Rs 27.046 million, as security for completion of development work, Detail is given below:

(Amount in rupees)

Sr. No.	Name of Scheme	Total Area	Area Of Roads	Area of Parks	Public Building	Disposal Area	Solid Wast	G.Yard	Total Transferable area	Rate/Marla	Amount
1	Faisal Land Sub Division Chak No.117/DB Tehsil Yazman Talha Shafique S/O Muhammad Shafique	852 M	208	59	17	3	10	0	297	88000	26,136,000
2	Madinah Town Chak No.117/DB Tehsil Yazman, Khalid Mehmood S/O Muhammad Ismail , Muhammad Saddique S/O Talib Hussain	100 K	942.44	140	71.56	10	10	40	1214	88000	106,832,000
Total											132,968,000

Table 2 non mortgage

Sr. No.	Name of Scheme	Total Area	Total Saleable area	Total mortgage are @20%	Rate/Marla	Amount
1	Faisal Land Sub Division Chak No.117/DB Tehsil Yazman Talha Shafique S/O Muhammad Shafique	852 M	555	111	88000	9.768
2	Madinah Town Chak No.117/DB Tehsil Yazman, Khalid Mehmood S/O Muhammad Ismail , Muhammad Saddique S/O Talib Hussain	100K	980	196	88000	17.248
Total						27.016
Grand Total						159.984

Due to weak administrative controls, neither property was transferred to the District Council nor mortgage deed was executed.

Non transfer of property in the name of District Council resulted in loss of Rs 132.968 million and non execution of mortgage deed resulted in violation of rules.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends transfer of land in the name of District Council and execution of mortgage deed besides fixing responsibility on the person (s) at fault, under intimation to Audit.

[AIR Para No.11]

2.2.4.4 Non reconciliation of receipts between Account Office and DDOs – Rs 13.418 million

According to Rule 11(2) (d) CO shall ensure that amount credited to the local funds, as reported by the account officer, are reconciled and verified with the record on monthly and annual basis. Furthermore, according to Rule 14(g) responsibility of Collection Officer is to prepare monthly and annual statements of demand and collection, monthly and annual statements of receipt accounts and reconcile with the record of the accounts officer and the bank concerned and to bring any discrepancy to the notice of Chief Officer along with the amount involved and the name of the employee responsible for initiating necessary action for the recovery of the amount.

Scrutiny of record of District Council Bahawalpur revealed that the management did not reconcile the amount of receipts with record of Accounts Office, due to which difference of Rs 13.418 million was noticed in receipts during 2016-18. Detail is given below:

Table 1 (2016-17)

(Amount in rupees)

Sr. No.	Receipt heads	Amount as per annual accounts 2016-17	Amount reported by Collection Officers as on 30.06.17	Difference
1	Tax on transfer of immovable property	70,728,085	78,741,009	8,012,924
2	License permit fee	311,230	423,655	112,425
3	Fee for approval of building/const. plan	5,281,889	7,050,064	1,768,175
Total		76,321,204	86,214,728	9,893,524

Table 2 (2017-18)

Sr. No.	Receipt heads	Amount as per annual account 2017-18	Amount reported by Collection officers as on 30.06.18	Difference
1	Tax on transfer of immovable property	157,131,694	157,075,550	56,144
2	License permit fee	3,119,237	3,836,750	717,513
3	Fee for approval of building/const. plan	20,054,241	22,045,461	1,991,220
4	Sewerage fee/charges/Nali tax	1,037,240	1,228,600	191,360
5	Advertisement fee on sign billboards of shops/hoardings	1,364,665	1,932,559	567,894
Total		182,707,077	186,118,920	3,524,131
Total of table 1 & 2		259,028,281	272,333,648	13,417,655

Due to financial indiscipline, receipts were not reconciled by the management of DC with Accounts Office.

Non reconciliation of receipts resulted in difference of Rs 13.418 million which could lead to possible misappropriation.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends to inquire the matter at appropriate level besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 05]

2.2.4.5 Loss due to non collection of boating fee – Rs 5.830 million

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

Scrutiny of record maintained by District Council Bahawalpur revealed that efforts were made for auction of contract “boating fee” twice on 14.09.2017 and on 28.09.2017. Maximum bids offered were Rs 6,500,000, and Rs 5,373,789 respectively by the same contractor both times but contract could not be executed as the said site was occupied by the illegal occupants. The management did not

make due efforts to get vacate the sites for handing over to the successful bidder and self collection of Rs 208,600 was shown in the books of accounts only resulting in loss of Rs 5.830 million during 2017-18. Detail is given below:

(Amount in rupees)

Description	Estimated amount	Auction amount	Second auction	Receipts from contractor (Security+1/10 advance)	Self collection	Total recovery	Loss
Boating fee	6,738,000	6,500,00	5,373,789	698,924	208,600	907,524	5,830,476

Due to weak administrative controls, site was not get vacated and handed over to the successful bidder.

Non vacation of site and handing over to successful bidder resulted in loss of Rs 5.830 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends holding of detailed inquiry to probe the matter besides fixing responsibility on the person(s) at fault and recovery of loss, under intimation to Audit.

[AIR Para No. 14]

2.2.4.6 Non recovery of Map fee – Rs 1.926 million

According to Rules of business 2017 DO (P) is responsible for checking of violations of the prohibitions provided in the master plan the sanctioned site development scheme under the PLGO, cities act, or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactment within their jurisdiction and recovery of commercialization charges within the jurisdiction.

Scrutiny of record maintained by the District Council Bahawalpur revealed that management served notices to the owners of 49 buildings which

were constructed without approval of Maps and payment of fees during 2016-18 resulting in loss of Rs 1.926 million.

Due to weak administrative controls, neither any action was taken nor fee was recovered from the concerned.

Non recovery of fee resulted in loss of Rs 1.926 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned, conducting detailed survey to point out all such cases in the jurisdiction of DC besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 20]

2.2.4.7 Irregular expenditure due to non-transparent procurement process – Rs 1.549 million

According to Rule 2.10 (a) (iv) of PFR Vol-1, Government revenues should not be utilized for the benefit of a particular person or section of the community and same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Scrutiny of record of District Council Bahawalpur revealed that the management incurred expenditure of Rs 1.549 million on purchases of various items during 2016-18. The expenditure was incurred through two suppliers who had registered both firms with different names but a single person was managing affairs of those firms as on letter head pad of both the firms same mobile number was mentioned which showed that fair tendering process was avoided and benefits of competitive biddings were not achieved. Detail is given below:

(Amount in rupees)

Sr. No.	Vr. No.	Date	Description	Firm's name	invoice date	Total amount	Head used	DDO
1	2669	09.06.18	CCTV cameras	Friend star traders	04.05.18	82,284	3942	CO
2	2668	09.06.18	Iron rack	Friend star traders	02.05.18	98,280	3942	CO
3	2670	09.06.18	Cables for store	Mohid associates	07.05.18	96,057	12405	DO (I&S)
4	2782	20.06.18	Repair of furniture	Mohid associates	11.05.18	96,000	13201 rof	CO
5	487	3/10/2017	Purchase of Furniture D O (F) office	Friend Star Traders	22-8-17	87,750	AO9701	DO (F)
6	491	4/10/2017	Illumination on 14th August 2017	Friend Star Traders	15-08-17	84,000	AO3918	CO
7	492	4/10/2017	Purchase of sweet on 14th August 17	Friend Star Traders	16-08-17	98,631	AO3918	CO
8	502	10/10/2017	Purchase of Furniture Planning Br.	Friend Star Traders	18-09-17	81,666	AO9701	DO (P)
9			Purchase of Computer for Finance Branch	Friend Star Traders	17-4-17	60,606	AO9203	DO (F)
10			Purchase of Computer for I&S Branch	Friend Star Traders	20-4-17	60,606	AO9203	DO (I&S)
11	499	17-06-17	Purchase Filter for Filtration Plants	Friend Star Traders	17-06-17	98,351	AO9601	DO (I&S)
12	1325	19.01.18	Repair of furniture	Mohid Associates	12.01.18	71,000	A13201	CO
13	1467	3/2/2018	Purchase of Furniture Chairman Office	Friend Star Traders	23-01-18	533,520	AO9701	Chairman
Total						1,548,751		

Due to weak financial and managerial controls, public money was spent without adopting transparent procurement process.

Spending public money for benefits of a specific person resulted in irregular expenditure of Rs 1.549 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends investigation at administrative level for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 39]

2.2.4.8 Loss due to non action against illegal housing schemes and land sub divisions established without payment of different fees – Rs 1.394 million

According to Rule 4&38 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, the developer shall submit an application to the authority, for seeking preliminary planning permission for a scheme before initiating any planning or development activity and shall pay the prescribed fee. Furthermore, Rule 35(1) of said rules empowers the CO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.

Scrutiny of record maintained by the District Council Bahawalpur revealed that the management neither performed its role to stop the business of illegal housing colonies and land sub divisions nor made any effort to recover dues of Rs 1.394 million from the owners of concerned schemes. Detail is given below:

(Amount in rupees)

Sr. No.	Name Housing Scheme	Area	Scrutiny Fee	Map Approval Fee	Technical Approval Fee Roads	Technical Approval Fee Roads	Conversion Fee	Total
1	Ali City Garden Housing Scheme Mouza Wahi Qadir Denah Tehsil Ahmedpur East	80K-08M	1000	80,400	40,200	40,200	335,408	497,208
2	Dream Land Village Scheme Chak No.140/DB Tehsil Yazman.	23K-07M	1000	24,000	12,000	12,000	140,100	189,100
3	Gulshan Saeed Land Sub Division Scheme chak No.17/FW Tehsil Hasilpur	36K	1000	36,000	18,000	18,000	194,400	230,400
4	Al Rehmat Block Head Rajkan Tehsil Yazman	68K	1000	68,000	34,000	34,000	340,000	477,000
Total								1,393,708

Due to weak administrative controls, neither any action was taken against illegal schemes nor different fees / dues were recovered from the concerned.

Non-recovery of dues / fees from the owners of illegal schemes resulted in loss of Rs 1.394 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery of dues from the concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 17]

2.2.4.9 Loss due to less collection of license permit fee – Rs 1.335 million

According to Rule 47(1) of PLG (Budget) Rules, 2017 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund and entered in proper receipt head. Furthermore, according to Rule 2017 a demand and collection register/ Taxpayers account shall be maintained by the collecting officer/Assistant collecting Officer of the revenue officer of a Local Government.

Scrutiny of demand & collection registers of license permit fee maintained by the collection staff of District Council Bahawalpur revealed that Rs 1.335 million was less realized from different professions during 2017-18. Detail of less realization is given below:

(Amount in rupees)

Sr. No.	Name of profession	Rate	Dues due from	Amount
1	Petrol Pumps	10,000	29	290,000
2	Bhatta	10,000	48	480,000
3	Welding	2,000	54	108,000
4	Trunk maker	2,000	20	40,000
5	Bakkery	5,000	12	60,000
6	Building materials	5,000	5	25,000
7	Kabariya	2,000	12	24,000
8	Chakki floor	4,000	17	68,000
9	Ice factory	5,000	8	40,000
10	Torri pressing	8,000	4	32,000
11	Eating materials	2,000	7	14,000

Sr. No.	Name of profession	Rate	Dues due from	Amount
12	Oil Agency	8,000	5	40,000
13	Petro/diesel agency	8,000	12	96,000
14	Tajorian	4,000	2	8,000
15	Cement pipe	5,000	2	10,000
Total				1,335,000

Due to weak administrative controls, amount was less realized than demand.

Less realization of receipts resulted in blockage of receipts and loss of Rs 1.335 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 08]

2.2.4.10 Loss due to non deduction of shrinkage from earthwork – Rs 1.288 million

According to the direction in chapter 3 of MRS “Earthwork (Excavation and Embankment)” for Earth Work (Excavation & Embankment at Serial No. 2(a), deduction for settlement from the bank measurement when the earth work is done by machine, deduction of shrinkage of 3 to 6% should be agreed to with the contractor.

Scrutiny of record of District Council Bahawalpur revealed that DO (I&S) deducted shrinkage from the earthwork in some schemes but in the following schemes payment of earthwork was made without deduction of shrinkage @ 6% resulting in loss of Rs 1.288 million during 2016-18. Detail is given below:

(Amount in rupees)

Sr. No	Name of Schemes	TS Cost	Earth worth qty paid	6% shrinkage	Rate per thousand CFT	Amount
1	Construction of Metalled Road from Panjoo Wala Khoo to RD-13000 road Tehsil Bahawalpur	14,500,000	490200	29,412	5033	148,031
2	Rehabilitation & Construction of Metalled Road from Pakka to Pull Maharan Tehsil bahawalpur	5,269,000	276799	16,608	4850	80,549
			29520	1,771	5848.95	10,360
3	Rehabilitation & Construction of Metalled Road from Khanqah Sharif 13000 road Adda Rasheed Abad to Pull Maharan Tehsil bahawalpur	12,674,000	112176	6,731	4850	32,643
4	Consreuction of Metalled road Basti Mochian to Pull Qureshian , 3/L Canal	12,500,000	544825	32,690	5060.75	165,433
			139571	8,374	6103.3	51,111
5	Construction of Metalled road Basti Naeem Khan to Abbas Petroleum Service	10,900,000	400539	24,032	5060.25	121,610
			56494	3,390	6030.3	20,441
6	Construction of Metalled road from Dera Goband Road to Basti DR.Abdul Ghani	10,900,000	371475	22,289	5060.75	112,797
			158670	9,520	6103.3	58,105
7	Construction of Metalled road Oudi road to Basti Wagi	9,000,000	325017	19,501	5060.75	98,690
8	Construction of Metalled Road from Metalled Road to Tube Well Ch. Munir	9,135,000	137500	8,250	5479.4	45,205
9	Construction of Metalled Road from Pakka Bara Road to Mari Sheikh Shajra	5,854,000	158349	9,501	6526.2	62,005
10	Construction of Soling BastiNaiyan District Council Bahawalpur	700,000	32989	1,979	3740.1	7,403
11	Construction of Soling Mouza Miani UC No.12	2,000,000	57125	3,428	3,740	12,819
12	Construction of Metalled Road from 13000 road to BastiEjaz Khan BalochMouzaGoathLal	12,000,000	77531	4,652	6,103	28,392
			468506	28,110	5060.75	142,260
13	Construction of Metalled road from 13000 road to Basti Maharan Mouza Goath Lal , Karanian	6,400,000	64313	3,859	5,061	19,528
			193102	11,586	6,103	70,714
Total						1,288,092

Due weak internal control, shrinkage of earthwork was not deducted from the payments made to the contractors.

Non deduction of shrinkage and excess payments resulted in loss of Rs 1.288 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 33]

CHAPTER 3

3.1 District Council, Rahim Yar Khan

3.1.1 Introduction

District Council, Rahim Yar Khan was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Rahim Yar Khan is a body 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.

The functions of District Council, Rahim Yar Khan as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans
- Review the performance of all offices working for the District Council
- Review the performance report presented by the Chairman
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws
- Prevention and removal of encroachment on public ways, streets and properties
- Prevention of nuisance in public ways, streets and properties
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule
- Regulation or prohibition of the excavation of earth, sand, stones or other material
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals
- Celebration of public festivals

- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities
- Promotion of sports including sports for persons with disabilities. Provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water
- Construction of culverts, bridges and public buildings
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions and
- Undertake other development activities

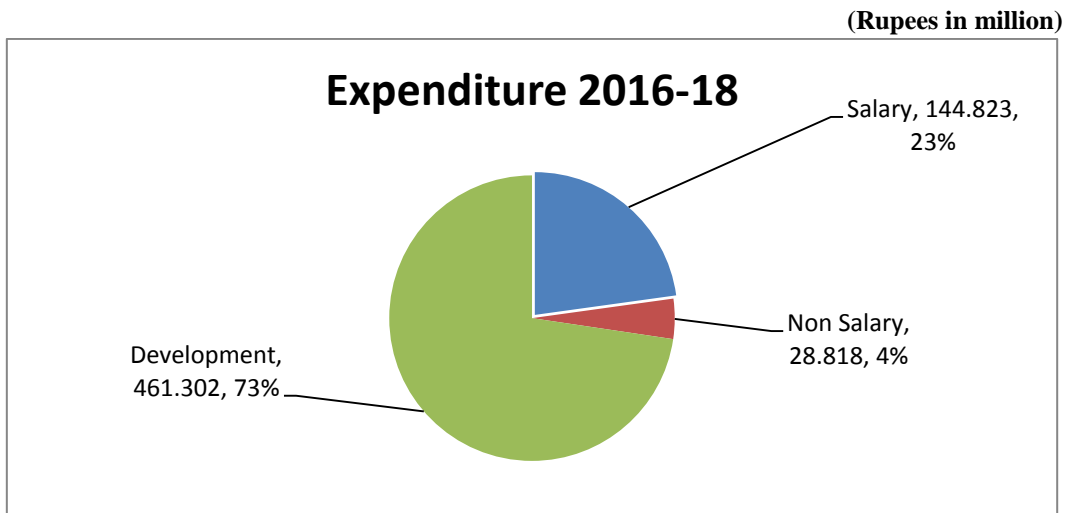
The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

3.1.2 Comments on Budget and Accounts

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

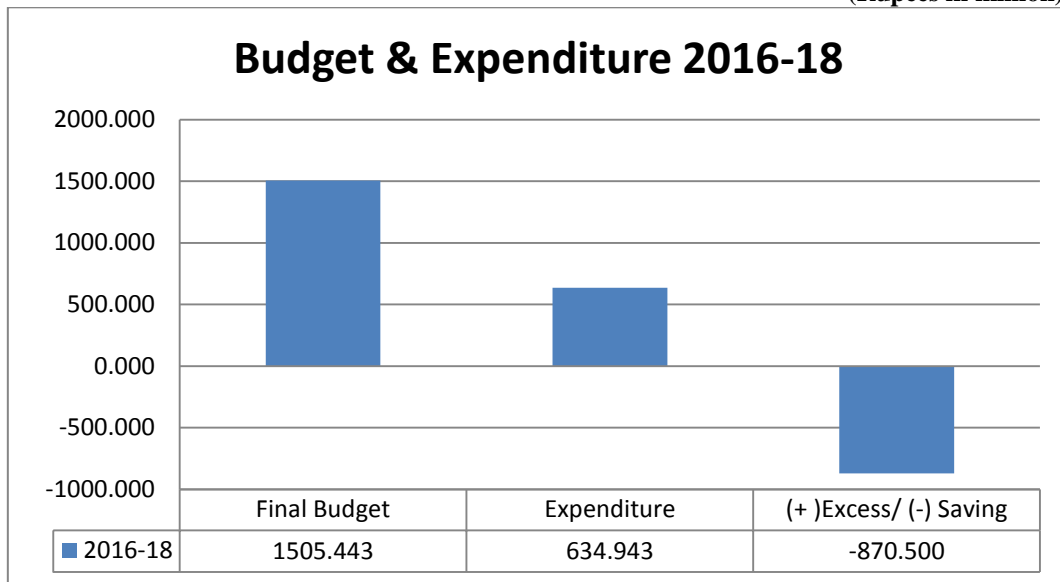
(Rupees in million)

2016-18	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	161.852	144.823	(17.029)	-10.52%
Non-Salary	209.270	28.818	(180.452)	-86.23%
Development	1134.321	461.302	(673.019)	-59.33%
Total	1,505.443	634.943	(870.500)	-57.82%
Receipts	489.965	451.205	(38.760)	-7.91%



As per Financial Statements 2016-18 of the District Council, Rahim Yar Khan, total budget (Development & Non-Development) was Rs 1505.443 million. Against the final budget, total expenditure of Rs 634.943 million was incurred by the District Council during January, 2017 to June, 2018. A lapse / saving of Rs 870.500 million came to the notice of Audit. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



3.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Rahim Yar Khan established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

3.2 Audit Report

3.2.1 Non Production of Record

3.2.1.1 Non production / maintenance of record – Rs 328.855 million

According to Section 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, “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.

Scrutiny of record of District Council Rahim Yar Khan revealed that the management neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 328.855 million during 2016-18. Detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	GST Invoices on 538 Development Works	76.725
2	license permit holders / shopkeepers	22.861
3	Record of Map fee collected during 2016-18 (Amount from Annual Account to be written)	22.119
4	Various record i.e. Commercialization fee, professional tax, enlistment fee, service books of staff, etc.	-
5	Backup Record of “Transfer of Immovable Property Fee”	207.150
	Total	328.855

Due to weak internal controls and willful evasion from audit, record was not properly maintained and produced for audit verification.

Non maintenance / production of record created doubts regarding legitimacy of expenditure incurred / revenue realized for Rs 328.855 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

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

[AIR Para No. 3, 20, 25, 27 & 28]

3.2.2 Irregularities & Non Compliance

3.2.2.1 Discrimination in utilization of development funds – Rs 413.016 million

Rule 2.10 (a) (1) of PFR Vol-I lays down that same vigilance should be exercised in respect of expenditure incurred from Government Revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Furthermore, according to term No.03 detailed measurement should be recorded only by Executive, Assistant Executive or Assistant Engineers or by Executive Subordinate incharge of works to whom Measurement books have been supplied for the purpose.

Scrutiny of record of District Council Rahim Yar Khan revealed that funds were provided and payments were made regarding development schemes which were open to following observations:

- i. Development funds were distributed among union council with discrimination because a huge difference of funds allocation was witnessed. The record showed that huge amount of funds were distributed to only a few Union Councils, and at the same times, a very minimum amounts were distributed to a few ones, the basis of both cases were not on the record.
- ii. T. S. Estimates were dateless which meant that these were prepared after the work execution.
- iii. Name of schemes were different in minutes of approval meeting and detail of actual executed works were different (photocopies attached as evidence).
- iv. No record entry was posted in M.Bs (Measurement Books) deliberately which indicated that these works were done during ban period.
- v. Development funds were utilized in shape of “construction of solings” without actual need of the region; i.e. Solings tracks were not need of district Rahim Yar Khan (a sugarcane region with 10 sugar mills) because 600 to 800 munds sugarcane loaded vehicles move for 06 months in a year on these tracks. Heavy loaders can easily destruct

these solings within few months which ultimately result in wastage of public money.

- vi. No NOC and detail of tracks constructed by recently defunct TMAs and DO (Roads) were on the record regarding already constructed same schemes in near past.
- vii. Same nature development works (i.e. solings etc.) of same mouza were shown claimed in 02 or 03 different projects and some schemes were shown claimed without mentioning names of miuza or village due to which chances of duplications could not be ruled out. Example of two union councils is given in **Annexure-I/RYK**.

Due to financial indiscipline utilization of development funds was made in disccrimated way.

Utilization of funds through discrimination resulted in irregular payment of Rs 413.016 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends thorough physical inspection at appropriate level and regularization of expenditure from competent authority, under intimation to Audit.

[AIR Para No. 7]

3.2.2.2 Irregular expenditure due to non-compliance of PPRA Rules – Rs 7.400 million

According to Rules 9 and 12 (1) of the Punjab Procurement Rules 2014, procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Scrutiny of record of District Council Rahim Yar Khan revealed that the management incurred expenditure of Rs 7.400 million on for Stationery, printing, I.T equipments, fair & exhibition, purchase of furniture and purchase of electric items (A.Cs, Deep Freezers & Water Dispensers). Annual requirement of procurement opportunities was neither determined nor planned procurements were advertised on PPRA's website to achieve benefits of competitive bidding. Moreover, the indents were split-up to avoid fair tendering process. Detail is given below:

(Amount in rupees)

Sr. No.	Financial Year	Expenditure Head	Total Expenditure
1	2016-17	A03901 – Stationery	127,401
2	2016-17	A03902 - Printing and publication	453,349
3	2016-17	A09203 - IT Equipment	370,900
4	2017-18	A03901 – Stationery	324,706
5	2017-18	A03902 - Printing and publication	364,670
6	2017-18	A03918 - Exhibitions, fairs and other national celebrations	1,281,325
7	2017-18	A09203 - IT Equipment	149,125
8	2017-18	A09701 - Purchase of Furniture and Fixture	193,121
9	2017-18	A03820 - Others (Purchase of A.Cs etc.)	4,135,212
Total			7,399,809

Due to weak financial controls PPRA rules were violated.

Violation of PPRA rules resulted in irregular expenditure of Rs 7.400 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para: 11]

3.2.3 Performance

3.2.3.1 Loss due to non achievement of revenue targets – Rs 87.888 million

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

Scrutiny of record of District Council Rahim Yar Khan revealed that revenue targets were fixed on account of rent of shops, local rates, license & permit fee, advertisement and publicity charges, sewerage tax etc during 2016-18 but relevant staff did not make due efforts to recover / realize revenues. As result revenue targets of Rs 87.888 million 28.51 % could not be achieved. The basis of fixing targets of receipts was not shown to audit. **Annexure-J/RYK.**

Due to poor performance of relevant staff, targets of revenue were not achieved.

Non achievement of revenues resulted in loss of Rs 87.888 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para No. 23]

3.2.4 Internal Control Weaknesses

3.2.4.1 Loss due to non registration of private housing schemes – Rs 80.661 million

As per Rule 4, 37 &38 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, the developer shall submit an application to the TMA, for seeking preliminary planning permission for a scheme before initiating any planning or development activity and shall pay the prescribed fee. Furthermore, Rule 35(1) of said Rules empowers the TMO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.

Scrutiny of record of District Council Rahim Yar Khan revealed that 47 private housing schemes / land sub divisions carried out development and marketing activities without registration. Owners of schemes did not apply for the registration and therefore did not pay the prescribe fee amounting to Rs 68.432 million during 2016-18. The management conducted survey of two tehsils (Liaqatpur and Khan Pur) only and pointed out these such schemes but neither took any action against them after lapse of considerable time of 02 years nor completeremaining survey for remaining two tehsils (Rahim Yar Khan and Sadiq Abad) deliberately.

Furthermore, audit team visited 10 such schemes of tehsil Liaqatpur and found that 24 shops, 01 Marriage hall, 01 petrol pump and 101 houses were constructed in these schemes illegally (area of 1124 marlas) was constructed in such unapproved housing schemes which ultimately resulted into loss of Map Fee of Rs 12.229 million (1124 marla x 272 Sq. ft = 305,728 Sq. ft @ Rs 40 per Sq. ft.).

Due to negligence housing schemes/land sub divisions were working in unauthorized way.

Working of unauthorized housing schemes/land sub divisions resulted in loss of Rs 80.661 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para: 21]

3.2.4.2 Loss due to non / less realization of revenue – Rs 62.303 million

According to Rule 01 to 17, Third Schedule Part II of the Punjab Local Governments Act 2013, following taxes and other levies were to be collected / charged by district council:

1. Tax on transfer of immovable property.
2. Fee for license, sanctions and permits granted by the District Council.
3. Market fees for the markets maintained by the District Council.
4. Local rates on land assessable to land revenue.
5. Rates on the services provided by the District Council.
6. Fees at fairs agricultural shows and industrial exhibition.
7. Fees for specific services rendered by the District Council.
8. Toll on bridges and ferries maintained by the District Council.
9. Tax for the construction or maintenance of a work of public utility.
10. Tax on advertisement and billboards.
11. Entry Ommitted by PLG (Amendment) Act 2014 (XXII of 2014) (effective from September 2014).
12. Fee for approval of building plans, erection and re-erection of building other than residential buildings.
13. Fee for change of land use of a land or building as prescribed.

14. Water conservancy charges.
15. Tax on installation of base transceiver station / tower.
16. Fee for licensing of professions or vocations as prescribed.
17. Any other tax or levy authorized by the District Council.

Scrutiny of record of District Council Rahim Yar Khan revealed that due efforts were not made during 2016-18 to collect revenue worth Rs 62.303million on account of fees of agriculture fairs ,water rates, advertisement and publicity charges and fees of tower installation etc. in violation of above rule. Detail is given below:

(Amount in rupees)

Sr. No.	Revenue / Receipt Head	Remarks	Approximate Loss
1	Local rates on land assessable to land revenue	Only Rs 849,012 were shown collected during F.Y 2017-18 illogically while no collection was shown made during F.Y 2016-17. Furthermore no proof in shape of total collection made by revenue department during 2016-18 was provided for justification.	10,000,000
2	Rates on the services provided by the District Council	No collection was shown made during 2016-18.	1,000,000
3	Fees at fairs agricultural shows and industrial exhibition	No collection was shown made during 2016-18.	500,000
4	Fees for specific services rendered by the District Council	No collection was shown made during 2016-18.	1,000,000
5	Toll on bridges and ferries maintained by the District Council	No collection was shown made during 2016-18.	1,000,000
6	Tax for the construction or maintenance of a work of public utility	No collection was shown made during 2016-18.	1,000,000
7	Tax on advertisement and billboards.	Rs 1,275,500 were shown collected during F.Y 2017-18 but no collection was shown made during F.Y 2016-17.	637,750
8	Fee for change of land use of a land or building as prescribed.	No collection was shown made during 2016-18.	45,165,000 (as per AP & O/S No. 26)
9	Water conservancies	No collection was shown made during 2016-18.	1,000,000
10	Tax on installation of base transceiver station / tower	No collection was shown made during 2016-18.	1,000,000
Total			62,302,750

Due to weak internal controls, different fees were not / less realized.

Non / less realization of revenue resulted in loss of Rs 62.303 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends inquiry and fixing of responsibility on the person(s) at fault besides recovery of Rs 62.303 million, under intimation to Audit.

[AIR Para No. 22]

3.2.4.3 Loss due to non-realization / non-collection of conversion / commercialization fees – Rs 45.165 million

According to Rule 13, third Schedule Part II of the Punjab Local Governments Act 2013, Fee for change of land use of a land or building as prescribed was to be collected / charged by district council.

According to chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Government of the Punjab Local Government and Community Development Department notification No SOR (LG)38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover according to Rule 01 to 17, Third Schedule Part II of the Punjab Local Governments Act 2013, taxes and other levies were required to be collected / charged by district council.

Moreover according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG and CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Scrutiny of record of District Council Rahim Yar Khan revealed that the management did not provide record of conversion / commercialization fee collected against change of land use of a land or building for scrutiny that is why it was depicted that Either no collection of conversion / commercialization fee was made from the owners of the buildings who had converted the buildings into educational and healthcare institutions after getting passed the Maps as residential ones in violation of above rule or even such fee was misappropriated by collection staff after recovering from concerned owners.

According list provided by Education and Health departments, 271 private schools and 271 hospitals were established (usually) in the residential buildings in district Rahim Yar Khan (information of 03 tehsils could be collected; KPR, LQP & SDQ) for which collection of conversion / commercialization fee was required to be provided by the management but apparently no such charging was made. Approximated calculations were made while lists were attached for actual valuation and calculation at departmental level in its entire jurisdiction area because audit was not familiar with areas and localities of such institutions (list attached). Detail is given below:

(Amount in rupees)

Sr. No .	Tehsil	Type of Commercial Institutions Situated in Residential Buildings	No. of Units / Institutions	Approx. Area (marla)	Approx. Commercial Value	Conversion Fee
1	Sadiq Abad	Private Hospitals	21	190	18,800,000	1,880,000
2	Sadiq Abad	Private Schools	114	1860	148,800,000	14,880,000
3	Khan Pur	Private Hospitals	66	660	72,600,000	7,260,000
5	Khan Pur	Private Schools	129	1290	129,000,000	12,900,000
6	Liaqat Pur	Private Schools	28	500	82450000	8245000
Total			358	4500	451,650,000	45,165,000

Due to weak internal controls, due efforts were not made to recover commercialization fee.

Non recovery of commercialization fee resulted in loss amounting to Rs 45.165 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends inquiry and fixing of responsibility on the person(s) at fault besides recovery of Rs 45.165 million, under intimation to Audit.

[AIR Para No. 26]

3.2.4.4 Loss due to non collection of pension contribution funds from TMA Rahim Yar Khan – Rs 44.311 million

According to Govt. of the Punjab Finance Department letter No. LCS (Acctt. Misc)2-(6)/80 dated 18-06-2011, the rate of pension contribution was enhanced by the Govt. of the Punjab from 40% of Basic pay to 50% of Basic Pay.

Scrutiny of record of District Council Rahim Yar Khan revealed that pension contribution fund (amounting to Rs 44,311,592) of 87 Zila Council employees was not collected for the period from 01.08.2002 to 31.12.2016 when they remained deputed / adjusted in TMA Rahim Yar Khan & Liaqat Pur @ 40% of Basic Pay. Calculations of due pension contribution of only two employees were made (due to non availability of service books) and pension contribution amounts of remaining employees were made on basis of same cader / scale employees. **Annexure-K/RYK.**

Due to weak financial controls, pension contribution fund could not be collected.

Non collection of pension contribution fund resulted in loss of Rs 44.311 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para: 14]

3.2.4.5 Loss due to illegal establishment of private housing schemes / land sub divisions – Rs 19.126 million

According to Rule 41 (1)(a) and 42(e) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, a TMA or Development Authority shall, after verification of ownership documents, shall entertain application of sub division of a plot, subject to the condition that the developer is the owner of the plot and he does not own additional land in continuation of the land proposed for sub division.

Scrutiny of record of District Council Rahim Yar Khan revealed that the management of planning branch allowed establishment of 06 private housing schemes / land sub divisions during 2016-18 which was subject to following observations:

1. The schemes comprised area of 640 kanals out of which only 278 kanals were owned by the developers. Planning branch approved / processed the map of area 640 kanals illegally as 362 kanals were not the property of developers.
2. Partnership deeds, NTN certificates of Association of Persons and copy of bank statement of firms were not on record which clearly indicated that the persons having 362 kanals of land were not partners / developers. Situation indicated that the developers just entered into sale /purchase agreements (satha) with twenty seven persons having land area of 362 kanals there.
3. The developers owned land of 640 kanals. Staff of district council facilitated the developers to establish housing schemes and sell plots on that land (362 kanals) which was not owned by the developers.
4. Instead of working in public interest, the Planning branch betrayed revenue authorities and sent “Fard-e-milkiat” of above cited 27 persons (having land of 362 kanals) for verification of their ownerships as if they were developers.
5. Establishment of housing scheme without getting the land transferred in the name of developers and illegal approval of maps facilitated the developers to avoid Government revenue amounting to Rs 19,126,076 on

account of stamp duty (05 %), tax on transfer of immovable property (01 %), withholding tax (filer 02 % Non filer 04 %), capital gain etc.

6. Illegal approval of schemes may facilitate developers to sell that land which was not owned by them. Public may lose their money if developers collects money and runs away.

Detail of loss as follows:

(Amount in rupees)

Sr. No.	Name of Housing Scheme	Location	Total Area in Kanal	Land Value / kanal	Area Not Owned by Developer (kanal)	Value of Land Not Owned by Developer	Amount of stamp duty, TTIMP, I.Tax etc @ 10%
1	Roman Villas	Fatah Katah	65	690,000	36	24,840,000	2,484,000
2	Park City	Tibbi Larran	98	1,119,340	93	104,098,620	10,409,862
3	Makka Garden	Bhar Khakhi	73	186,620	41.5	7,744,730	774,473
4	Tallha Garden	Dandan Ott	66	466,600	39.5	18,430,700	1,843,070
5	Khayaban Arshad	Chak No.20	252	192,490	79.5	15,302,955	1,530,296
6	Al-Hamd Garden	Neel Garh	86	287,500	72.5	20,843,750	2,084,375
Total			640		362	191,260,755	19,126,076

Due to intention of extending undue favor to desired developers aviation of government fees was made.

Aviation of government fees resulted in loss to treasury of Rs 19,126,076.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para No. 17]

3.2.4.6 Loss due to non / less collection of fees from unapproved housing schemes – Rs 12.629 million

As per Chapter VII Section 37 & 38 of the Punjab Private housing Schemes and Land Subdivision Rules,(1) A developer shall deposit a preliminary

planning permission fee along with application at the rate of (a) rupees five thousand for scheme having area up to two thousand kanal; and (b) rupees ten thousand for scheme having area above two thousand kanal (2) A developer shall deposit a fee for: (a) sanction of a scheme at the rate of rupees one thousand per kanal; (b) approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal; (c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal; (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. And a developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land

Scrutiny of record of District Council Rahim Yar Khan revealed that the management neither took solid steps to get unapproved housing schemes approved nor collected (all admissible) fees from such private housing schemes resulted in non / less collection of fees of Rs 12.629 million. Detail is given below:

(Amount in rupees)

Sr. No.	Name of Housing Scheme	Location	Total Area in Kanal	Land Value / kanal	Total Admissible Fee	Recovered Fee	Remaining Fee	Status
1	Roman Villas	Fatah Katah	65	690,000	584,500	453,500	131,000	Un-Approved
2	Bukhari Garden	Kot Kamo Shah	87	2,400,000	2,268,000	-	2,268,000	Un-Approved
3	Park City	Tibbi Larran	98	1,119,340	1,298,953	1,101,955	196,998	Un-Approved
4	Air Villas	Bindore	74	750,300	709,222	561,500	147,722	Un-Approved
5	Orcherd Colony	Bindore	85	750,300	813,755	643,881	169,874	Un-Approved
6	Gulshan Johar	Ali Akbar Sangi	20	1,500,000	346,000	-	346,000	Un-Approved
7	Wahab Garden	Chak No. 110/P	80	538,680	596,944	433,790	163,154	Un-Approved
8	Ahmed Garden	Sadiq Pur	95	1,040,000	1,184,000	-	1,184,000	Un-Approved
9	Indus Garden	Aman Garh	93	2,400,000	2,424,000	-	2,424,000	Un-Approved
10	Ethad Garden Housing Scheme	Bindore Ali Akbar Sangi	1788	827,000	18,368,760	14,800,035	3,568,725	Approved
11	Makka Garden	Bhar Khakhi	73	186,620	288,233	143,098	145,135	Un-Approved
12	Alama Iqbal	Sangla	27	1,000,000	330,000	-	330,000	Un-

Sr. No.	Name of Housing Scheme	Location	Total Area in Kanal	Land Value / kanal	Total Admissible Fee	Recovered Fee	Remaining Fee	Status
	Town							Approved
13	Tallha Garden	Dandan Ott	66	466,600	445,956	311,840	134,116	Un-Approved
14	Khayaban Arshad	Chak No.20	252	192,490	995,075	-	995,075	Un-Approved
15	Al-Hamd Garden	Neel Garh	86	287,500	425,250	-	425,250	Un-Approved
Total			2,989		31,078,648	18,449,599	12,629,049	

Due to weak financial controls, due fees could not be collected from private housing schemes.

Non collection of fees from private housing schemes resulted in loss of Rs 12.629 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para No. 16]

3.2.4.7 Loss due to illegal occupation of designated residences and non recovery of penal rent – Rs 8.115 million

According to Rule 4(1) (l) of the Punjab Local Govt. (Property) Rules 2018, the manager shall be vigilant about the encroachments on, or wrongful occupation of the property and in case of encroachment or wrongful occupation, take necessary steps for the removal thereof. Furthermore, according to the Finance Department letter No SO (SR) IV-3/38-78 dated 30-06-1979, the Government residences should be vacated within the grace period of two months from the date of transfer/promotion. Otherwise penal rent @ 60% of basic pay shall be recovered from the occupant as laid down in Finance Department letter No. SO (PW-II) XV (24)/76 dated 27-09-1980. Moreover according to the

Government of the Punjab Finance Department (Monitoring Wing) Notification No.FD(M.1)1-15/82-P-J dated 15/01/2002 and Government of Punjab allotment policy at district level dated 10/2002, a government servant occupying a house un-authorized and illegally be charged penal rent @ 60% of his basic salary.

Scrutiny of record of District Council Rahim Yar Khan revealed that neither solid action was taken to vacate official designated residences of district council nor necessary arrangements were made to get recover penal rent @60% of pay from illegal occupants amounting to Rs 8.115 million. Detail is given below:

(Amount in rupees)

Sr. No.	Property Name	Illegally Occupied By	Residence meant for (Scale)	Avg. 10th Stage of Basic Pay	60% Penal Rent for 02 Years 01/17 to 12/18
1	Chairman House District Council	District Management RYK	18	67,050	965,520
2	Chief Officer House	Anti-Corruption Establishment RYK	18	67,050	965,520
3	District Engineer Residence Razi Road	District Officer (Labor) RYK	18	67,050	965,520
4	Kothi No.2 near District Engineer Residence Razi Road	Anees Ahmed Dispensor (DHO) Office RYK	18	67,050	965,520
5	Kothi No.3 near DC Office RYK	Dawood Abbasi (N.Q) Live Stock Department	18	67,050	965,520
6	Kothi No.1 Abaseen Road	Zara Teacher Education Canal Colony School	18	67,050	965,520
7	Quarter No. 2 Abaseen Road	Zia-ul-Hasan Secretary UC Bahadur Pur	14	26,880	387,072
8	Quarter No. 3 Abaseen Road	Jam Khizar Hayat Secretary UC Shah Pur	14	26,880	387,072
9	Quarter No. 6 Auditor Residence Dr. Bashir Ahmed Road	Muhammad Afzal Auditor Municipal Committee RYK	14	26,880	387,072
10	Quarter Veterinary Hospital	Veternary Branch Staff	14	26,880	387,072
11	Sub-Engineer office/Residence KPR	Fazal Mehmood Sub-Engineer Municipal Committee KPR	14	26,880	387,072
12	Sub-Engineer Residence LQP	Livestock Department LQP	14	26,880	387,072
Total					8,115,552*

***Note:** Penal rent was calculated on the base of 10th stage of basic pay against each case due to non availability of record regarding names, scales and basic pay stages of occupants with formation.

Due to weak administrative control neither official residences were got vacated nor penal rent was recovered from illegal occupants.

Non vacation of designated residences and non recovery of penal rent from occupants resulted in loss of Rs 8.115 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends fixing responsibility on the persons at fault along with taking effective actions to vacate designated residences along with recovery of penal rent, under intimation to Audit.

[AIR Para No. 8]

3.2.4.8 Loss due to non completion of development schemes taken over from TMA – Rs 7.527 million

As per Government of the Punjab, Communication of Works Department notification No SOB-II (C&W) 2-21/79-CF (P-III) Dated 28 April 2009, “Clause 37 of contract Agreement will be operated by Engineer In-charge subject to the condition that order for extension in time limit shall contain the justification / reasons for extensions being granted based on documentary evidences. A copy of extension order shall be endorsed to the Superintending Engineer, Chief Engineer and Special Secretary C&W for information and record. In case extension granted proves unjustified at any stage, the concerned engineer in-charge shall be liable to be proceeded against under the relevant rules / law. Further all extensions are given for validity recorded reasons after due considerations of every relevant fact and in case be done as a matter of clerical routine”.

Scrutiny of record of District Council Rahim Yar Khan revealed that solid steps were not taken to complete projects taken over from TMA Liaqat Pur despite delay of more than 03 years. The record showed that various development schemes were taken over from TMA and still the same were not completed which put the funds on the risk of wastage amounting to Rs 7.527 million the benefits of which could not be availed. Detail is given below:

(Amount in rupees)

Sr. No.	Name & location of scheme	Contractor Name	Estimated Cost	Expenditure Incurred by TMA	Expenditure Incurred by District Council	Total Expenditure	Completion (%)
1	Repair Of Metalled Road Minchan Band to Tubewell No. 01 raqba Pir Muhsin Shah tehsil Liaquat Pur	Ghulam Abbas Khan	6,320,000	4,730,115	-	4,730,115	74.84
2	Conts. Of Waiting Land Ghora Mor Near Firoza	Ghulam Yaseen	350,000	235,206	-	235,206	67.20
3	Const. Of Soling Drain Pathan Colony Jan Pur	M. Parvez	989,000	708,309	-	708,309	71.62
4	Conts. Of Metalled Road Basti Jam Saleh Muhammad Mouza Hayar Lar tehsil Liaquat Pur	Farooq Ahmed	825,000	668,176	-	668,176	80.99
5	Const. of Metalled road Adda Akhtar Nagar Chak No. 64/A	Galobal Traders	500,000	439,783	-	439,783	87.96
6	Const. Of Soling /Culverd Mauza Feroza U/C Hayar Lar	Farooq Ahmed	500,000	266,045	-	266,045	53.21
7	Laying Of Civil Line high school road Allah Abad	Shehzad Akbar	800,000	368,812	-	368,812	46.10
8	Const&Repair bridge Ch Miner Basti Murtaza Drigh	Shahid Saleem	335,000	111,103	-	111,103	33.17
	Total		10,619,000	7,527,549	-	7,527,549	70.89

Due to weak administrative controls, development schemes handed over from TMA were not completed.

Non completion of handed over schemes resulted in wastage of funds amounting to Rs 7.527 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para No. 4]

3.2.4.9 Loss due to charging less rates under the head of “Rent of Shops” – Rs 1.126 million

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

Scrutiny of record of District Council Rahim Yar Khan revealed that the management of finance branch did not ensure receipts of rent of shops at market rates amounting to Rs 1.126 million. Record showed that a survey was conducted in which rent rates of each shop / plotper situated in the middle of urban union council “Ahmad Pur Lamma” soon after getting charge of such properties in January 2017month was finalized according to current market ratesbut did not implement such new rates.

Due to weak managerial controls current market rent rates could not be implemented.

Non implementation of current market rent rates resulted in loss to treasury of Rs 1.126 million.

The matter was reported to the PAO during January, 2019. The management did not submit reply.

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

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault, under intimation to Audit.

[AIR Para No. 18]

CHAPTER 4

4.1 District Council, Dera Ghazi Khan

4.1.1 Introduction:

As per the Punjab Local Government Act, 2013, the District Council established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carried out the functions devolved by the Provincial Government to the District Council.

The District Council is headed by Chairman. The District Council shall approve bye-laws and taxes, establish, approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans, promote social counselling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws, prevention and removal of encroachment on public ways, streets and properties, regulation or prohibition of the excavation of earth, sand, stones or other material, to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals, provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities, construction of culverts, bridges and public buildings, assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water, construction of culverts, bridges and public buildings.

The Chairman is the Principal Accounting Officer of the District Council and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the District Council is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Council.

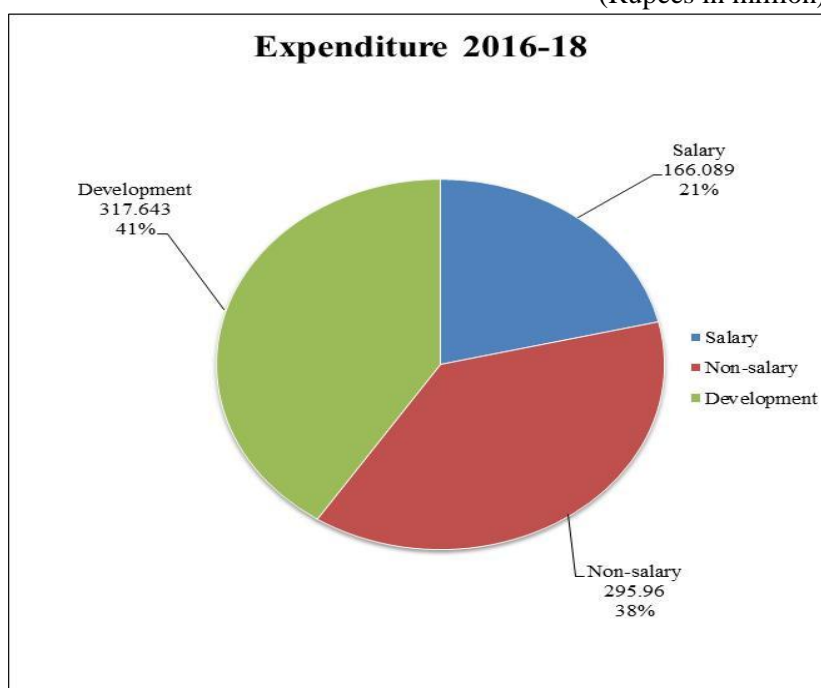
4.1.2 Comments on Budget and Accounts

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

(Rupees in million)

District Council D.G.Khan				
2016-18	Budget	Actual	Excess / Savings	%
Salary	175.680	166.089	9.591	5
Non-Salary	399.315	295.960	103.355	26
Development	476.378	317.643	158.735	33
Total	1,051.373	779.692	271.681	26
Receipts	848.244	828.504	19.740	2

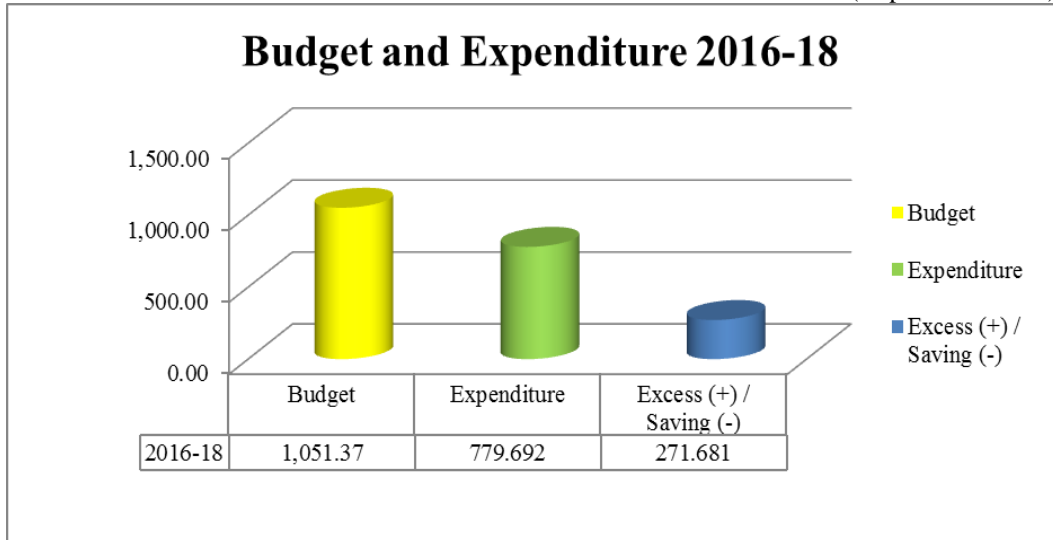
(Rupees in million)



As per the Appropriation Accounts 2016-18 of the District Council, D.G.Khan, total original budget (Development and Non-Development) was Rs 1,051.373 million. Against the budget, total expenditure of Rs 779.692 million was incurred by the District Council during 2016-18. Lapse of funds amounting to Rs 271.681 million came to the notice of audit due to inefficient financial

management in release of budget by Deputy Director (Finance). No plausible explanation was provided by PAO and management of the District Council, D.G.Khan. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed occurred as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in non development portion which resulted in lapse of Rs 112.946 million (31 percent).
- (ii) An amount of Rs 158.735 million (33 percent) remained unutilized under “Development Budget” due to less development activities.

4.1.3 Brief Comments on the Status of Compliance of MFDAC Audit paras

As during the Audit year 2017-18, 1st Audit of District Council, was conducted and the Audit Paras which would not be attended by the DDO/PAO will be reported in next year Audit Report.

4.1.4 Brief Comments on the Status of Compliance with PAC Directives

As it is 1st Audit of District Council, no Audit Report has been previously laid before the Public Account Committee.

4.2 AUDIT PARAS

4.2.1 Irregularities & Non-Compliance

4.2.1.1 Unjustified expenditure on rural water supply schemes without collection of water charges-Rs 172.655

According to Notification No. DC.DGK(DOF)02/2017 (TAXATION) dated 30.01.2018 issued by the Zila Council D.G.Khan and circulated by The Punjab Gazette, the water rates charged from the rural water supply connection was as under:

Domestic ½” to ¾” dia	Rs 150 to Rs 1500 per month
Office connection ¼” to ½” dia	Rs 1200 month
Commercial Connections ½” to ¾” dia	Rs 1200 to Rs 5000 per month

Chief Officer District Council incurred an expenditure of Rs 172.655 million during 2017-18 on account of electricity bills, maintenance and salaries to staff of rural water supply schemes. Scrutiny of record reveal that an amount of Rs 156.440 million out of total expenditure of Rs 172.655 million was paid as salaries to staff of water supplies. Collecting only Rs 450,000 as water rate charges after incurring such a heavy expenditure was unjustified. The detail is given below.

Head	Expenditure
Repair of water supplies	7.500
Pay of staff at water supplies	156.440
Electricity bill	8.715
Total	172.655

Due to weak internal control, expenditure was incurred without recovering of water rate charges.

Incurrence of heavy expenditure on water supply schemes without recovery/ collection of water charges was unjustified.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility against the persons concerned for non recovery/ collecting of water charges beside recovery of said amount, under intimation to Audit.

[AIR Para:6]

4.2.1.2 Non / less recovery of various fees/taxes – Rs 52.71 million

According to Rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council failed to recover/less recovered various fees and taxes amounting to Rs 52.71 million under various heads during 2017-18. The detail is given below.

(Rupees in million)		
Sr. No.	Nature of Receipt	Amount
1	Pattan fee	1.868
2	License fee for food	7.760
3	Pathar, bajri tax	13.147
4	Conversion fee, building map fee	10.815
5	Advance Income Tax	1.904
6	Professional Tax	0.660
7	Income tax	0.712
8	Security fee, map fee, road design fee	11.622
9	Conversion fee	4.222
Total		52.71

Due to weak financial control, revenue was not recovered recovered.

Non realization of receipt resulted in loss of Rs 52.71 million to the Local Government.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 52.71 million besides fixing responsibility against the concerned, under intimation to Audit.

[AIR Paras:1,2,3,4,7,33,24,49,50]

4.2.1.3 Irregular expenditure without advertisement – Rs 24.816 million

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Chief Officer District Council incurred an expenditure of Rs 24.816 million for purchase of various items without advertisement on PPRA website. The procurement was made on quotation basis. No comparative statement was prepared. Furthermore, no stock receiving entry, in case of durable goods existed in stock register. The detail is given below.

(Rupees in million)

Sr. No.	Description	Amount
1	Electric items for Moharam Route	1.028
2	Purchase of furniture	3.895
3	Development & Non Development Expenditure	18.420
4	Office Furniture	1.473
Total		24.816

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 24.816 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure, under intimation to Audit.

[AIR Para:10,19,25,27]

4.2.1.4 Irregular payment of work charged establishment – Rs 13.572 million

According to Sr. No.2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions: -

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer District Council recruited 58 work charged employees. An amount of Rs 13.572 million was paid on account of salaries to those employees during 2017-18. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak internal control, salaries were paid to work charged employee without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 13.572 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:8]

4.2.1.5 Expenditure beyond competency due to irregular technical sanction- Rs. 10.386 million

According to LG & CD department letter No. SOR(LG)38-3/2017 dated 30.06.2017, an engineer in BS-11 working as independent engineer incharge in a Local Government shall have the powers to accord to technical sanction up to rupees one million.

Chief Officer District Council executed following work of schemes amounting to Rs 10.386 million during 2017-18. Scrutiny of record revealed that technical sanction instead was granted by DO (I&S) instead Chief Engineer beyond the competency. Furthermore, schemes were split up to avoid technical sanction from competent authority.

(Amount in rupees)

Sr. No.	Scheme	Amount
1	Renovation of District Council Office-II (Tuff Tile)	997,000
2	Renovation of District Council Office-III (Tuff Tile)	964,000
3	Renovation of District Council Office-IV (Tuff Tile)	995,000
4	Renovation of District Council Office-V (Tuff Tile)	739,000
5	Renovation of Chairman Office	850,000
6	Renovation of Office Block District Council	650,000
7	Const. of pile foundation bridge over manka canal at chah darzi wala U/C Nawan Shumali (Tender date 13.10.17 acceptance letter No. 605 dt. 16.10.17 & Admn approval on 29.09.17)	1,868,100
8	Const. of metalled raod from N-55 towers usman bara (Tender dated 26.12.17 acceptance letter No. 1205 dated 18.12.17 Admn approval on 18.11.17)	1,327,000
9	Const. of metalled from basti Chandia mouza Paphari U/C Shah Sadar Din (Tender dated 11.11.17 acceptance letter No. 798 dated 13.11.17 Admn approval on 25.10.17)	1,996,000
Total		10,386,100

Due to weak internal control, technical sanction was granted by irrelevant authority.

Granting of technical sanction by irrelevant authority resulted in irregular expenditure of Rs 10.386 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:36]

4.2.1.6 Non deduction of sale tax on procurement and services - Rs 6.199 million

According to clause 1.3 of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents are required to deduct an amount equal to 1/5th (20 percent) of the total Sales Tax. Moreover, according to Rule 5 of Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall deduct Sales Tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider.

Chief Officer District Council incurred an expenditure of Rs 38.240 million on account of purchase of furniture and development schemes i.e. earth work, P/L of Sub-base course, road edging, base course but sale tax amounting to Rs 6.199 million was not deducted at source. The detail is given below:

(Amount in rupees)

Sr. No	Description of expenditure	Amount	Sale Tax/ Punjab Sale Tax
1	Purchase of furniture	8,364,216	1,418,741
2	Development expenditure	29,876,025	4,780,164
Total		38,240,241	6,198,905

Due to weak internal control, expenditure was incurred without deducting taxes.

Non deduction of taxes resulted in loss of Rs 6.199 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of taxes from concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:29,30]

4.2.1.7 Payments without detailed measurements - Rs 3.724 million

According to Paragraph 4.5 of B & R Code, no payment should be made without detail measurement in the measurement book. The description of the work must be lucid so as to admit of easy identification and check.

Chief Officer District Council awarded the following schemes valuing Rs 3.724 million during 2017-18. Scrutiny of record revealed that expenditure was incurred without mentioning RD wise location in measurement book. The detail is given below:

(Amount in rupees)			
Scheme	Agency	MB No.	Amount
Const. of jeepable track barthi to Lerru U/C Mithwan	Muhammad Mossa	101	1000,000
Const. of jeep-able trac from Khinywit to Haran Bore U/C Barthi	Rafiq Ahmad	491 P-31	831,597
Const. of Jeep-able track tali wan tack talari tuck U/C Miithwan Tuman Qasrani	Rafiq Ahmad	491 P-36	949,870
Const. of Jeep-able track Gwalash Gar to Marsar Kali sar, druman dab Ghoraywel U/C Theeker	Saleem Akhtar	426 P-8	942,830
Total			3,724,297

Due to weak internal controls, payment was made without detailed measurement.

Non observance of rule resulted in unjustified expenditure of Rs 3.724 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility against the person(s) at fault besides investigating the site for factual position, under intimation to Audit.

[AIR Para:40]

4.2.1.8 Unauthorized expenditure on provision of luxury items - Rs 1.475 million

According to Government of the Punjab, Communication and Works Deptt. Letter No. SOB-I (C&W) 5-1/2008 dated 07.07.2008, Chief Minister directed that granite stone cladding work and affixing of all kind of luxury and imported stone /tile on all the under construction Government buildings be stopped forthwith. Such provision in the projects at planning be revised and the money be diverted toward providing facilities toward public welfare.

Chief Officer District Council allotted the work “Renovation of District Council Hall (Tile Flooring)” amounting to Rs 1.475 million in violation of above quoted rule. The detail is given below:

(Amount in rupees)

Name of Scheme	Name of Contractor	MB No.	Quantity	Rate of applied	Amount of recovery.
Renovation of District Council Hall (Tile Flooring) District Council D.G.Khan	Jhanzaib Hussain	1316	5000 Sft	295	1,475,000

Due to weak internal control, luxury items were provided in violation of Government rule.

Non observance of Government instruction resulted in unauthorized expenditure of Rs 1.475 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:37]

CHAPTER 5

5.1 District Council, Layyah

5.1.1 Introduction:

As per the Punjab Local Government Act, 2013, the District Council established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carried out the functions devolved by the Provincial Government to the District Council.

The District Council is headed by Chairman. The District Council shall approve bye-laws and taxes, establish, approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans, promote social counselling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws, prevention and removal of encroachment on public ways, streets and properties, regulation or prohibition of the excavation of earth, sand, stones or other material, to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals, provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities, construction of culverts, bridges and public buildings, assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water, construction of culverts, bridges and public buildings.

The Chairman is the Principal Accounting Officer of the District Council and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the District Council is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Council.

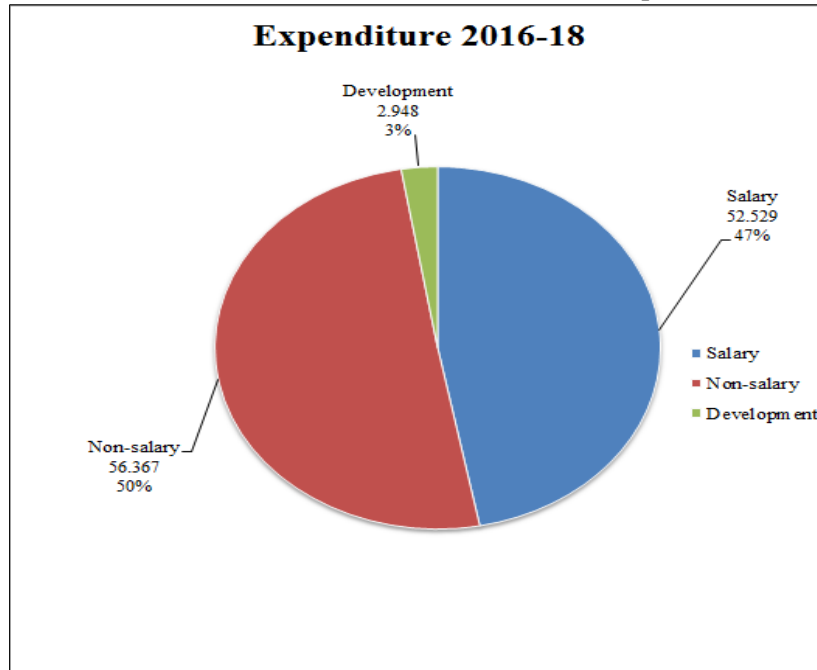
5.1.2 Comments on Budget and Accounts

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

(Rupees in million)

District Council Layyah				
2016-18	Budget	Actual	Excess / Savings	%
Salary	85.142	52.529	32.613	38
Non-Salary	130.202	56.367	73.835	57
Development	293.182	2.948	290.234	99
Total	508.526	111.844	396.682	78
Receipts	507.469	469.035	38.434	8

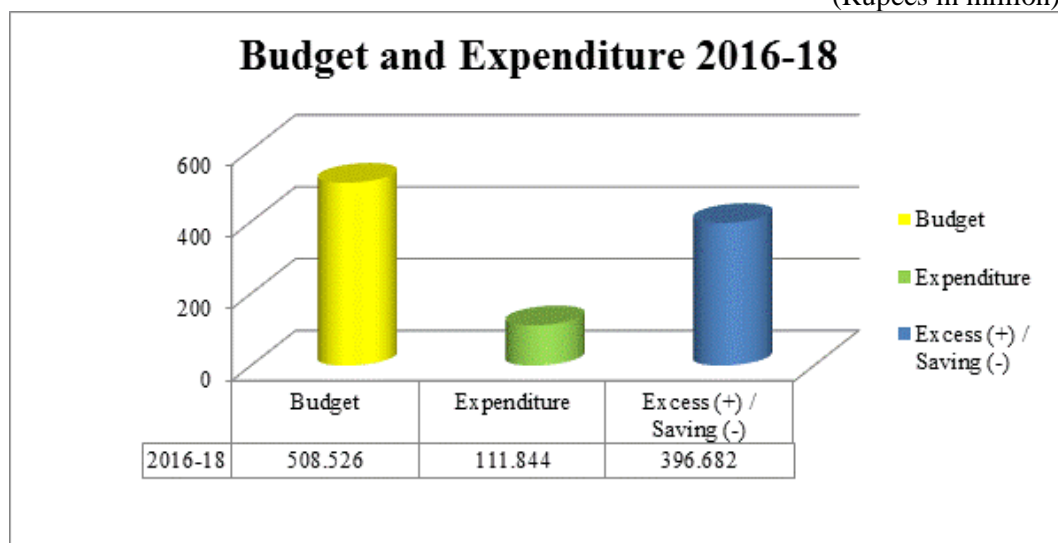
(Rupees in million)



As per the Appropriation Accounts 2016-18 of the District Council, Layyah, total original budget (Development and Non-Development) was Rs 508.526 million. Against the budget, total expenditure of Rs 111.844 million was incurred by the District Council during 2016-18. Lapse of funds amounting to Rs 396.682 million came to the notice of audit due to inefficient financial

management in release of budget by Deputy Director (Finance). No plausible explanation was provided by PAO and management of the District Education Authority Layyah. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed occurred as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in non development portion which resulted in lapse of Rs 106.448 million (49 percent).
- (ii) An amount of Rs 290.234 million (99 percent) remained unutilized under “Development Budget” due to less development activities.

5.1.3 Brief Comments on the Status of Compliance of MFDAC Audit paras

As during the Audit year 2017-18, 1st Audit of District Council, was conducted and the Audit Paras which would not be attended by the DDO/PAO will be reported in next year Audit Report.

5.1.4 Brief Comments on the Status of Compliance with PAC Directives

As it is 1st Audit of District Council, no Audit Report has been previously laid before the Public Account Committee.

5.2 AUDIT PARAS

5.2.1 Non-Production of Record

5.2.1.1 Non-production of record – Rs 25.850 million

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

Chief Officer District Council incurred expenditure of Rs 25.850 million during 2017-18, but vouched accounts of the pension contribution, financial assistant to employees, development expenditure on running schemes and miscellaneous expenditure were not produced for audit scrutiny.

(Amount in Rupees)

Sr. No.	Detail	Expenditure 2016-17	Expenditure 2017-18	Total
1	A03913 - Contribution & subscription PLGB Funds	2,000,000	1,029,736	3,029,736
2	A04120 - Pension Contribution (LCS/Non LCS)	4,102,780	8,857,276	12,960,056
3	A04171 - Financial Assistance for in-service death of employee	-	5,400,000	5,400,000
4	A16303 - On going schemes ADP (RS 2,947,801-1,212,225)	-	1,735,576	1,735,576
5	Cheque No. 807718297, 807718298, 807718267, 807718297, 806105504, 806105505, 806105506	-	2,724,141	2,724,141
G. Total				25,849,509

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 25.850 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:14]

5.2.2 Irregularities & Non-Compliance

5.2.2.1 Non recovery of arrears – Rs 12.749 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand.

Chief Officer District Council did not recover outstanding amounts of Rs 12.749 million from the various contractors against various leases. Neither the amount as noted above was recovered from contractor nor any serious efforts were made by the department to recover the arrears. (Annexure-C/LYH)

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of reveue Rs 12.749.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 12.749 million, under intimation to Audit.

[AIR Para: 3]

5.2.2.2 Unauthorized purchase of vehicle – Rs 5.280 million

According to Rule 12 of PPRA 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations. The procurement exceeding two million rupees shall be advertised on the website of the Authority, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu. Furthermore, according to Rule 31(f) of Budget Rules 2017, a prior sanction of the Government for advance payment shall be required and must be accompanied by a certificate that payment in advance is necessary and unavoidable because of the nature or terms and conditions of the contract for supply of the goods or services and in such cases, following additional procedures must be followed;

- (i) Claim voucher must be prominently stamped “PAID IN ADVANCE”; and

Furthermore, according to Government of Pakistan (Revenue Division) CBR (Sales Tax and Federal Excise Wing) letter No. 4/2-STB/207)PT) dated 13-8-2007, Government / Department making purchase of goods liable to sales tax, shall withhold 1/5th sales tax while remaining 4/5th of the sales tax shall be paid to supplier and withheld amount will be deposited by the government organization/ department itself.

Chief Officer District Council incurred expenditure of Rs 5.280 million on account of purchase of Toyota Fortuner during 2017-18. Scrutiny of relevant record revealed that purchases was made through quotation instead of open tender and advance payment was made to supplier. Furthermore, GST and Income Tax was not deducted from supplier. The detail is given below:

(Amount in rupees)

Token No.	Date	Vehicle	Paid to	Amount	GST	1/5 GST	I.tax
17	20.02.2017	Toyota Fortuner (Black)	Indus Motors	5,280,500	767,250	153,450	200,000

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

Non observance of rules resulted in unauthorized expenditure of Rs 5.280 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:6]

5.2.2.3 Doubtful withdrawal of - Rs 4.165 million

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

Chairman Zila Council transferred an amount of Rs 4.165 million from BOP Account No. 0030-PLS-016755 000-2 to the employees account during 2017-18. Cross examination could not be possible due to non-availability of bank statements of the employee's accounts. It seems that either the amount was transferred or else matter but no reasons were on record. The detail is given below:

(Amount in rupees)

Date	Instrument No.	Name	Account No.	Amount
03.10.2017	806472181	Khalid Mushtaq	5853-5	1,319,665
03.11.2017	806871106	M.Saleem Asif	17334	1,365,493
02.04.2018	001773	Ghayyur Muhammaed	117191-6	1,479,795
Total				4,164,953

Due to weak financial control, amounts were transferred to employees account without description.

Transferring of Government money to employees account resulted in doubtful drawl of Rs 4.165 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides further probing the matter and recovery, under intimation to Audit.

[AIR Para:17]

5.2.2.4 Irregular expenditure without advertisement – Rs 4.035 million

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Chief Officer District Council incurred an expenditure of Rs 4.035 million for purchase of various items during 2017-18. Neither the advertisement was

made on PPRA website nor in two national newspaper i.e one in English and one in Urdu. Furthermore, supply orders were split to avoid tendering process.

Due to weak financial controls, procurement was made without advertisement on PPRA website.

Non compliance of procurement rules resulted in irregular expenses of Rs 4.035 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:11]

5.2.2.5 Loss due to non-approved residential housing schemes - Rs 5.816 million

According to Rule 37 & 38 of the Punjab Private Housing Schemes and Land Subdivision Rules, a developer shall deposit a preliminary planning permission fee along with application at the rate of rupees five thousand for scheme having area up to two thousand kanal and rupees ten thousand for scheme having area above two thousand kanal. Sanction of a scheme at the rate of rupees one thousand per kanal, approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal, approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal, conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table.

Chief Officer District Council did not take any action to approve the illegal residential housing schemes and to recover various fee from the owners of residential schemes amounting to Rs 5.816 million. (Annexure-D/LYH)

Due to weak internal control neither the residential schemes were approved nor commercialization fee was recovered.

Non approval of residential schemes and non recovery of various fee resulted in loss of Rs 5.816 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 5.816 million besides fixing responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para:13]

5.2.2.6 Loss due to auction of leases below reserve price - Rs 2.885 million

According to Rule 13 of the Punjab Local Government (Auctioning of Collection Rights) Rules 2017, if the bid is not received equal to or above the reserve price in three attempts, the Mayor or Chairman shall place the matter before the house to (a) examine the reasonability of the bid; and (b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance.

Chief Officer District Council auctioned the right of collection of leases to contractors below than the reserve price valuing Rs 2.885 million without approval from house. The detail is given below:

(Amount in rupees)

Sr. No.	Lease	Year	Date	Contractors	Reserve Price	Auction Price	Loss
1	Patton Chandia Wala	2017-18	17.09.2017	M. Shahid Al Rashid	4,053,334	1,810,000	2,243,334
2	Patton Khokhar wala	2017-18	06.07.2019	Sajaad Hussain	667,000	405,000	262,000
3	Land of Date Farm 55 Kinals	2017-18	06.07.2019	Shahid Iqbal	137,500	107,000	30,500
4	Advertisement lease	2017-18	04.08.2017	M.Umer Yousaf	1,000,000	650,000	350,000
Total					5,857,834	2,972,000	2,885,834

Due to weak internal control, leases were auction below reserve price.

Auction of leases below reserve price resulted in loss of Rs 2.885 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility for auctioning leases less than reserve price besides regularization, under intimation to Audit.

[AIR Para:7]

5.2.3.7 Non / less recovery of various fees and taxes – Rs 2.612 million

According to Rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council failed to recover / less recovered various fees and taxes amounting to Rs 2.612 million during 2017-18. The detail is given below:

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	Revenue against leases	0.994
2	Immoveable property tax	1.367
3	Provincial Sale Tax	0.134
4	Income Tax	0.117
Total		2.612

Due to weak financial management, the Government revenues were not realized.

Non-realization of receipt resulted in loss to the Local Government amounting to Rs 2.612 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 2.612 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Paras:8,20,22]

CHAPTER 6

6.1 District Council, Muzaffargarh

6.1.1 Introduction:

As per the Punjab Local Government Act, 2013, the District Council established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carried out the functions devolved by the Provincial Government to the District Council.

The District Council is headed by Chairman. The District Council shall approve bye-laws and taxes, establish, approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans, promote social counselling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws, prevention and removal of encroachment on public ways, streets and properties, regulation or prohibition of the excavation of earth, sand, stones or other material, to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals, provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities, construction of culverts, bridges and public buildings, assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water, construction of culverts, bridges and public buildings.

The Chairman is the Principal Accounting Officer of the District Council and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the District Council is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Council.

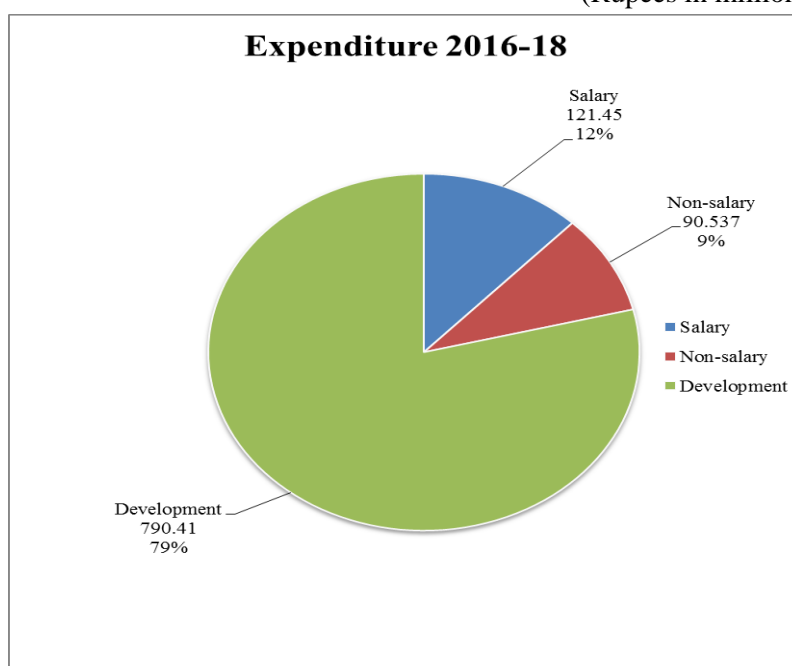
6.1.2 Comments on Budget and Accounts

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

(Rupees in million)

District Council Muzaffargarh				
2016-18	Budget	Actual	Excess / Savings	%
Salary	123.055	121.450	1.605	1
Non-Salary	95.804	90.537	5.267	5
Development	949.300	790.410	158.890	17
Total	1,168.159	1,002.397	165.762	14
Receipts	1402.712	1672.915	-270.203	-19

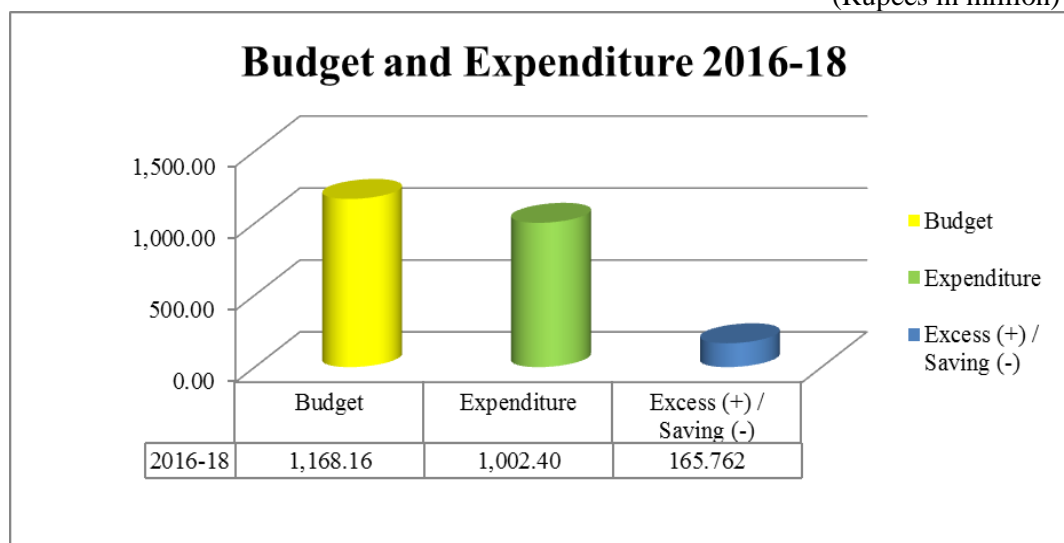
(Rupees in million)



As per the Appropriation Accounts 2016-18 of the District Council, Muzaffargarh, total original budget (Development and Non-Development) was Rs 1168.159 million. Against the budget, total expenditure of Rs 1002,397 million was incurred by the District Council during 2016-18. Lapse of funds

amounting to Rs 165.762 million came to the notice of audit due to inefficient financial management in release of budget by Deputy Director (Finance). (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in non salary portion which resulted in lapse of Rs 6.872 million (3 percent).
- (ii) An amount of Rs 158.890 million (17 percent) remained unutilized under “Development Budget” due to less development activities.

6.1.3 Brief Comments on the Status of Compliance of MFDAC Audit paras

As during the Audit year 2017-18, 1st Audit of District Council, was conducted and the Audit Paras which would not be attended by the DDO/PAO will be reported in next year Audit Report.

6.1.4 Brief Comments on the Status of Compliance with PAC Directives

As it is 1st Audit of District Council, no Audit Report has been previously laid before the Public Account Committee.

6.2 AUDIT PARAS

6.2.1 Non-Production of Record

6.2.1.1 Non-production of record – Rs 5.549 million

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

Chief Officer District Council incurred expenditure of Rs 5.549 million during 2017-18, but vouched accounts of the expenditure of procurement, contingencies, consumption and pay and allowances were not produced for audit scrutiny.

(Rupees in million)

Sr. No.	DDO	Nature of Record	Amount
1	Zila Council	Vouched account of expenditure on exhibition and celebration	2.852
		Non production of Logbook	2.697
Total			5.549

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 5.549 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras:42,44]

6.2.2 Irregularities & Non-Compliance

6.2.2.1 Doubtful execution of works - Rs 136.888 million

According to Paragraph 4.5 & 4.7 of B&R Code, every measurement must be recorded in the measurement book at the time it is taken and nowhere else. No payment should be made without detail measurement in the measurement book.

Chief Officer District Council allotted the work of following schemes to the contractors out of MPA schemes on account of earth fillings, soling, culverts etc amounting to Rs 136.888 million during 2017-18. The contract of the schemes were granted to the same contractor on higher rate. No proper measurement books were maintained. The date of record entries/bill date was blank in M.B and lot of cutting was noticed in M.B. Further the test of brick quality was also not available. The detail is given below:

(Amount in rupees)

Contractor	Work	M.No. Page	Amount of Bill
Rauf-e-Azam , 04.12.17	Construction of Soling Culvert UC Gul Qaim, khan pur	18/22-58	3,808,921
Rajpoot developers , 04.12.17	Construction of soling , graveyard Culvert Maskeen pur sharif	5/ '01-15	4,900,629
Rajpoot developers , 04.12.17	Construction of soling ,Culvert Seet Pur	15/40-60	3,332,043
Rajpoot developers, 04.12.17	Construction of soling ,Culvert Basti Kandarala	9/33-49	3,333,000
Sayed Baqir Hussain, 20/06.01.18	Construction of soling Drain Soling culverts Qasim Hinjra	-	11,523,198
Abdul Majeed, 1326/07.12.17	Construction of soling Drain UC Ghalwan 2 nd	14/01-57	19,999,496
Abdul Majeed, 1323/07.12.17	Construction of soling Drain UC Sabay wala	148/01-48	19,997,323
Abdul Majeed, 1324/07.12.17	Construction of soling Drain UC Ghalwan ist	148/01-53	19,997,723
Abdul Majeed, 1325/07.12.17	Construction of soling Drain UCBanday Shah Alipur	14/01-60	20,000,000
Sayed Baqir Hussain, 1329/07.12.17	Construction of soling Drain Soling Murad Abad	147/01-39	29,996,068
Total			136,888,401

Due to weak internal control, expenditure was incurred without proper maintaining of record.

Non observance of Government rules resulted in doubtful expenditure of Rs 136.888 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends the matter may be investigated and proceedings of disciplinary action against the person(s) at fault regarding doubtful execution of works, under intimation to Audit.

[AIR Paras:16,17,18]

6.2.2.2 Unauthorized splitting of schemes – Rs 72.850 million

According to Rule 05 (08) of Local Government (Works) Rules 2017, the power of development committee to accord admin approval was up to 20 million in Zila Council.

Chief Officer District Council split the development schemes valuing Rs 72.850 million during 2017-18 without approval of the competent forum. The schemes were split just to avoid sanction from the higher authority. In some cases the work was allotted to same contractor. The detail is given below:

(Rupees in million)

Sr. No.	Name of Scheme/ Work	Name of contractor	TS cost
1	Construction of Umer Hall in Zila council	Abdul Majeed Sithari	20.850
		Rajpoot developer	12.000
2	Construction of soling Drain UC Ghalwan	Abdul Majeed Sithari	20.000
			20.000
Total			72.850

Audit is of view that due to weak internal control, scheme were split up to avoid sanction from higher authority

Splitting of schemes resulted in irregular expenditure of Rs 72.850 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:13]

6.2.2.3 Non / less recovery of various fees and taxes – Rs 28.215 million

According to Rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council failed to recover/less recovered various fees/taxes amounting to Rs 28.215 million under various heads during 2017-18.

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	Lease Money	20.057
2	NOC fee	0.290
3	Tender fee	1.0
4	Conversion Fee	3.720
5	Plan approval/ Map fee	1.06
6	Sale tax at source	0.763
7	Provisional sale tax (withholding tax)	1.325
Total		28.215

Due to weak financial management, the Government receipts were not realized.

Non-realization of receipt amounting to Rs 28.215 million resulted in loss to the Local Government.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 28.215 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Paras:2,3,5,7,8,32,41]

6.2.2.4 Unauthorized expenditure without advertisement website – Rs 25.718 million

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Chief Officer District Council incurred an expenditure of Rs 25.718 million for purchase of various items without advertisement on PPRA website. The expenditure were incurred through quotations. Quotations were dateless, collected by hand, without proper description of the product and no comparative statement was signed by the member. Further all the procurement was made from few contractors which shows that no transparent procurement was made.

Due to weak financial controls, procurement was made without advertisement on PPRA website.

Non compliance of the Government instructions resulted in irregular expenses of Rs 25.718 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:11]

6.2.2.5 Execution of road work without compaction test – Rs 16.291 million

According to Rule 27 of the Punjab Local Government (Accounts) Rules 2017, it is the duty and responsibility of the drawing and disbursing officer, head of offices and the Chief Officer to ensure, on their own part, that the claims submitted for payment are valid claims for the works actually executed at site in accordance with the agreed specifications, quality and quantity, service actually

rendered in accordance with the agreement or terms of reference and to the entire satisfaction of the local government and the supply of goods actually made in accordance with the agreed quality and quantity and duly entered in the relevant books or registers of accounts, all formalities have been completed, the claims have not been paid previously and there is no reason to believe that the claims should not be paid;

Chief Officer District Council executed road work amounting to Rs 16.291 million without necessary compaction test of earth work 95-100% , lab test for quality of base and TST was not available on the record. Further record entries were not made RD wise and detailed measurement which creates doubt on quality of material used. The detail is given below:

(Amount in rupees)

Work	Awarded to	M.B / Page	items	Amount of wok
M/R GT Shah Jamal to Chah lotay wala	UFTU / 146/24.03.18	169/1-14	Earth work 131319 cft, base 8425 cft, TST 16850 sft	3,739,000
M/R Mohib Faqir to Mail Manjeeth	Rajpoot developers / 1388/ 04.12.17	13/25	Earth work 133650 cft, base 8910 cft, TST 34500 sft	4,286,550
M/R Basti Easa Bhabha	UFTU / 617/28.08.17	76/1-17	Earth work 36500 cft, base 18411 cft, TST 52700 sft	4,645,350
M/R Fatehpur by pass to new courts	Rajpoot developers / 1402/ 04.12.17	15/ 25-89	Earth work 81000 cft, base 9780 cft, TST 31900 sft	3,620,279
Total				16,291,179

Due to weak management control, expenditure was incurred without necessary test and measurement.

Due to weak internal controls, the codal formalities were not observed before making the payments.

Non observance of Government rules resulted in unauthorized expenditure of Rs 16.291 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends the matter may be investigated regarding execution of works without quality tests, under intimation to Audit.

[AIR Para:15]

6.2.2.6 Doubtful purchase of store and sports material-Rs 12.544 million

As per Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

Chief Officer District Council incurred expenditure of Rs 12.544 million on account of store and sports material during 2017-18. Scrutiny of record revealed that end user purchase requirement was not available, stock entry and end user consumption was not available. Furthermore, certificates from the District Officer Sports regarding issuance of sports material to the community / Teams of various sports was not obtained to verify that whether sports material was already issued to the said teams or not. (Annexure-E/MGH)

Due to weak financial controls, purchases were made without observing rules.

Non observance of rules resulted in doubtful expenditure of Rs 12.544 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends the matter may be investigated and responsibility may be fixed on the person(s) at fault, under intimation to Audit.

[AIR Paras:35,38]

6.2.2.7 Doubtful expenditure on Moharrum and Eid-Rs 12.092 million

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

hold personally responsible for any loss arriving from fraud or negligence on the part of any other Govt. servant to the extent to which it may be shown that the contributed to the loss by his own action or negligence.

Chief Officer District Council incurred expenditure of Rs 12.092 million on account of earth fillings, soling, cleanliness etc on occasion of Moharrum and Eid. Scrutiny of record revealed that expenditure was incurred without maintaining measurement book, entries in measurement and without proper budget allocation. The detail is below:

(Amount in rupees)

Drawl Date	Supplier	Description	Amount
01.11.17	Zia Muhammad	Earthfilling various Moharrum routs	794,019
21.11.17	M.Asalam	Water tanks for Moharram	291,912
08.11.17	Rajpoot Developers	Rent of generators hired for Moharram	1,584,000
08.11.17	Sunny & Com	Tractors hired for Moharram routs blade etc	1,305,000
03.11.17	M.Ajmal khan	Earthfilling Various Moharrum routs	284,584
17.11.17	Rauf-e-Azam	Earthfilling Various Moharrum routs	879,434
23.11.17	Zaffar Iqbal	Earthfilling Various Moharrum routs	853,100
23.11.17	Raza Construction	Earthfilling Various Moharrum routs	743,984
23.11.17	Sabir Hussain Chandia	Earthfilling Various Moharrum routs	776,256
02.11.17	Sabir Hussain Chandia	Earthfilling Various Moharrum routs	285,765
21.11.17	Waseem Ahmed	Earthfilling Various Moharrum routs	594,000
23.01.18	Sabir Hussain Chandia	Earthfilling 21 Various Moharrum routs	1,489,366
22.01.18	Rauf-e-Azam	Earthfilling 05 Various Moharrum routs	492,932
18.10.17	M.Asalam	Earthwork UC Ali Daha , KD Qureshi, Dawna	311,648
25.10.17	Sabir Hussain Chandia	Earthwork UC Kashif Abad, Gurmani, Pattal etc	488,485
25.10.17	Rauf-e-Azam	Repair Moharram Routs	76,532
26.09.17	Malik Akhtar & Comp	Cleanliness Eidulzuha	841,500
Total			12,092,517

Due to weak financial control, expenditure was incurred without maintaining the proper record.

The authenticity of execution of actual work could not be admitted and it resulted doubtful payment of Rs.12.092 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:39]

6.2.2.8 Loss due to non reduction of cost of bricks-Rs 9.063 million

According to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer District Council awarded the work amounting to Rs 9.063 million to contractor during 2017-18. Scrutiny of record reveal that neither the lab test of brick from prominent laboratory for assessing the 1st, 2nd or 3rd class brick was available nor the rate of brick was reduced from contractor bills. The detail is given below:

(Amount in rupees)

Supplier	Work	M.B. Page	Last Paid	Brick Soling (sft)	Amount
Rajpoot developers, 04.12.17	Construction of soling , graveyard Culvert Maskeen pur sharif	5/ '01-15	22.12.17 3rd final Rs4900629	20,378	2,948,717
Rajpoot developers , 04.12.17	Construction of soling ,Culvert Seet Pur	15/40-60	03.01.18 2nd final 3332043	15,519	2,245,615
Ruf Ruf enterprises	Construction of soling, Culvert Basti sonay wala	1/ '1-34	26.01.18 3rd final	13,242	1,916,131
Rajpoot developers , 04.12.17	Construction of soling ,Culvert Basti Kundarala	9/33-49	15.01.18 3rd final 3333000	13,500	1,953,464
Total				62,639	9,063,926

Due to weak financial control, payment was made without prove of 1st class brick.

Non reducing of brick rate resulted in loss of Rs 9.063 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends that documentary proof of lab test may be provided to prove the utilization of 1st class bricks otherwise matter may please be

investigated for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:26]

6.2.2.9 Un-authorized drawal of pay without sanctioned posts - Rs 6.305 million

According to Rule 37 (3,4,5) of Punjab Local Government (Accounts) Rules 2017, the drawing and disbursing officer shall maintain the establishment check register in Form AR-12 and reconcile with the similar register maintained by the accounts officer.(4) At the beginning of each year, the entries in the establishment check register showing sanctioned strength of the establishment and remuneration for each post shall be scrutinized and verified by the drawing and disbursing officer and countersigned by the head of the offices in accordance with the schedule of establishment approved by the competent authority.(5) Any variation in the schedule of establishment, during the currency of the year, shall essentially require verification by the head of office and head of finance office.

Chief Officer District Council allowed drawl of pay and allowances amounting to Rs 6.305 million to employees during 2017-18. Scrutiny of record revealed that pay and allowances were paid in excess of sanctioned post. The detail is given below:

(Amount in rupees)

Office	Post	Sanctioned Posts	Working	Excess	Salaries Paid
Chairman	Senior Clerk	0	1	-1	466,176
DO Finance	Sanitation Promotor	0	3	-3	1,114,416
DO Regulation	Senior Clerk	2	3	-1	533,748
DO Planning	Senior Clerk	0	1	-1	400,788
DO Planning	Junior Clerck	1	2	-1	309,540
DO (I&S)	Baildar	11	15	-4	1,010,016
Water supply scheme Turkish colony	Operator	0	10	-10	2,251,104
Water supply scheme Turkish colony	Plumber	0	1	-1	219,732
Total				-22	6,305,520

Due to weak internal controls, pay and allowance were paid without sanctioned post.

Payment without sanctioned post resulted in unauthorized expenditure of Rs 6.305 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides pay drawn unauthorized should be either recovered or regularized, under intimation to Audit.

[AIR Para:45]

6.2.2.10 Unauthorized purchase of vehicle / motor cycles – Rs 5.983 million

According to Rule 12 of PPRA 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations. The procurement exceeding two million rupees shall be advertised on the website of the Authority, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu. Furthermore, according to Rule 31(f) of Budget Rules 2017, a prior sanction of the Government for advance payment shall be required and must be accompanied by a certificate that payment in advance is necessary and unavoidable because of the nature or terms and conditions of the contract for supply of the goods or services and in such cases, following additional procedures must be followed;

- (i) Claim voucher must be prominently stamped “PAID IN ADVANCE”; and

Furthermore, according to Government of Pakistan (Revenue Division) CBR (Sales Tax and Federal Excise Wing) letter No. 4/2-STB/207)PT) dated 13-8-2007, Government / Department making purchase of goods liable to sales tax, shall withhold 1/5th sales tax while remaining 4/5th of the sales tax shall be paid to

supplier and withheld amount will be deposited by the government organization/ department itself.

Chief Officer District Council incurred expenditure of Rs 5.983 million on account of purchase of vehicle/ Motor cycle during 2017-18. Scrutiny of relevant record revealed that purchases were made through quotation instead of open tender in advance payment to supplier. Further GST and Income Tax was not deducted from supplier. The detail is given below:

(Amount in rupees)

Date	Paid to	Amount	Vehicle
23.10.17	Atlas Honda	702,500	06 cg 125, Motor cycles
28.02.17	Indus Motors	5,280,500	Fortuner 4*4AT 2694CC6*0A
Total		5,983,000	

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

Non observance of rules resulted in unauthorized expenditure of Rs 5.983 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:31]

6.2.2.11 Unjustified expenditure on RCC work – Rs 4.398 million

According to additional Clause 60,64,66 of contract agreement, samples of steel to be used in reinforcement cement concrete work shall be got tested. Testing of concrete to ensure that specified strength as per specification or as desired by engineer in charge is being achieved. Reinforcement steel should be of intermediate grade deformed bars with yield stress not less than 40000 LBS per square inch. This shall be supplied by MS PECO Lahore, M/S Abdul Qayum, Itifaq Industries. Receipt for the purchase from such supplier be enclosed with bill.

Chief Officer District Council awarded the work amounting to Rs 4.938 of following schemes to contractors during 2017-18. Scrutiny of record revealed that neither the lab test of reinforcement, concrete was available on the record nor bill was supported with prescribed suppliers as mentioned in above rule. The detail is below:

(Amount in rupees)

Work	Contractor	M.B. Page	Last Paid	Work	Cost of Mild Steel
Construction of soling Drain Soling culverts UC Gul wala	Borana Construction , 04.12.17	20/4-67	17.05.18, 3rd final Rs3137950	3,300,000	585,186
Construction of soling Drain Soling culverts UC wan pitafi	Rauf-e-Azam , 04.12.17	18/1-53	08.06.18, 4th final Rs8569221	9,000,000	546,475
Construction of Culvert Rangpur Canaal	Sayed Baqir, 07.12.17	nill/ 10-58	20.06.18, 3rd running Rs12482133	20,000,000	3,101,316
Construction of Soling Culvert UC Gul Qaim, khan pur	Rauf-e-Azam , 04.12.17	18/22-58	03.06.18 3rd final Rs3808921	4,000,000	165,168
Total				36,300,000	4,398,146

Due to weak financial control, expenditure was incurred without necessary test.

Non observance of Government rules resulted in unjustified expenditure of Rs 4.938 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:25]

6.2.2.12 Non-recovery of penalty due to delay in completion of works – Rs 3.630 million

According to Clause-39 of Contract Agreement, if contractor fails to complete the work within stipulated / extended period, he was required to be penalized @ 1% to 10% of the agreement amount for delayed completion of work.

Chief Officer District Council did not impose penalty amounting to Rs 3.630 million @ 1 to 10% for the work not completed within stipulated time. Neither the contractor has applied for time limit nor has the same been granted by the authority till date. The detail is given below:

(Amount in Rupees)

Work	Contractor	M.B. Page	Last Paid	Amount	10% Penalty
Construction of soling Drain Soling culverts UC Gul wala	Borana Construction , 04.12.17	20/4-67	17.05.18, 3rd final Rs3137950	3,300,000	330,000
Construction of soling Drain Soling culverts UC wan pitafi	Rauf-e-Azam , 04.12.17	18/1-53	08.06.18, 4th final Rs8569221	9,000,000	900,000
Construction of Culvert Rangpur Canaal	Sayed Baqir, 07.12.17	nill/ 10-58	20.06.18, 3rd running Rs12482133	20,000,000	2,000,000
Construction of Soling Culvert UC Gul Qaim, khan pur	Rauf-e-Azam , 04.12.17	18/22-58	03.06.18 3rd final Rs3808921	4,000,000	400,000
Total				36,300,000	3,630,000

Due to weak financial control, penalty for delay in completion of work was not imposed.

Non imposition of penalty resulted in loss of Rs 3.630 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault, besides recovery of the pointed out amount from the contractors, under intimation to Audit.

[AIR Para: 24]

6.2.2.13 Unauthorized payment of salaries of work charge / daily wages staff Rs 4.351 million

According to Rule 37 (4,5) of PLGO Accounts Rules 2017, at the beginning of each year, the entries in the establishment check register showing sanctioned strength of the establishment and remuneration for each post shall be

scrutinized and verified by the drawing and disbursing officer and countersigned by the head of the offices in accordance with the schedule of establishment approved by the competent authority. Any variation in the schedule of establishment, during the currency of the year, shall essentially require verification by the head of office and head of finance office.

During the audit of the accounts of Zila Council Muzaffargarh, it was observed that daily wages staff was hired during 2017-18 in the light of LG&CD Department letter dated 07.03.2017. In these instructions , permission was granted to hire daily wager against vacant posts in the interim schedule of establishment with the condition that services will stand terminated on expiry of 89 days or issuance of schedule of establishment or engagement of Janitorial service Company which ever be earlier. LG&CD Department issued approved schedule of establishment for Zila Council Muzaffargarh on 19.04.2017 with the condition No.06 that in future, it will be treated misconduct on part of appointing authority, if any one hired / employed on work charge / daily wager basis under any circumstances or on any pretext. Hence after issuance of schedule of establishment, the appointment of daily wagers proved misconduct on the part of appointing authority. Government sustained loss of Rs 4.351 million as detailed below:

(Amount in rupees)

Period	No. of Persons	Salary Paid
July to December 17	17	1,681,368
January to June 18	27	2,670,408
	Total	4,351,776

Due to weak internal controls, work charge establishment was hired despite government instruction.

Hiring of work charge establishment was violation of government instruction and resulted irregular expenditure of Rs 4.352 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person at fault besides regularization of expenditure, under intimation to Audit.

[AIR Para:47]

6.2.2.14 Loss of revenue due to un-approved residential housing schemes - Rs 2.925 million

According to Land Use Rules 2009 and Chapter VIII Rule 60 (C) of Commercialization Rules 2008 “The conversion fee for the conversion of peri-urban area or intercity services area to residential use shall be one percent (1%) of the value of the land as per valuation table. Further as per rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council did not take any action to approved residential housing schemes and to recover commercialization fee from the owners of residential schemes amounting to Rs 2.925 million. (Annexure-F/MGH)

Due to weak internal control neither the residential schemes were approved nor commercialization fee was recovered.

Non approval of residential schemes and non recovery of commercialization fee resulted in loss of Rs 2.925 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 2.925 million besides fixing responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para:1]

6.2.2.15 Unjustified payment of non-schedule items without clear specifications Rs 1 million

According to Govt. of Punjab Finance Department letter No.RO(Tech) FD.18-23/2004, dated 21.09.2004 Sr. No. (ii) the rate analysis for the item rates (non standardized shall be prepared by the XEN clearly giving the specifications

of the material used and approved by the competent authority to accord technical sanction (not below the rank of S.E) before the work is undertaken.

Chief Officer District Council allotted the scheme of work “special repair and renovation of rest house Fort Minro” to Rajpoot Developers during 2017-18. Scrutiny of record reveal that non schedule items were paid at high rates amounting to Rs 1 million without any specification in violation of above rule. The detail is below:

(Amount in rupees)

Item	Quantity	Rate	Total Amount
Single bed with mattress	16	32,000	512,000
Small table	16	6,000	96,000
Dressing table	8	12,500	100,000
Arm Chair	8	15,000	120,000
Sofa set	8	21,500	172,000
Total			1,000,000

Due to weak internal control, non schedule items were paid at higher rate.

Payment of non schedule items resulted in unjustified payment of Rs 1 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends that matter may be investigated and proceedings of disciplinary action against the Officers / Officials concerned beside the recovery of Government loss, under intimation to Audit.

[AIR Para:22]

CHAPTER 7

7.1 District Council, Rajanpur

7.1.1 Introduction:

As per the Punjab Local Government Act, 2013, the District Council established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carried out the functions devolved by the Provincial Government to the District Council.

The District Council is headed by Chairman. The District Council shall approve bye-laws and taxes, establish, approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans, promote social counselling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws, prevention and removal of encroachment on public ways, streets and properties, regulation or prohibition of the excavation of earth, sand, stones or other material, to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals, provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities, construction of culverts, bridges and public buildings, assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water, construction of culverts, bridges and public buildings.

The Chairman is the Principal Accounting Officer of the District Council and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the District Council is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Council.

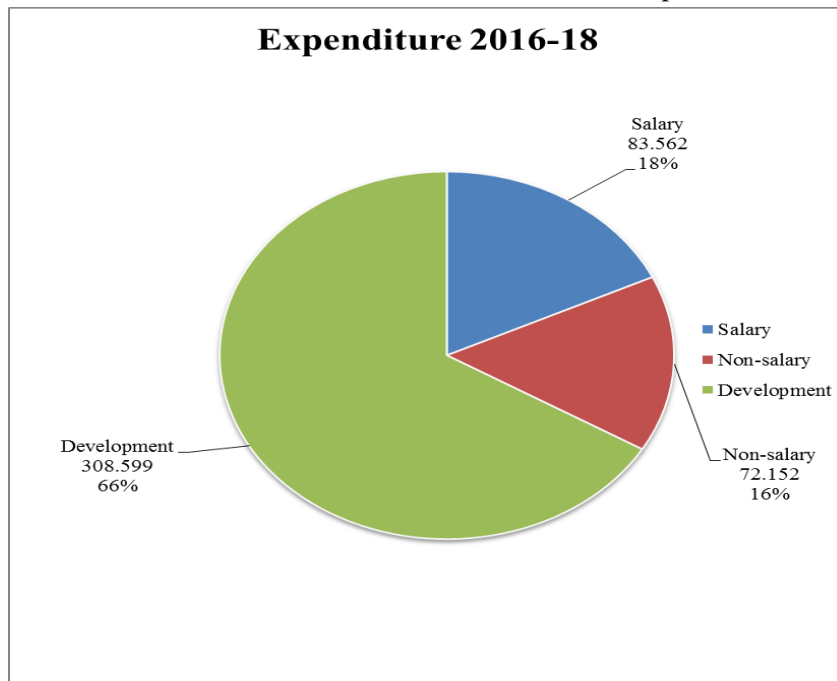
7.1.2 Comments on Budget and Accounts

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

(Rupees in million)

District Council Rajanpur				
2016-18	Budget	Actual	Excess / Savings	%
Salary	191.363	83.562	107.801	56
Non-Salary	160.800	72.152	88.648	55
Development	581.287	308.599	272.688	47
Total	933.450	464.313	469.137	50
Receipts	1,122.575	769.552	532.536	47

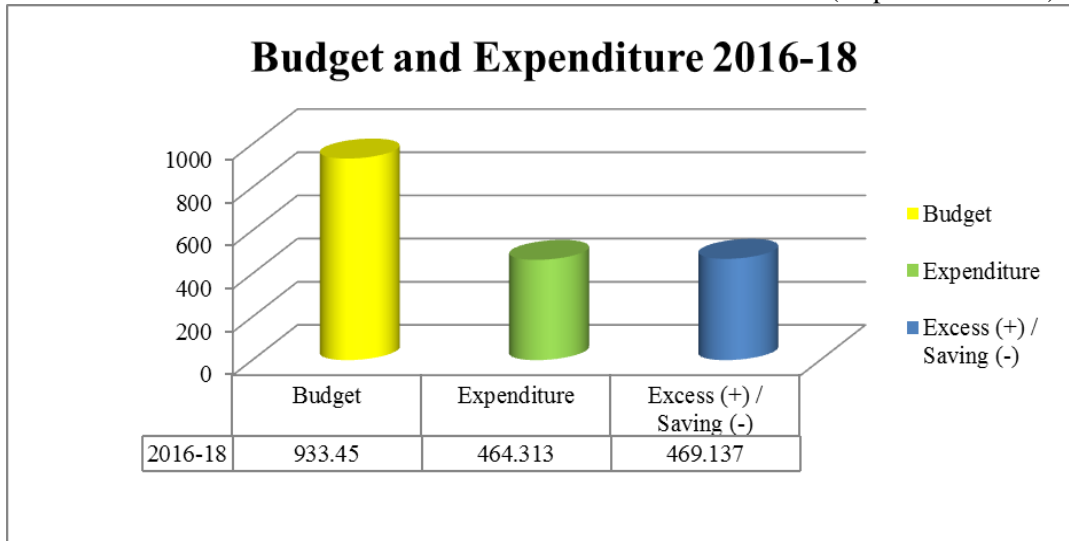
(Rupees in million)



As per the Appropriation Accounts 2016-18 of the District Council, Rajanpur, total original budget (Development and Non-Development) was Rs 933.450 million. Against the budget, total expenditure of Rs 464.313 million was incurred by the District Council during 2016-18. Lapse of funds amounting

to Rs 469.137 million came to the notice of audit due to inefficient financial management in release of budget by Deputy Director (Finance). (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed occurred as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in non development portion which resulted in lapse of Rs 196.449 million (56 percent).
- (ii) An amount of Rs 272.688 million (47 percent) remained unutilized under Grant 36 “Development” due to less development activities.

7.1.3 Brief Comments on the Status of Compliance of MFDAC Audit paras

As during the Audit year 2017-18, 1st Audit of District Council, was conducted and the Audit Paras which would not be attended by the DDO/PAO will be reported in next year Audit Report.

7.1.4 Brief Comments on the Status of Compliance with PAC Directives

As it is 1st Audit of District Council, no Audit Report has been previously laid before the Public Account Committee.

7.2 AUDIT PARAS

7.2.1 Non-Production of Record

7.2.1.1 Non-production of record – Rs 27.333 million

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

Chief Officer District Council collected receipt amounting to Rs 27.333 million as per budget and expenditure and monthly accounts but record pertaining to stock register of receipt books, issuance of receipt book and collection and deposit of receipt was not produced. The detail is given below:

(Rupees in million)

Detail of Receipt	Budget Estimate 2017-18	Previous Year 01.01.2017 to 30.06.2017	Actual for 2017-18
General Bus stand fee C0388016)	3240000	0	142422
Fee for Approval of Building /Construction Plan C0388027	700000	3618635	1448190
Fee of slaughter of animals C0388042	235000	0	48680
Receipt on account of sale of water - residential C0388047	0	0	3450151
Other Miscellaneous Fee	1050000	1359102	6527416
Boating Fee	0	399000	217900
Arrears of water rate C0388093	0	121260	0
Miscellaneous Fee C038091	0	0	10000000
Sub Total	23,725,000	5497997	21834759
Grand Total (01.2017-06-17 +2017-18)			27,332,756

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the receipt amounting to Rs 27.333 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras:26]

7.2.2 Irregularities & Non-Compliance

7.2.2.1 Non / less recovery of various fees and taxes – Rs 147.783 million

According to Rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council failed to recover/less recovered various fees and taxes amounting to Rs 147.783 million under various heads during 2017-18. The detail is given below:

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	Provincial Sale Tax	19.095
2	Tender sale fee	0.287
3	License fee	10.110
4	Water rate charges	81.535
5	Conversion fee of petrol pump	1.401
6	Boating fee/Patten fee	2.500
7	Conversion fee/ Building Map fee	32.855
Total		147.783

Due to weak financial control, Government less realize/ less recover.

Less realization recovery of receipt resulted in loss of Rs 147.783 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 147.783 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Paras:1,3,28,42,43,49,50]

7.2.2.2 Unauthorized payment against tuff tiles pavers - Rs 23.758 million

According to rate analysis of tuff tile, the strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., IZhar building material (Pvt) Ltd.

Chief officer District Council allotted the work of providing and laying of tuff tiles to various Government contractors. It was observed that expenditure to the extent of Rs 23.758 million was incurred on item “Providing and Laying Tuff Tiles Paver 80/60mm” (7000PSI). The rate of the tuff tile was based on the input rate of Izhar &Co. Texila, but the tuff tile was purchased from local manufacturer which might not conform with the quality standard. Further, the quality test in scheme was not conducted to prove the required strength of 7000 PSI. The detail is given below:

(Amount in rupees)

Scheme	MB#	Quantity of tuff used	Rate Charged	Amount
Provision of Tuff Tiles at Noshehra Gharbi Rajanpur	140/31	37,145	90	3,343,050
		13,312	115	1,530,880
Construction of Tuff Tile Tini Solangi	137/33,	35,274	90	3,174,660
	137/35	20,866	115.81	2,399,590
Construction of Tuff Tiles Haji Shareef Jampur	139/24	16,096	90	1,448,640
	139/25	36,459	115	4,192,785
Construction of Tuff Tile Lundi Sayadan	138/21	46,934	90	4,224,060
Construction of tuff tail khas basti shah wali u/c shah wali	806662046/ 20.09.2017	5,142	95.25	489,776
Construction tuff tail dera ayub khan to nasir gopang u/c sikhaniwala	806758515/ 12.10.17	2,271.2	95.25	216,332
Construction of culverts, tuff tail qasba sikhani wala u/c sikhani wala	807500677/ 21.03.18	6,902	95.25	660,521
Construction of culverts, tuff tail with drain mohala sofi muhammad ramzan basti punjab u/c umer kot	807500687/ 29.3.18	6,363	95.7	609,033
Construction of culverts, tuff tail qasba mehre wala u/c mehre wala	807663865/ 30.4.18	7,588.75	95.7	726,243
Construction of culverts, tuff tail mohala sadat mouza shahwali u/c shahwali	806662046	7,756.25	95.7	742,273
Total				23,757,843

Due to weak internal control, payment was made to contractor without quality test of tuff tile pavers.

Payment of tuff tile without quality test resulted in unauthorized expenditure of Rs 23.758 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of overpaid amount and lab test from recognized laboratory, under intimation to Audit.

[AIR Para:16]

7.2.2.3 Irregular payment of work charged establishment – Rs 23.744 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer District Council appoint daily wages and work charged staff and paid an amount of Rs 23.744 million during 2017-18. Scrutiny of relevant record reveal that 11 water supply plants were out of order but pay of the staff appointed at these water supply plants was not stoped. Furthermore, the staffs were appointed without observing codal formalities. (Annexure-G/RP)

Due to weak internal control, work charged staff was hired without approval observing codal formalities.

Non observance of Government rules resulted in irregular expenditure of Rs 23.744 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends matter may be investigated besides regularization of expenditure, under intimation to Audit.

[AIR Para:39]

7.2.2.4 Non recovery of departmental charges – Rs 22.950 million

According to Rule (7)(3) of the Punjab Local Government (Works) Rule 2017, in case a work is executed by the local Government on behalf of the Government or another Local Government or body, the Government or the concerned local Government or, as the case may be, the concerned body shall pay to the local Government such departmental charges for the execution of works as may be fixed by the Government”. Furthermore, as per provision of C.P.W codes appendix-V, 17% departmental charges should be recovered from the agency for which work was to be carried out. It includes 14 ½ % establishment charges, 1 ½ % charges of tools and plants and 1 % audit and accounts charges.

Chief Officer District Council executed the 55 development schemes of sugar cess cane but 17% departmental charges amounting to Rs 22.95 million were not recovered from the sugar cess authorities.

Due to weak financial control, departmental charges could not be recovered from sugar cess authority.

Non recovery of departmental charges resulted in loss of Rs 22.95 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 22.95 million, under intimation to Audit.

[AIR Para:26]

7.2.2.5 Unjustified lead for transportation of earthwork-Rs 15.059 million

According to para No.3 of the TS sanctioned by Chief Engineer (HQ) Punjab Local Govt. Board Lahore, the quantity of each items of work taken in the estimate is for estimation purpose only. The exact quantity of earth work will be worked out after conducting levelling before executing of earth work in order to avoid possibility of any wrong payment besides preparation of lead chart of earth work showing borrowing areas specifying exact khasra and khatoni numbers’

Chief Officer District Council paid an amount of Rs 15.059 million on account of earthwork with one mile lead during 2017-18. Scrutiny of record reveals that lead for earthwork was provided as per TS estimate instead of actual execution at site. Furthermore, all the schemes were in rural area/village where the earth filling material was easy available but in 95% schemes one mile lead was allowed which was unjustified and unrealistic. (Annexure-H/RP)

Due to weak internal control, one mile lead on earth work was provided without actual execution at site.

Provision of one mile lead on earth work resulted in unjustified expenditure of Rs 15.059 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends that matter may be inquired at higher level besides recovery/regularization of overpayment, under intimation to Audit.

[AIR Para:8]

7.2.2.6 Non-recovery of penalty due to delay in completion of works - Rs 10.05 million

According to Clause-39 of Contract Agreement, If contractor failed to complete the work within stipulated / extended period, he was required to be penalized @ 1% to 10% of the agreement amount for delayed completion of work.

Chief Officer District Council did not impose penalty amounting to Rs 10.05 million @ 1 to 10% for the work not completed within stipulated time. Neither the contractors had applied for time limit extension nor has the same been granted by the authority. The detail is given below:

(Rupees in million)

Name of Work	Acceptance #/Date	TS Amount	Time Limit (Month)	Time Lapsed	Penalty @10%
Provision of Tuff Tiles at Noshehra Gharbi Rajanpur	241-49/DO(I&S)/20.12.17	20.000	6	12	2.000
Construction of Tuff Tiles tibi solangi Rajanpur	259-67/DO(I&S)/20.12.17	20.000	6	12	2.000
Construction of Tuff Tile Hajipur Shareef Jampur	DO(I&S) 268-76 /20.12.2017	20.000	6	12	2.000
Construction of Tuff Tile Lundi Sayadan	DO(I&S) 250 20.12.2017	20.000	6	12	2.000
Construction of Matel road basti Ghulam Hussain Maral UC sahan wala	994/Do(I&S)/02.02.18	4.000	6	11	0.400
Construction of matel road noor pur malkani u/c noor pur malkani	261/DO(I&S)/29.6.17	16.500	6	18	1.650
Total					10.050

Due to weak financial control, penalty for delay in completion of work was not imposed.

Non imposition of penalty resulted in loss of Rs 10.05 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault, besides recovery of the pointed out amount from the contractors, under intimation to Audit.

[AIR Para: 19]

7.2.2.7 Loss due to non reduction of cost of bricks - Rs 8.872 million

According to Market Rate System (MRS) issued by the Government of Punjab Finance Department, the composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer District Council awarded the work amounting to Rs 8.872 million to contractors during 2017-18. Scrutiny of record reveal that neither the

lab test of brick from prominent laboratory for assessing the 1st, 2nd or 3rd class brick was available nor the rate of bricks was reduced from contractor bills.

Due to weak financial control, payment was made without prove of 1st class bricks.

Non reducing of bricks rate resulted in loss of Rs 8.872 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:22]

7.2.2.8 Unjustified drawl on account of drains-Rs 7.807 million

According to Rule 7.17 (b) of DFR code, all measurements recorded in measurement book shall be accurate with complete facts and figures with location and based on actual quantity of work done. As per Para 9 (13) of Punjab Local Government (Works) Rule 2017, the Engineer incharge and his subordinates shall be responsible for strict implementation of the term of the contract and shall adhere to the roles and responsibilities defined for execution of development work in Building and Road Department works Code.

Chief Officer District Council executed following scheme of work amounting to Rs 7.807 million during 2017-18. Scrutiny of record revealed that in the work of schemes item No.1 i.e “earthwork excavation in opening cutting for drains” was not shown as executed in the measurement books whereas the other items i.e PCC, Pacca brick work in F&P, reimbursement, construction of PS drains etc were claimed and paid accordingly. How it is possible to execute the other items without earthwork excavation. (Annexure-I/RP)

Due to weak internal control, scheme were executed without opening cutting of drain.

Allowing and payment of unjustified item resulted in loss of Rs7.807 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends that matter may be inquired and fixing responsibility on the person(s) at fault beside recovery/regularization, under intimation to Audit.

[AIR Para:11]

7.2.2.9 Non obtaining of additional performance security-Rs 5.671 million

According to Para 9(9)(d) of Punjab Local Government Works rule 2017 “In case the rates of the lowest bidders are equal to or less than 5% of the estimated cost, the lowest bidder bound to deposit additional performance security from a scheduled bank from 5% to 10%(Including CDR deposited at the time of tendering) within 15 days of issuance of a notice as under:

Total tendered amount below corresponding estimated cost	Additional Performance Security
5%	5%
6%	6%
7%	7%
8%	8%
9%	9%
10%	10%

Chief Officer District Council issued work orders to the contractors during 2017-18 who offered rates below the TS value, but additional performance security of Rs 5.671 million was not obtained from the contractors in violation of above rule. The detail is given below:

(Rupees in million)

Name of Scheme	Estimate Cost	Allotted Below	Work order	Performance Security
Construction of Matel road basti Ghulam Hussain Maral UC sahan wala	4.000	17.5%	994/DO(I&S) / 02.02.2018	0.700
Construction of matel raod chowk bridge talok to rajanpur chuk shaheed road UC fateh pur	6.000	10.05%	99/DO(I&S) /02.2.2018	0.603

Name of Scheme	Estimate Cost	Allotted Below	Work order	Performance Security
Construction of matel road noor pur malkani u/c noor pur malkani	16.500	24.1%	261/DO(I&S) / 29.06.2017	3.977
Construction of moramti water supply scheme UC noshehra gharbi	2.000	17%	-	0.340
Construction of solling link road kot tahir to basti hasil khokhar UC basti rindan	0.500	10.3%	-	0.051
Total				5.671

Due to weak financial controls, performance security was not obtained from the contactors for satisfactory completion of work.

Non obtaining of performance securities resulted in completion of work at risk.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault for undue favouring the contractor besides completion report of satisfactory performance of works and regularization from competent forum, under intimation to Audit.

[AIR Para:5]

7.2.2.10 Loss of revenue due to un-approved residential housing schemes -Rs 2.752 million

According to Land Use Rules 2009 and Chapter VIII Rule 60 (C) of Commercialization Rules 2008 “The conversion fee for the conversion of peri-urban area or intercity services area to residential use shall be one percent (1%) of the value of the land as per valuation table. Further as per rule 47 of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.

Chief Officer District Council did not take any action to approve 45 residential housing schemes and to recover various fee from the owners of residential schemes amounting to Rs 2.752 million.

Due to weak internal control, neither the residential schemes were approved nor various fee was recovered.

Non approval of residential schemes and non recovery of various fee resulted in loss of Rs 2.752 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends recovery of Rs 2.752 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:6]

7.2.2.11 Irregular expenditure without advertisement – Rs 1.970 million

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

Chief Officer District Council incurred an expenditure of Rs 1.970 million for purchase of various items during 2017-18. Neither the advertisement was made on PPRA website nor two national newspaper i.e one in English and one in Urdu. Purchases were made through quotations most of which were dateless. Further purchases were made through contractor instead of direct purchase. (Annexure-J/RP)

Due to weak financial controls, procurement was made without advertisement on PPRA website on quotation basis.

Non compliance of the Government instructions resulted in irregular expenses of Rs 1.970 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

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

[AIR Para:35]

7.2.2.12 Loss of profit due to non-deposit of CDRs in bank account - Rs 1.436 million

According to Government of the Punjab, letter No. SO (P-III) Misc.1-3/2013 dated 02.05.2013 “Bid security is 2% of the package price in the shape of Bank Guarantee or CDR. Bid security less than 2% shall not be acceptable. The performance guarantee will be 5% of the contract amount the performance security shall be deposited in the shape of deposit at call/bank guarantee.

Chief Officer District council did not deposited an amount of Rs 28.729 million received in the form of CDRs on account of security deposit or performance guarantee from the successful bidders of development schemes. Non depositing of CDRs in bank account resulted in loss of Rs 1.436 million in shape of bank profit on deposit. (Annexure-K/RP)

Due to weak internal control, the earnest money CDR was not deposited into bank account.

Non depositing of CDRs in bank account resulted in loss of Rs 1.436 million.

The matter was reported to the Chief Officer in January, 2019. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 1.436 million, under intimation to audit.

[AIR Para:4]

CHAPTER 8

8.1 District Council, Chiniot

8.1.1 Introduction

District Council, Chiniot was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Chiniot is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Chiniot as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
- Celebration of public festivals;

- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

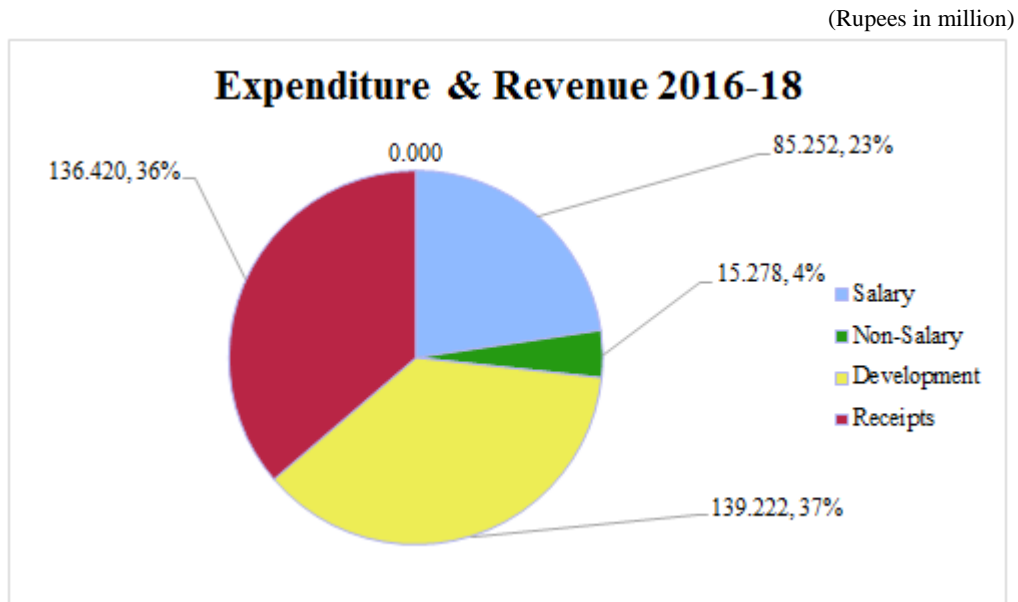
The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

8.1.2 Comments on Budget and Accounts

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

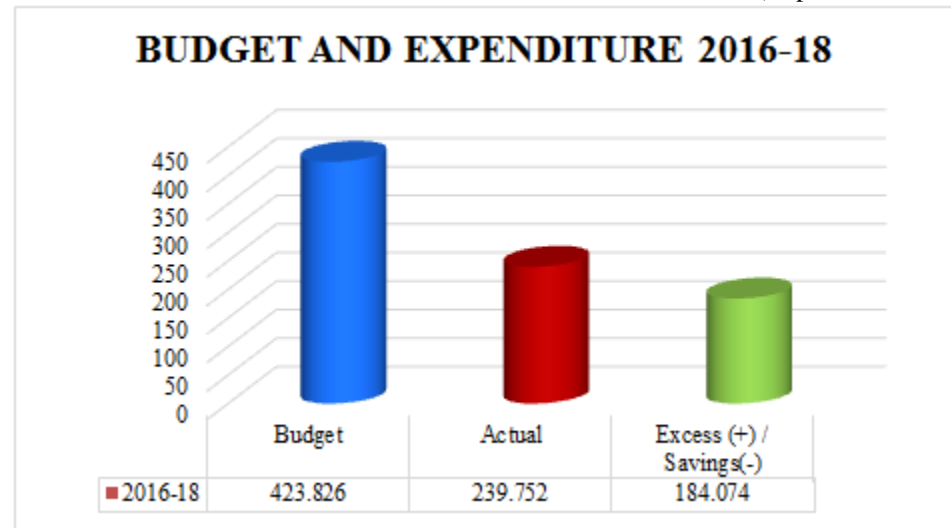
(Rupees in million)

2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	130.12	85.252	(44.868)	-34.48%
Non-Salary	88.903	15.278	(73.625)	-82.81%
Development	204.803	139.222	(65.581)	-32.02%
Total Expenditure	423.826	239.752	(184.074)	-43.43%
Receipts	121.967	136.42	14.453	11.85%
Total Outlay	545.793	376.172	(169.621)	-31.08%



As per Appropriation Accounts 2016-18 of the District Council, Chiniot, total budget (Development & Non-Development) was Rs 423.826 million. Against the final budget, total expenditure of Rs 239.752 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 184.074 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



8.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Chiniot established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

8.2 AUDIT PARAS

8.2.1 Irregularities and Non-compliance

8.2.1.1 Unauthorized execution of development works without entering into formal agreements – Rs 12.350 million

According to Clause 8 of Terms & Conditions of Agreement, the contractor shall, if so required by the engineer-in-charge, submit in writing to the engineer-in-charge within the period specified by him for his approval a programme showing the order of procedure and the method in which he proposes to carry out the works. The time and progress chart shall be prepared in direct relation to the time period stated in item (g) of the memorandum hereto annexed for the completion of individual items thereof and the works as a whole. It shall indicate the forecast of the dates for commencement and completion of various trade processed or section of the works, and shall be amended as may be required by agreement between the engineer-in-charge and contractor within the limitation of time imposed in the contract documents.

Chief Officer, District Council, Chiniot awarded 36 works during 2016-18 without entering into formal agreements. A comparison of purchase of stamp papers with date of issuance of work order revealed that work order was issued before the date of purchase of stamp papers. Non-entering into formal agreements before issuance of work orders resulted in execution of illegal/unauthorized award of works. **(Annexure-C/CHN)**

Due to weak internal controls, work orders were issued for execution of development schemes before formal agreement for execution.

Issuance of work orders before entering into agreement on stamp papers resulted in unauthorized execution of works.

The matter was reported to the PAO concerned in January, 2019. It was replied that in future, contract agreement would be ensured at the time of issuance of work orders. Audit stressed for condonation of irregularity with the sanction of

Competent Authority. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends investigation, fixing responsibility and action against those held responsible.

[AIR Para: 4]

8.2.1.2 Non-deposit of CDRs into Government treasury – Rs 7.803 million

According to Government of the Punjab, Finance Department letter No.IT(FD)3-6/98 dated 16.03.1998, the amounts furnished as securities by contractors/suppliers for services rendered/goods supplied etc. to Government through various banking instruments including call deposits are not immediately deposited into Government treasury. The above practice has led to misuse of such moneys besides cases of fake banking instruments have also been identified causing loss to the public exchequer. It should be ensured that banking instruments including call deposits be deposited immediately into Government treasury in the prescribed manner as Revenue Deposits.

Various contractors/suppliers furnished securities for rendering services/supply of goods etc. to the District Council, Chiniot through various banking instruments including call deposits/CDRs amounting to Rs 7.803 million. However, the same were not immediately deposited into the bank accounts of District Council, Chiniot and retained by the respective officers/officials without any authority. The detail is as under:

(Rupees in million)

Sr. No.	Name of Development Programme	No. of Schemes	Approved Cost	Amount of CDR (5%)
1	ADP 2016-17	37	14.345	0.717
2	ADP 2017-18	124	70.086	3.504
	-do-	08	4.200	0.210
3	LGDP 2017-18	141	67.430	3.372
Total		310	156.061	7.803

Due to weak internal controls, instructions issued by the Government of Punjab, Finance Department were not implemented in letter and spirit that may lead to misuse.

Non-deposit of securities furnished by contractors/suppliers for services rendered/ goods supplied may result in fake banking instruments and loss to the public exchequer.

The matter was reported to the PAO concerned in January, 2019. It was replied that deposit of CDRs in Government treasury would be ensured in future. Audit stressed to condone irregularity with the sanction of the Competent Authority. No DAC meeting was convened despite repeated requests by the Audit.

Audit recommends fixing responsibility for non-deposit of securities into District Council Accounts besides condonation of irregularity with the sanction of Competent Authority, under intimation to Audit.

[AIR Para: 3]

8.2.1.3 Non-deduction of Social Security Contribution – Rs 2.174 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, in case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim, an appropriate amount of the contributions payable, and pay such amount direct to the institution. Further, according to The Punjab Employees Social Security Institution (PESSI) letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014, in case contractor fails to produce certificate, the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office to cover the risks, mishaps and accidents.

District Council, Chiniot executed various works through 59 contractors during 2016-18 but payment was made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. District Council authorities did not make efforts to deduct the Social Security Contribution amounting to Rs 2.174 million from the claims of the contractors before making payments. The detail is as under:

(Rupees in million)

No. of Contractors	No. of Employees	Average Wage Rate per Annum	Total Wages	Amount @ 6%
59	2,294	15,795	36.234	2.174

Due to weak internal controls and lack of vigilance, Social Security Contribution was not deducted.

Non-deduction of Social Security Contribution resulted in excess payment of Rs 2.174 million to the contractors.

The matter was reported to the PAO concerned in January, 2019. It was replied that the contractors would be requested to provide proof for deposit of Social Security Contribution and compliance would be shown in DAC meeting. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Social Security Contribution amounting to Rs 2.174 million, under intimation to Audit.

[AIR Para: 2]

8.2.1.4 Excess payment due to non-deposit of remaining GST – Rs 1.018 million

According to Section 1.3 Para(ii) of the Sales Tax, specified procedure (Withholding) Rules, 2007, the withholding agent shall have to deduct General Sales Tax (GST) at full rate i.e. 19% of the value of taxable supplies in case of purchases from unregistered persons and 17% from registered persons. Further, 1/5th % share will be deducted and deposited by the DAO/AO and monthly return showing deposit of 4/5th be produced by the supplier for verification.

District Council, Chiniot incurred expenditure of Rs 8.761 million on procurement of furniture, vehicle, cellular phones, stationery etc. and included GST of Rs 1.273 million in claim vouchers. 1/5th of General Sales Tax amounting to Rs 0.255 million was deducted by Resident Deputy Director (Audit) and deposited accordingly. However, proof for deposit of remaining 4/5th (80%) was not provided by the suppliers. No efforts were made to ensure the deposit of remaining 4/5th GST amounting to Rs 1.018 million. The detail is as under:

(Amount in Rupees)

Bill No./GST Invoice No. & Cheque No./Date	Name of Supplier	Description	Total Bill Amount	Amount Excluding GST	Amount of Total GST Included	GST Deposited @ 20%	Recoverable GST
Bill No.1091/18.08.17 Cheque No. 1610682053/11.10.17	M/s Ghauri Brothers, Chiniot	Provision of furniture for office of District Council (A16399)	1,868,200	1,596,752	271,448	54,290	217,158
RFF:TFSDM/Sal/2017/1502/3 dated 15.02.2017	M/s Indus Motor Company, Ltd. Karachi (through Toyota Faisalabad Motors)	Payment for purchase of Toyota vehicle Fortuner	5,280,500	4,513,248	767,252	153,450	613,802
03.10.2017	M/s Ghauri Brothers, Chiniot	Official steel almirah and seat back for DO (Finance)	15,795	13,500	2,295	459	1,836
211759/16.04.2018 1530/15.02.2018	-do-	Provision of flex and steamer on 5 th February Celebration	99,800	85,299	14,501	2,900	11,601
1690/26.11.2017	-do-	750 photo print-A03970-Others (DO, I&S)	11,250	9,615	1,635	327	1,308
1650/15.12.2017	-do-	Penaflex, steamer-A03970 Others on 12 th Rabi-ul-Awwal	97,572	83,395	14,177	2,835	11,342
1500/15.12.2017	-do-	Panaflex, steamer-A03970 Others on Al-Qud's Rally	97,572	83,395	14,177	2,835	11,342
Bill No. 6838 GST Invoice No. AG782571	-do-	Panaflex, steamer-A03970 Others on Quaid-e-Azam Day	99,450	85,000	14,450	2,890	11,560
Bill No.6843 GST Invoice No. AG782574	-do-	Provision of 4 No. cell phones Oppo A37	92,000	78,632	13,368	2,674	10,694
Bill No.1457 Dated 26.07.2017	-do-	Provision of furniture for office of District Council (A16399)	1,098,600	938,974	159,626	31,925	127,701
Total			8,760,739	7,487,810	1,272,929	254,586	1,018,344

Due to weak internal controls, remaining General Sales Tax was not deposited nor proof thereof was provided for verification.

Non-deposit of remaining 80% General Sales Tax resulted in loss to the Government amounting to Rs 1.018 million.

The matter was reported to the PAO concerned in January, 2019. It was replied that the suppliers would be requested either to provide proof for deposit of GST or recovery would be effected and deposited into Government treasury. Audit stressed for recovery of Rs 1.018 million without further delay. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of Rs 1.018 million from the defaulters, under intimation to Audit.

[AIR Para: 1]

8.2.2 Performance

8.2.2.1 Non-imposition of penalty due to delay in completion of schemes – Rs 1.043 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

District Council, Chiniot awarded 16 works for construction of soling drain, PCC, improvement of roads costing Rs 10.425 million during 2016-18. The contractors executed works to the extent of Rs 6.892 million and abandoned the remaining works. However, District Officer (I&S) did not take action against the contractors for completion of works besides imposition of penalty due to delay amounting to Rs 1.043 million. **(Annexure-D/CHN)**

Due to weak internal controls and lack of vigilance, penalty was not imposed for non-completion of schemes.

Non-imposition of penalty amounting to Rs 1.043 million resulted in loss to District Council besides depriving the local populace of envisaged benefits.

The matter was reported to the PAO concerned in January, 2019. It was replied that the matter would be looked into and detailed reply would be given in due course of time. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides imposition and recovery of penalty amounting to Rs 1.043 million, under intimation to Audit.

[AIR Para: 5]

CHAPTER 9

9.1 District Council, Faisalabad

9.1.1 Introduction

District Council, Faisalabad was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Faisalabad is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Faisalabad as described in the Punjab Local Government Act, 2013 are as under:

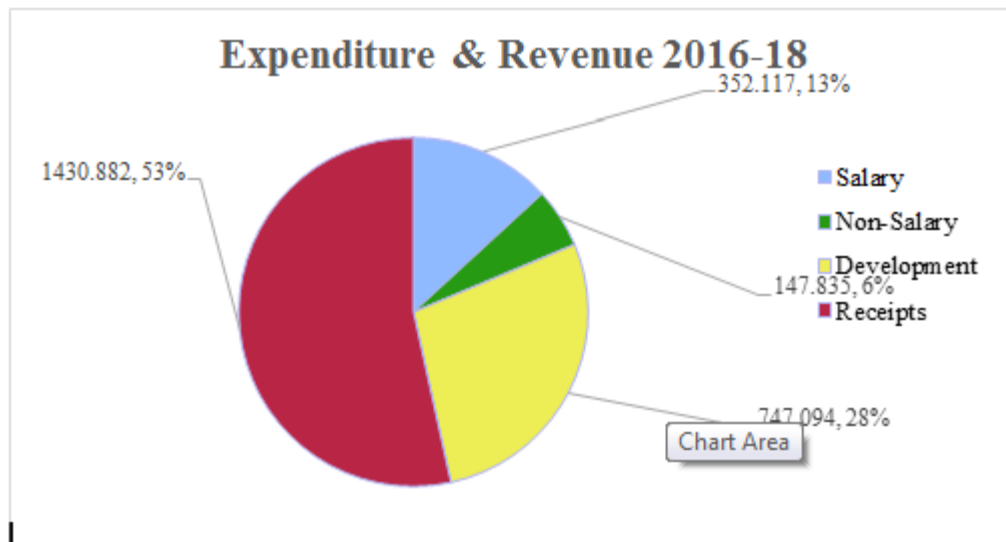
9.1.2 Comments on Budget and Accounts

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

(Rupees in million)

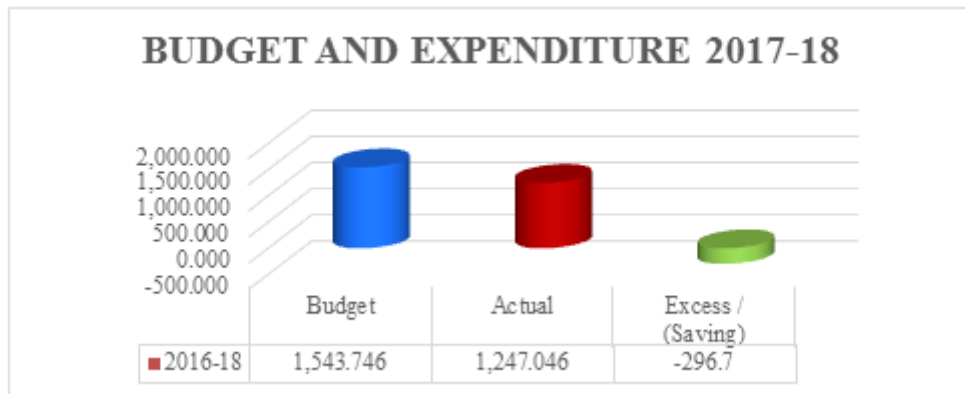
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	428.285	352.117	(76.168)	-17.78%
Non-Salary	285.261	147.835	(137.426)	-48.18%
Development	830.2	747.094	(83.106)	-10.01%
Total Expenditure	1,543.746	1,247.046	(296.700)	-19.22%
Receipts	798.279	1430.882	632.603	79.25%
Total Outlay	2,342.025	2,677.928	335.903	14.34%

(Rupees in million)



As per Accounts 2016-18 of the District Council, Faisalabad, total original & final budget (Development & Non-Development) was Rs 1,543.746 million. Against the final budget, total expenditure of Rs 1,247.046 million was incurred by the District Council during 2016-18. A saving of Rs 296.700 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is depicted in the following graph:

(Rupees in million)



9.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Faisalabad established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor Punjab to be laid before the legislature.

9.2 AUDIT PARAS

9.2.1 Misappropriations / Fraud

9.2.1.1 Misappropriation of public funds through duplicate scheme – Rs 3 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.

Chief Officer, District Council, Faisalabad planned two similar schemes of construction of soling at Chak No. 196/ RB, Ghona Garbi in annual development plan during 2017-18. Further, similar schemes were shown executed whereas site plan attached with technically sanctioned estimates of both schemes showed that construction of soling and drains were carried out on same place. The contracts of both schemes were awarded to same contractor resulting in misappropriation of funds amounting to Rs 3 million.

Due to malafide intentions of management, funds were misappropriated through fake scheme.

Execution of duplicate scheme amounting to Rs 3 million resulted in misappropriation of public funds.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para 11]

9.2.2 Irregularities and Non-Compliance

9.2.2.1 Doubtful consumption of bitumen item – Rs 23.244 million

According to Rule 4 of the Punjab Procurement Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Further, according to Government of the Punjab, Communication & Works Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, the use of PARCO Biturox having grade 60/70 & grade 80/100 produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh was approved in addition to bitumen of National Refinery Karachi. Furthermore, according to Rule 2.33 every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Chief Officer, District Council, Faisalabad incurred expenditure of Rs 23.244 million for procurement of bitumen from M/s Attock Petroleum Limited during 2017-18. Following irregularities were observed;

1. The justification for procuring patch work items was not disclosed by the management as asphalt plant of District Council was not functional during the year 2017-18.
2. The essential items including cement and bricks for patch works were not included in the agenda item of House meeting as cement and bricks are essential items for continuous patch works.
3. The scrutiny of record showed that no administrative approval was sought about the total quantity of patch works. Further, quantities of other materials were also not calculated / available in the record.
4. Work order for procuring bitumen from Attock Petroleum was not forthcoming from record.
5. The bitumen was procured without comparing rates with PARCO.

6. 105 ton of bitumen were received on 15.03.2018 and approval for further 220 ton of bitumen was sought on 17.03.2018 which showed that no home work was carried out for procurement of material. It was also observed that expenditure on 770 drums of bitumen was incurred in financial year 2017-18 while material was received in next financial year i.e. August, 2018.

7. The consumption record of bitumen was not available.

Due to non-availability of essential record, authenticity of expenditure could not be ascertained.

Non-availability of record resulted in doubtful consumption of bitumen item amounting to Rs 23.244 million.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 2]

9.2.2.2 Irregular execution of development works – Rs 15 million

According to Rule 5(5) of the Punjab Local Governments (Works) Rules, 2017, an estimate on the basis of which a work is to be undertaken shall be subject to the availability of funds for the work, administrative approval and technical sanction by the competent authority in the prescribed manner.

Chief Officer, District Council, Faisalabad executed five works costing Rs 15 million for construction of soling and drains and repair of office building of District Council, Faisalabad during 2017-18. Contrary to the above provisions, technical sanctions of estimates were accorded before obtaining the Administrative Approvals. The detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme	Date of Technical Sanction	Date of Administrative Approval	Amount	Remarks
1	Construction of soling and drains Chak 80 GB	22.08.2017	26.08.2017	3.000	Estimates were technically

Sr. No.	Name of Scheme	Date of Technical Sanction	Date of Administrative Approval	Amount	Remarks
2	Construction of soling and drains Chak 247 RB Miani	22.08.2017	26.08.2017	2.000	sanctioned before Administrative Approval
3	Construction of soling and drains Chak 267 Jallandhar	22.08.2017	26.08.2017	3.000	
4	Repair of office building	27.03.2017	04.04.2017	4.000	
5	Repair of office building	09.08.2017	26.08.2017	3.000	
Total				15.000	

Due to weak internal controls and negligence, technical sanction was granted before AA.

Award of works in violation of rules resulted in irregular expenditure amounting to Rs 15 million.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 4]

9.2.2.3 Irregular payment of bituminous items – Rs 13.407 million

According to Government of the Punjab, Communication & Works Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, use of PARCO Biturox having grade 60/70 & grade 80/100 produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh was allowed in addition to bitumen of National Refinery Karachi. Further, according to Government of the Punjab, Communication & Works (C&W) Department, letter No.PA/SECY(C&W)26.05/2009 dated 25.05.2009, the bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the American Association of State Highway and Transportation Officials (AASHTO) Standards.

Chief Officer, District Council, Faisalabad made payments amounting to Rs 13.407 million during 2017-18 against bituminous items executed in twenty civil works. Contrary to above, the management made payments for bituminous

items without documentary evidence of procurement of bitumen from approved refineries. Further, quality of bitumen was not got tested from the RR&MTI. **(Annexure-E/FSD)**

Due to negligence on the part of management, payment was made without ensuring procurement of bitumen from approved refineries and testing of the same from RR&MTI.

Non-availability of evidence of procurement from approved manufacturer and its non-testing resulted in irregular expenditure amounting to Rs 13.407 million.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 5]

9.2.2.4 Non-deduction of Social Security Contribution – Rs 8.932 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, in case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim, an appropriate amount of the contributions payable, and pay such amount direct to the institution. Further, according to The Punjab Employees Social Security Institution (PESSI) letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014, in case contractor fails to produce certificate, the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office to cover the risks, mishaps and accidents.

District Council, Faisalabad executed different development works through 30 contractors during 2017-18 but payment was made without obtaining certificate regarding deduction/deposit of Social Security Contribution of workers employed by the contractors. Further, DDO did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 8.932 million from claims of the contractors. The detail is as under:

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average rate/Annum wage	Total Wages	Amount @ 6%
Chief Officer, District Council, Faisalabad	30	810	15,429*12=185,148	148.859	8.932

Due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 8.929 million resulted in excess payment to the contractors.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of Rs 8.929 million from the concerned, under intimation to Audit.

[AIR Para: 6]

9.2.2.5 Irregular payment of labour charges in presence of annual rate contract – Rs 5 million

According to work order issued by the District Officer (I&S), DC Faisalabad vide No. 225 dated 10.08.2017, annual rate contract regarding provision of labour alongwith machinery for patch work was awarded @ 6.86% below than the rates provided in TSE.

Chief Officer, District Council, Faisalabad executed annual rate contract for providing labour with machinery for patch work, carpet, TST with M/s Ch. Manzoor Ahmad vide above referred work order during 2017-18. Later on the same was again awarded to M/s Sajid Ali, Government Contractor at par and

payment amounting to Rs 5 million was made accordingly. Therefore, award of contract and payment to M/s Sajid Ali was irregular due to presence of annual rate contract with M/s Ch. Manzoor Ahmad. No plausible justification was disclosed or produced to audit.

Due to negligence, contract of labour was awarded to other contractor.

Payment of labour charges amounting to Rs 5 million resulted in irregular expenditure besides violation of provisions contained in above work order.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 7]

9.2.2.6 Excess payment on account of labour charges – Rs 4.859 million

According to Rule 4.5(5) of the West Pakistan Buildings & Roads Department Code, every Officer making or ordering payment on behalf of Government should satisfy himself that work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates as per scale laid by the Chief Engineer.

District Council, Faisalabad made payment amounting to Rs 7.885 million on account of labour charges of 485,218 Sft (square feet) for execution of patch works w.e.f. 28.03.2018 to 20.06.2018 at different roads under the jurisdiction of District Council. Logbook of asphalt plant revealed that 411 drums of bitumen were consumed during the said works. Scrutiny of calculations revealed that an area of 186,183 Sft. was to be covered by using 411 drums of bitumen. Resultantly, labour charges for 299,035 Sft. amounting to Rs 4.859 million were excess paid to the contractors concerned. The detail is as under:

(Amount in Rupees)

Description*	Amount	Unit	Remarks
Bitumen consumed	411	Drums	As per log book
Area coverage for carpeting / Drum	453	Sft.	As per log book
Total area of carpeting to be covered	186,183	Sft.	411*453
Labour paid for area covered	485,218	Sft.	As per bills
Excess area paid for labour	299,035	Sft.	485218-159456
Rate of providing labour for base course / Sft.	5.00	Rupees	As per bill
Excess payment of labour for base course	1,495,175	Rupees	299035*5
Rate of providing labour for carpeting / Sft.	11.25	Rupees	As per bill
Excess payment of labour for carpeting	3,364,144	Rupees	299035*11.25
Total Excess Payment	4,859,319	Rupees	1014261+1628810+3664823

Due to weak internal and financial controls, excess payment on account of labour charges was made.

Excess payment amounting to Rs 4.859 million resulted payment without execution of item and extra burden on public exchequer.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 4.859 from the concerned at the earliest, under intimation to Audit.

[AIR Para: 8]

9.2.2.7 Execution of work without approved job mix formula – Rs 3.804 million

According to Government of the Punjab, C&W Department letter No.PA/Secy.(C&W)26-5/2009 dated 25.05.2009, Job Mix Formula (JMF) for asphalt base course and asphalt wearing course must invariably be approved from Road Research & Material Testing Institute (RR&MTI). After its approval, it must be strictly followed at site and no deviation be allowed under any circumstances. Further, according to Government of the Punjab, Finance Department Notification No.RO.(Tech)FD.2-3/2004 dated 02.08.2004, the rate of item of carpeting shall be fixed by the Chief Engineer on the basis of different

percentages of bitumen i.e. 3% to 6%. However, payment will be made to contractor as per JMF or bitumen used in the work.

Chief Officer, District Council, Faisalabad executed three works for construction, repair and improvement of carpeted roads during 2017-18. However, premixed carpeting costing Rs 3.804 million was laid on roads without formulation and approval of JMF from the RR&MTI. Further, payment against carpeting was made on the basis of 4% bitumen without laboratory test reports certifying percentage of bitumen. The detail is as under:

(Rupees in million)

Sr. No.	File No.	Name of Work	Description	Quantity (Sft)	Amount
1	182	Carpeting of road at Chak No.400/GB to Graveyard	2 inch thick bitumen	12,610	0.735
2	337	Construction of road Mohalla Usman Chak 215 RB Kakuana	2 inch thick bitumen	19,884	1.159
3	38 (25 lac)	Construction and Repair of Road F Block Millat Town Chak 196	2 inch thick carpeting of road with 4% Bitumen	32,780	1.910
Total					3.804

Due to weak internal controls and negligence, carpeted roads were constructed without approval of JMF from RR&MTI.

Non-approval of JMF and payment without assurance of quality resulted in irregular expenditure of Rs 3.804 million on premixed bituminous material for carpeted roads.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 9]

9.2.2.8 Unauthorized award of development work – Rs 3.300 million

According to Serial ix of Schedule-1 to the Punjab Local Governments (Works) Rules 2017, category D of the contractor is entitled to execute the work up to Rs 2 million.

Chief Officer, District Council, Faisalabad awarded work for construction of drain and PCC Chak No. 209/ RB at an agreement cost of Rs 3.300 million to M/s Rana Ayaz Ahmed during 2017-18. Scrutiny of record revealed that said contractor was listed with the District Council, Faisalabad in category D which depicts that contractor was not authorized for award of work.

Due to weak internal controls, unauthorized work was awarded to below category contractor.

Unauthorized award of development work amounting to Rs 3.300 million resulted in irregular expenditure and violation of rules.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 10]

9.2.2.9 Non-auction of trees and non-recovery of replenishment cost – Rs 2.860 million

According to Section 130(5) of the Punjab Local Government Act, 2013, a local government may, in the prescribed manner, transfer a movable property through public auction. Further, according to 47 (1) of Punjab Local Governments (Budget) Rules, 2017 the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Furthermore, according to Government of the Punjab, Forestry, Wildlife and Fisheries Department Notification No.SOFT(EXT)VIII-40/2009 dated 14.07.2017, the replenishment cost shall be calculated on the basis of affected area (average mile) due to cutting / removal of trees according to prevailing man days and POL rates shall be Rs 157,535 per average mile including maintenance upto fifth year.

During audit of District Council, Faisalabad, it was observed that 3,886 sheshum units costing Rs 2.293 million were lying at different sits under the jurisdiction of District Council, Faisalabad. Scrutiny of record revealed that the

said trees were not auctioned by the authorities of District Council, Faisalabad. Further, Chief Officer did not make efforts to recover an amount of Rs.0.630 million under the head of replenishment cost for removal of trees from the Faisalabad Aminpur Road. The said amount was remained unrecovered from o/o the Provincial Highway Division,

Due to weak internal controls, trees were not auctioned & replenishment cost was recovered from the concerned department.

Non-auction of trees and non-recovery of replenishment cost resulted in less realization of revenue to the local government fund amounting to Rs 2.860 million and deterioration of assets.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends early auction of trees after fulfilling codal formalities/recovery of replenishment cost and deposit of the same in local government fund, under intimation to Audit.

[AIR Paras: 12,19]

9.2.2.10 Irregular payment without analysis of rate – Rs 2.528 million

According to Government of the Punjab, Finance Department instructions issued vide No.RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD.2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer and rates shall not be more than the market rates. The Chief Engineers shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction. However, finished rate of an item of work shall not exceed the market rate of that item in the area/district. Further, according to Condition of the Technical Sanctioned Estimate, all codal formalities should be completed before making payment on competitive basis/lowest market rates against non-schedule items. Furthermore, according to Para 2.61 of the West Pakistan

Buildings and Roads Department Code, tenders should invariably be invited in the most open and public manner, after the estimate has been technically sanctioned.

Chief Officer, District Council, Faisalabad executed work for construction / repair of office building and purchased water tanker through contractors at an agreement cost of Rs 3.750 million during 2017-18. However, Technically Sanctioned Estimates and execution of works included non-schedule items costing Rs 1.778 million and Rs 0.750 million respectively. Contrary to the above instructions, these items provided in estimate and payment was made to contractors without preparation of rate analysis supported with market rates. Further, advertisement for invitation of bids regarding purchase of water tanker was published in the newspaper before the sanction of technical estimates by the Chief Engineer. No plausible justification was noted in the record. **(Annexure-F/FSD)**

Due to negligence and financial mismanagement, non-schedule items were provided and paid without preparation of analysis of rates and obtaining competitive market rates.

Provision of non-scheduled items without analysis of rates / obtaining market rates and advertisement before obtaining technical sanction of the estimate resulted in irregular payment of Rs 2.528 million to the contractors.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Paras: 15, 17]

9.2.2.11 Unjustified expenditure on patch work material – Rs 2.067 million

According to Rule 15.4(a) of the Punjab Financial Rules, Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government

servants should see that the quantities are correct and their quality is good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

District Council, Faisalabad executed patch works w.e.f. 28.03.2018 to 20.06.2018 at roads falling under the jurisdiction of District Council, Faisalabad. Logbook of asphalt plant revealed that 411 drums of bitumen were consumed during said works. Scrutiny of record revealed that 90 drums of bitumen and 4,860 litter POL costing Rs 2.067 million were issued to asphalt plant after 20.06.2018. Audit observed that no reasonable justification was disclosed for consumption of these materials in the record. The detail is given in the following table:

(Amount in Rupees)

Description	Amount	Unit	Remarks
Consumption of Bitumen Drum as on 20.06.2018	411	Drums	As per log book
remaining Drums in stock	90	Drums	As per log book
Carriage Charges on bitumen	997,887	Rupees	As per bill
Price of bitumen	7,644,030	Rupees	As per bill
Total Cost of bitumen	8,641,917	Rupees	997,887+7644030
Total quantity of bitumen	501	Drums	As per Delivery Memo
Cost of bitumen per drum	17,249	Drums	8641917/501
Cost of 90 Drums of bitumen	1,552,440	Rupees	17249*90
POL issued after 20.06.2018	4,860	Litters	As per log book
Value of POL	514,090	Rupees	As per log book
Total amount	2,066,530.18	Rupees	1552440+514090

Due to weak internal controls and financial indiscipline, expenditure was incurred without recording the whereabouts of the items procured.

Unjustified expenditure on patch work material amounting to Rs 2.067 million resulted payment without execution of items of works and extra burden on public exchequer.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.067 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 13]

9.2.2.12 Undue retention of Advance Income Tax collected on behalf of Federal Government – Rs 1.794 million

According to Section 160 of the Income Tax Ordinance, 2001, any tax that has been collected or purported to be collected or deducted or purported to be deducted shall be paid to the Commissioner by the person making the collection or deduction within the time. Further, according to Section 161(1)(b) of ibid, where a person having collected tax, the person shall be personally liable to pay the amount of tax to the Commissioner.

Chief Officer, District Council, Faisalabad collected an amount of Rs 1.794 million on account of advance Income Tax under provisions of Income Tax Ordinance, 2001 from the contractors for auction of advertisement rights & old material. However, the same was retained and deposited into the local fund of District Council, Faisalabad.

Due to weak internal controls, receipt of Federal Government was retained in local fund of District Council.

Retention of advance Income Tax resulted in violation of above referred sections of Income Tax Ordinance and Federal Government was deprived off its revenue amounting to Rs 1.794 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification and fixing responsibility on the person(s) at fault besides deposit of Advance Income Tax amounting to Rs 1.794 million with FBR at the earliest, under intimation to Audit.

[AIR Para: 14]

9.2.2.13 Non-recovery of rent of shops and agricultural land – Rs 1.044 million

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

District Council authorities failed to recover arrears amounting to Rs 1.044 million on account of rent of shops and agricultural properties belonging to District Council, Faisalabad. The detail is as under:

(Rupees in million)

Sr. No.	Property Name	Period	Rent Due
1	Shop No.38 Tandlianwala	Jan 2017 to June 2017	0.008
2	Shop No.3 Jaranwala	May 2018 to June 2018	0.006
3	Shop No.12, Commercial Plaza, Faisalabad	July 2017 to June 2018	0.113
4	Shop No.38, Commercial Plaza, Faisalabad	July 2017 to June 2018	0.106
5	Shop No.42, Commercial Plaza, Faisalabad	Oct 2017 to June 2018	0.059
6	Shop No.53, Commercial Plaza, Faisalabad	July 2017 to June 2018	0.109
7	Shop No.119, Commercial Plaza, Faisalabad	July 2017 to June 2018	0.149
8	Shop No.145, Commercial Plaza, Faisalabad	July 2017 to June 2018	0.263
9	Shop No.6, Liaqat Road, Faisalabad	July 2017 to June 2018	0.174
10	Agricultural Land 499 GB	July 2017 to June 2018	0.045
11	Agricultural Land 402 GB	July 2017 to June 2018	0.012
Total			1.044

Due to financial indiscipline, rent of properties was not recovered.

Non-recovery of rent to shops amounting to Rs 1.044 million resulted in less collection of receipts by the District Council, Faisalabad.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification for non-recovery besides recovery of Rs 1.044 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 16]

9.2.2.14 Unauthorized payment of General Sales Tax on exempted supplies and overpayment of labour charges – Rs 1.041 million

According to Sales Tax Act, 1990, amended vide Section 5(18)(b)(19)(20) of Finance Act, 2015, General Sales Tax (GST) for supply of bricks and crushed stone was exempted up to 30.06.2018. further, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any over charge, frauds and misappropriations.

Chief Officer, District Council, Faisalabad incurred expenditure amounting to Rs 12.460 million for purchase of patch work material and paid General Sales Tax @ 17% amounting to Rs 0.698 million to supplier during 2017-18, whereas the charge of GST on account of purchase of crushed stone items was exempted according to above mentioned instructions. Further, Chief Officer executed annual rate contract for providing labour with machinery for patch work, carpet, TST with M/s Ch. Manzoor Ahmad during 2017-18. The contract was finalized @ 6.86% below than estimated rate of labour. Scrutiny of record revealed that payment amounting to Rs 5 million on account of labor for patch work was made at par to M/s Sajid Ali which resulted in overpayment amounting to Rs 0.343 million to the concerned. **(Annexure-G/FSD)**

Due to weak financial controls, unauthorized payment of General Sales Tax was made to supplier and over payment of labour charges was made to the concerned supplier.

Unauthorized payment of General Sales Tax and Overpayment of labour charges amounting to Rs 1.04 million resulted in loss to public exchequer.

The matter was reported to PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery amounting to Rs 1.04 million from suppliers concerned at the earliest, under intimation to Audit.

[AIR Paras: 18, 22]

9.2.3 Performance

9.2.3.1 Loss to local Government due to non-lease of shops after assessment of market rent – Rs 19.226 million

According to Rule 16(a) of the Punjab Local Governments (Property) Rules, 2018, the shops and commercial property shall be given on lease through competitive bidding. Further, according to Government of the Punjab, LG&CD Department letter No.SO Estate (LG) 2-18/2016 dated 26.09.2017, all the heads of local Governments in the Punjab were directed to revisit all agreements to ensure market rent of shops and in case of expiry of contract, immediately take back possession of property and put it to fresh auction after assessment of market rent by DRAC.

Chief Officer, District Council, Faisalabad created demand of rent against 436 shops amounting to Rs 51.876 million during 2017-18 without re-auction and assessment of competitive market rates. Scrutiny of record revealed that fresh assessment of rent amounting to Rs 71.102 million was made but District Council authorities failed to re-auction the shops as per above mentioned instructions. Resultantly, District Council sustained loss of Rs 19.226 million.

Due to weak financial controls, shops were not got vacated and leased out on the basis of fresh assessment by the District Rent Assessment Committee.

Non-re-auctioning of shops on the basis of fresh assessment resulted in loss to local Government amounting to Rs 19.226 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends fixing responsibility on the person(s) at fault besides lease of shops on the basis of fresh assessment of rent, under intimation to Audit.

[AIR Para: 3]

9.2.4 Internal Control Weaknesses

9.2.4.1 Non-reconciliation of Tax on Transfer of Immoveable Property – Rs 510.201 million

According to Government of the Punjab, LG&CD Department letter No.SOTAX(LG)2-46/08(PI) dated 20.02.2011, maintenance of Daily Recovery Register by the TMA staff shall be ensured and recovery of Tax on Transfer of Immoveable Property (TTIP) shall be reconciled with the Revenue Staff preferably on daily basis and any departure from these directions shall be interpreted as misconduct and corrupt practice in terms of Punjab Employees Efficiency and Disciplinary Act (PEEDA).

District Council, Faisalabad realized income of Rs 510.201 million on account of Tax on Transfer of Immoveable Property during 2016-18 but receipts were not got reconciled with Revenue Staff in violation of above directions.

Due to weak internal and financial controls, TTIP income was not got reconciled with Revenue Staff.

Non-reconciliation of income of Rs 510.201 million with Revenue Staff resulted in violation of the Government instructions besides vulnerability to the leakage of resources.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 1]

9.2.4.2 Payment without completion of work – Rs 1.238 million

According to Clause 2 of Contract Agreement for works, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be reckoned from the date on which the order to commence work is given to the contractor. The work shall throughout the

stipulated period of the contract be proceeded with all due diligence (time being deemed to be the essence of the contract on the part of contractor). In the event of the contractor failing to comply with the condition he shall be liable to pay compensation an amount equal to one percent on the estimated cost provided always that the entire amount of compensation to be paid under the provisions of this clause shall not exceed ten percent on the estimated cost of the work.

Chief Officer, District Council, Faisalabad executed development scheme of Rural drainage scheme Chak No. 199/ RB, Union Council No. 176 costing

Rs 1.440 million after its inception in January, 2017. The scheme was transferred from the Defunct TMA Lyallpur Town. However, expenditure of Rs 1.238 million was incurred but the contractor failed to complete work. District Council, Faisalabad did not make efforts for completion of work. Resultantly, wasteful expenditure of Rs 1.238 million was incurred due to non-completion of scheme.

Due to weak monitoring mechanism and internal controls, development work was not completed by the contractor.

Non-completion of the scheme resulted in incurrence of wasteful expenditure amounting to Rs 1.238 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends fixing responsibility on the person(s) at fault, besides completion of work at the earliest, under intimation to Audit.

[AIR Para: 24]

CHAPTER 10

10.1 District Council, Jhang

10.1.1 Introduction

District Council, Jhang was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Jhang is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Jhang as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
- Celebration of public festivals;

- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

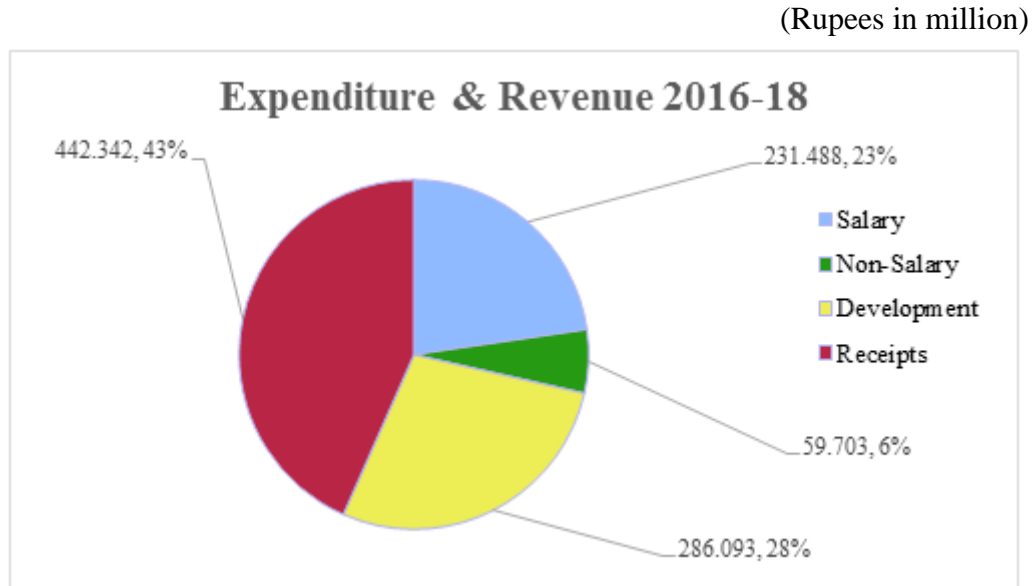
The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

10.1.2 Comments on Budget and Accounts

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

(Rupees in million)

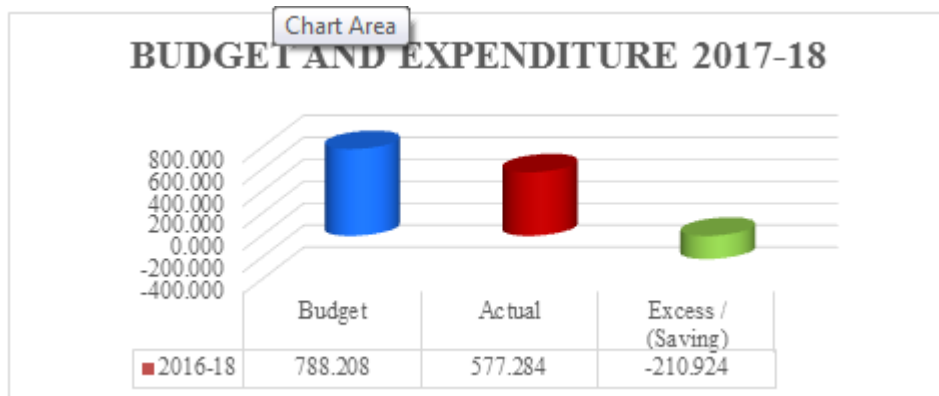
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	312.822	231.488	(81.334)	-26.00%
Non-Salary	132.362	59.703	(72.659)	-54.89%
Development	343.024	286.093	(56.931)	-16.60%
Total Expenditure	788.208	577.284	(210.924)	-26.76%
Receipts	515.151	442.342	(72.809)	-14.13%
Total Outlay	1,303.359	1,019.626	(283.733)	-21.77%



As per Appropriation Accounts 2016-18 of the District Council, Jhang, total original & final budget (Development & Non-Development) was Rs 788.208 million. Against the final budget, total expenditure of Rs 577.284 million was incurred by the District Council during 2016-18. A saving of Rs 210.924 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and

management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



10.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Jhang established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor Punjab to be laid before the legislature.

10.2 AUDIT PARAS

10.2.1 Misappropriations / Fraud

10.2.1.1 Misappropriation of local Government funds – Rs 1.160 million

According to Rule 2.31(a) of Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Further, according to Rule 4 of the Punjab Procurement Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Furthermore, according to Rule 8.27 of the Punjab Financial Rules Volume-I, it is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity, and are at fair and reasonable rates.

Chief Officer, District Council, Jhang incurred expenditure amounting to Rs 1.015 million on procurement of Computer Systems, Printers, Scanner & Projector from M/s M Jamil, Government Contractor during 2017-18. Scrutiny of record revealed that the said items were actually procured from M/s A.Com Solutions, Lahore for Rs 0.553 million. Resultantly, an amount of Rs 0.462 million was overdrawn fraudulently from local Government Fund. Further, expenditure amounting to Rs 0.698 million on repair of official vehicle No.JGB-1428 was incurred. The funds drawn for said repair were likely misappropriated as following discrepancies were observed:

- i. Payment was approved by the Chief Officer on 16.08.2017 before the issuance of bill by the contractor on 21.08.2017 which could not be justified.
- ii. Requisitions for major repair of the said vehicle were approved on 03.01.2018 and 22.03.2018 by the Chief Officer only after five and seven months respectively and expenditure of Rs 90,553 was again incurred which proves that funds amounting to Rs 698,000 already drawn for repair were misappropriated.

- iii. The estimate was prepared by DO (I&S) without analysis of rates.
 - iv. Irrational / extraordinary higher rates were provided in the estimate.
 - v. Quotations were prepared with same hand writing.
 - vi. Single stage two envelope procedure was adopted as per advertisement but contract was awarded after receiving financial bids only.
 - vii. NOC for repair of vehicle and fitness / satisfactory repair certificate was not obtained from Motor Vehicle Examiner / Agriculture Engineer.
- Due to negligence and financial indiscipline, local Government Funds were misappropriated.

Likely misappropriation of funds amounting to Rs 1.160 million resulted in loss and extra burden on public exchequer.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of amount from the concerned, under intimation to Audit.

[AIR Paras: 29, 31]

10.2.2 Irregularities and Non-compliance

10.2.2.1 Sanction of private housing scheme without obtaining confirmation for deposit of Condonation Fee – Rs 34.780 million

According to Government of the Punjab, Colonies Department letter No.1576-2018/548-CS(VI) dated 24.10.2018, to ensure recovery of Condonation Fee, it was directed that NOCs of Housing Schemes should not be issued without first obtaining certificate from concerned District Collector that Condonation Fee has been paid by the applicant housing society.

District Council, Jhang processed the case regarding approval of Paradise City Housing Scheme during 2017-18 and issued sanction letter on 13.08.2018. Contrary to the above referred instructions of the Government sanction letter in respect of said private housing scheme was issued without obtaining certificate regarding deposit of Condonation Fee amounting to Rs 34.780 million with Government of the Punjab by the developer(s) of the housing scheme.

Due to negligence and favouritism, housing scheme was approved without obtaining confirmation for deposit of Condonation Fee.

Sanction of private housing scheme without obtaining confirmation for deposit of Condonation Fee amounting to Rs 34.780 million resulted in violation of above mentioned instructions and Government of Punjab may deprive off its revenue.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification and fixing responsibility on the person(s) at fault besides recovery / confirmation for deposit of Condonation Fee amounting to Rs 34.780 million, under intimation to Audit.

[AIR Para: 12]

10.2.2.2 Irregular lease of shops without assessment of market rate – Rs 17.624 million

According to Rule 16(a) of the Punjab Local Governments (Property) Rules, 2018, the shops and commercial property shall be given on lease through competitive bidding. Further, according to clause 3 of the agreement signed between defunct District Government and tenants, the period of lease shall be w.e.f. 01.07.2012 to 30.06.2017. After expiry of said period rent will be assessed on the basis of prevailing market rates. Furthermore, according to Government of the Punjab, LG&CD Department letter No.SO Estate (LG) 2-18/2016 dated 26.09.2017, all the heads of local Governments in the Punjab were directed to revisit all agreements to ensure market rent of shops and in case of expiry of contract, immediately take back possession of property and put it to fresh auction after assessment of market rent by DRAC.

Chief Officer, District Council, Jhang created demand of rent against 167 shops amounting to Rs 17.264 million during 2017-18 after expiry of agreements with lessees on 30.06.2017. The demand was created without assessment / determination of rent on the basis of prevailing market rate and approval from the District Rent Assessment Committee (DRAC).

Due to weak financial controls, shops were not vacated and leased out on the basis of fresh assessment of rent by the District Rent Assessment Committee.

Non-leasing of shops on the basis of fresh assessment of rent resulted in irregular creation of demand of rent amounting to Rs 17.624 million and less realization of revenue to the District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends fixing responsibility on the person(s) at fault besides lease of shops on the basis of fresh assessment of rent.

[AIR Para: 2]

10.2.2.3 Non-deduction of Social Security Contribution – Rs 6.515 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, in case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim, an appropriate amount of the contributions payable, and pay such amount direct to the institution. Further, according to The Punjab Employees Social Security Institution (PESSI) letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014, in case contractor fails to produce certificate, the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office to cover the risks, mishaps and accidents.

District Council, Jhang executed different development works through 44 contractors during 2016-18 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, DDO did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 6.515 million from claims of the contractors before making payments, as detailed below:

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, District Council, Jhang	44	696	13,000*12=156,000	108.576	6.515

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment / renewal of enlistment).

Due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 6.515 million resulted in excess payment to the contractors.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of Rs 6.515 million from the concerned, under intimation to Audit.

[AIR Para: 19]

10.2.2.4 Irregular payment of non-scheduled items without approval of rate analysis – Rs 6.053 million

According to the Government of the Punjab, Finance Department instructions vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and rates shall not be more than the market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district. Further, according to para 1.59 of B&R Code, Divisional Officers are strictly prohibited from commencing the construction of any works or expending public funds without the sanction of competent authority.

Chief Officer, District Council, Jhang executed work for special repair / renovation of offices / camp office, meeting hall of District Council, Jhang and made payment of Rs 1.486 million on account of non-scheduled items. Further, expenditure amounting to Rs 4.567 million was incurred on purchase of different non-scheduled items during 2016-18. Contrary to the above, either technical sanction of the estimates were not got approved from the Chief Engineer (HQ) PLGB being non-scheduled items. Further, payment was made to the contractors without preparation of analysis of rates supported by quotations to verify the market rates. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Gross Amount
1	Purchase of de-watering sets	1.275
2	Purchase of motor bikes	0.450
3	Purchase of furniture	1.999
4	Purchase of air conditioners	0.843
5	Ceramics tiles 10" x 13" x 3/8"	0.122
6	Porcelain tiles 16" x 16" x 3/8"	0.334
7	False Gypsum Ceiling	0.075
8	UPVC wall paneling	0.763
9	Glazed aluminum window	0.030
10	Air conditioners 1-1/2 ton	0.162
Total		6.053

Due to weak internal and financial controls, provision and payment of non-schedule items was made on non-competitive rates.

Payment of non-schedule items amounting to Rs 6.053 million on non-competitive rates resulted in un-economical expenditure and violation of rules.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Paras: 10, 11]

10.2.2.5 Unjustified reduction in reserve price for collection rights of Advertisement Fee – Rs 5.500 million

According to Rule 10(1) & (2) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, the reserve price for an income shall be determined by average actual income of the respective local Government received for last preceding three years. If an income introduced by a local Government for first time, the assessed and expected income as provided in the budget from the source shall be the reserve price for the income from that source. Further, according to Rule 11 of ibid, 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.

District Council, Jhang approved budget estimate amounting to Rs 7.500 million in respect of Advertisement Fee for Financial Year 2017-18. Advertisement for lease of collection rights of the same was made on 09.08.2017 with reserve price of Rs 7.500 million. Later on, advertisement of the same was made on 14.10.2017 with reserve price of Rs 2 million resulting in reduction of reserve price amounting to Rs 5.500 million (73% of original reserve price). In view of above reduction in reserve price of source of income was made without justification, proper working and approval of the District Council. Further, three attempts were also not made to award the contract through open bidding.

Due to financial indiscipline, reserve price was reduced without justification.

Reduction in reserve price amounting to Rs 5.500 million without making three attempts / justification resulted in less receipt from source of income and violation of above mentioned rules.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification besides fixing responsibility on the person(s) at fault for reduction in reserve price, under intimation to Audit.

[AIR Para: 3]

10.2.2.6 Irregular payment for execution of earthwork – Rs 5.302 million

According to Condition 3 of the Technically Sanctioned Estimates approved by the Chief Engineer (HQ), Punjab Local Government Board, Lahore, the exact quantity of earthwork will be worked out after conducting levelling before execution of earthwork in order to avoid possibility of any wrong payment besides preparation of lead chart of earthwork showing borrowing area specifying exact khasra and khatooni number. Payment will be made as per actual work done and according to X-sections/L-section. Further, responsibility of lead lies with TO (I&S).

Chief Officer, District Council, Jhang executed 22 civil works for construction of drain, soling, culverts etc. during 2016-18. Technically Sanctioned Estimates (TSE) and execution of works included item of “earth filling” costing Rs 5.302 million. However the item was provided in TSE without detailed calculation of quantity through calculation of X-sections, M-area and L-sections. Further, at the time of commencement and finalization of the item of earthwork NSL were also not recorded in measurement book (MB). Resultantly, the payments were made without proper calculation and measurement.

Due to weak internal and financial controls, earthwork was provided without calculation of actual quantity to be executed at site.

Provision and payment of earthwork without detailed calculation amounting to Rs 5.302 million resulted in irregular expenditure.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends to probe the matter and fixing responsibility on the person(s) at fault.

[AIR Para: 8]

10.2.2.7 Irregular expenditure on Jashan-e-Baharan – Rs 5.266 million

According to Rule 25(1) of the Punjab Procurement Rules, 2014, a procuring agency shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid. Further, according to Rule 25(2) of the Rules *ibid*, for competitive bidding, whether open or limited, the bidding documents shall include i.e. (a) Invitation to bid; (b) Instructions to bidders; (c) Form of bid; (d) Form of contract; (e) General or special conditions of contract; (f) Specifications and drawings or performance criteria (where applicable); (g) List of goods or bill of quantities (where applicable); (h) Delivery time or completion schedule; (i) Qualification criteria (where applicable); (j) Bid evaluation criteria; (k) Format of all securities required (where applicable); (l) Details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and (m)

Any other detail not inconsistent with these rules that the procuring agency may deem necessary.

Chief Officer, District Council, Jhang incurred expenditure amounting to Rs 5.266 million on Jashan-e-Baharan during 2017-18. Scrutiny of record revealed following short comings:

- i. Rate for arrangement of lighting was provided in lump sum without detailed calculation i.e. no. of lighting points, generator capacity, no of generators, area for which lighting arrangements are provided. Further, detailed calculation was also not prepared by the procuring agency before invitation of bids.
- ii. Lump sum rate for catering services was provided instead of item wise rate. Further, tentative estimate of quantities was made by the procuring agency with the provision of addition/reduction of quantities. However, supplier claimed bill in lump sum without giving details of actual quantities provided.
- iii. Supply order for provision of refreshment was issued without mentioning no. of persons for whom refreshment was to be provided which depicts that bill was claimed by the supplier on assumption basis.
- iv. Movie and photographs of the event were not available in the office record.
- v. Stock entries regarding printing material, flexes and prized were not made.
- vi. The expenditure was to be booked under head of account A03918 (Exhibitions, Fairs and other National Celebrations) but the same was booked against irrelevant head of accounts. The detail is given in the following table:

(Rupees in million)

Sr. No.	Vr. No/ Date	Description	Head of Account	Amount
1	91/April-18	Arrangement of lighting	A03970	0.920
2	92/April-18	Catering services	A03970	1.700
3	37/May-18	Refreshment	A06301	0.671
4	38/May-18	Printing material	A03902	0.411
5	43/May-18	Photographs / movie	A03970	0.145
6	57/May-18	Different prizes	A03970	0.939
7	59/May-18	Flexes	A03970	0.480
Total				5.266

Due to weak internal controls, expenditure was incurred without fulfilling codal formalities.

Expenditure without fulfilling codal formalities resulted in irregular amounting to Rs 5.266 million and violation of rules.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 9]

10.2.2.8 Undue retention of advance Income Tax collected on behalf of Federal Government – Rs 4.554 million

According to Section 160 of the Income Tax Ordinance, 2001, any tax that has been collected or purported to be collected or deducted or purported to be deducted shall be paid to the Commissioner by the person making the collection or deduction within the time. Further, according to Section 161(1)(b) of ibid, where a person having collected tax, the person shall be personally liable to pay the amount of tax to the Commissioner.

Chief Officer, District Council, Jhang collected an amount of Rs 4.554 million on account of Advance Income Tax under Section 236 of the Income Tax Ordinance, 2001 from the contractors of leases and auction of trees. However, the same was retained and deposited in the local fund of District Council, Jhang despite payment to the FBR. The detail is as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Advance Income Tax collected on auction of trees	3.046
2	Advance Income Tax collected on leases	0.872
3	Advance Income Tax partially collected on leases	0.595
4	Advance Income Tax collected on lease of land, temporary parking stand and canteen	0.041
Total		4.554

Due to weak internal controls, receipt of Federal Government was retained in local fund of District Council, Jhang.

Undue retention of advance Income Tax amounting to Rs 4.554 million collected on behalf of Federal Government resulted in violation of above referred sections of Income Tax Ordinance and Federal Government was deprived off its revenue.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification and fixing responsibility on the person(s) at fault besides deposit of advance Income Tax amounting to Rs 4.554 million with FBR at the earliest, under intimation to Audit.

[AIR Para: 7]

10.2.2.9 Irregular expenditure without open competition – Rs 2.934 million

According to Rules 9 and 12 of the Punjab Procurement Rules, 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. A procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations.

Chief Officer, District Council, Jhang incurred expenditure of Rs 2.934 million for repair of office building, purchase of flexes, CCTV cameras, hiring of lighting material etc. during 2016-18. However, expenditure was incurred by splitting and keeping the cost of each bill below the financial limit of Rs 100,000 to avoid tendering (**Annexure-H/JHG**).

Due to weak internal controls and financial indiscipline, procurements were made without open competition and advertisement.

Procurements without open competition and advertisement resulted in irregular/uneconomical expenditure amounting to Rs 2.934 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 15]

10.2.2.10 Unauthorized expenditure on advertisement– Rs 2.436 million

According to Rule 27(3) of the Punjab Local Governments (Accounts) Rules, 2017, in incurring or authorizing expenditure, the principles of financial propriety shall be observed and the sanctioning authority shall not approve any expenditure which is directly or indirectly to its own advantage; and not incur any expenditure for the benefit of a particular person or persons to the people. Further, according to the Supreme Court of Pakistan order dated 28.02.2018, Governments of the Punjab, Sindh and Khyber Pakhtunkhwa are running advertisements in various forums. Through such advertisements they are indulging in self projection and aggrandizement under the garb of informing the public about the projects completed or being under taken by them. Such advertisements and paid contents contain photographs of prominent politicians. Such profligacy which is obviously undertaken at Government expense should not be burdening the public exchequer. Later on the Chief Justice of Pakistan ordered in this case to former Chief Ministers Punjab, Singh and KPK to deposit the amount of such expenditure in public exchequer.

Chief Officer, District Council, Jhang finalized 42 works costing Rs 37.628 million for construction of soling, drain, culvert, sludge carrier and PCC slabs at different union councils of District Jhang during 2016-18. Estimates of these works included item “P/F of steel board both sides paint letter” amounting to Rs 0.678 million. Further, District Council, Jhang executed scheme for P/F of signboards at entry and exit points of District Jhang at a cost of Rs

1.758 million. Scrutiny of record revealed that signboards consisting of photographs of the Chairman, District Council. Therefore, expenditure was incurred in violations of above mentioned rule.

Due to negligence and weak financial controls, unauthorized expenditure was incurred on signboards.

Unauthorized expenditure on signboards amounting to Rs 2.436 million resulted in extra burden on public exchequer and violation of the orders of Chief Justice of Pakistan.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends fixing responsibility on the person(s) at fault for violation of directions of honourable Supreme Court besides recovery of Rs 2.436 from the beneficiary concerned, under intimation to Audit.

[AIR Para: 16]

10.2.2.11 Less / non-deduction of taxes – Rs 2.045 million

According to Section 153(1) of the Income Tax Ordinance, 2001, every prescribed person while making a payment in full or part shall deduct tax, from the gross amount payable, at the rate specified in Division III of Part III of the First Schedule. Further, according to Government of the Punjab, Finance Department Notification No.SO(Tax)5-24/2016 dated 05.10.2016, the Punjab Sales Tax on Services (PSTS) was levied on services specified in the Column 4 of the Table-1 given in the notification and according to endorsement of District Collector, Faisalabad issued vide letter No.3060-DCR/HC(G) dated 25.10.2016, it was the responsibility of the withholding agent to deduct PSTS @ 16% on services provided for maintenance and repair of buildings including other similar services and @ 1% for payments against development works. Furthermore, according to Section 1.3 and Para (ii) of the Sales Tax, Special Procedure (Withholding) Rules, 2007, the withholding agent shall have to deduct General Sales Tax (GST) at full rate i.e. 19% of the value of taxable supplies in case of purchases from un-registered persons.

Chief Officer, District Council, Jhang made payment amounting to Rs 23.312 million to different suppliers / contractors for purchase of different goods and execution of development works during 2017-18. However, Income Tax amounting to Rs 0.534 million, General Sales Tax of Rs 0.333 million and Punjab Sales Tax on Services amounting to Rs 0.956 were not / less deducted from the payments of suppliers/contractors. Further, Income Tax amounting to Rs 0.222 million was also not deducted from the arrears bill of pay & allowances of Rs 2.288 million of an employee. Resultantly, an amount Rs 2.045 million on account of different taxes was not / less deducted

Due to weak financial controls, taxes were not/ less deducted from claims of the payees / contractors.

Less / non-deduction of taxes resulted in overpayment amounting to Rs 2.045 million to the concerned payees / contractors and loss to public exchequer.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of taxes amounting to Rs 2.045 million from the concerned.

[AIR Paras: 25, 27, 38]

10.2.2.12 Irregular expenditure on unapproved Chairman Camp Office – Rs 1.995 million

According to Para 2.50 & 2.51 of The West Pakistan Buildings and Roads, Department Code, to facilitate the preparation of estimates for annual and Quadrennial repairs a standard measurement book should be kept in the office of each Divisional Officer, showing the detailed measurements of each kind of work which is usually subject to renewal in each work under his charge. Annual and periodical repairs to buildings should be provided for as a percentage on the capital cost of the building on which the standard rent is based, which will be held to include provision for all ordinary repairs likely to be needed every year. Special repairs, should be provided for by special estimates prepared when necessary.

Chief Officer, District Council, Jhang executed work for Construction / repair / supply of electric work / false ceiling of rooms / verandah of Chairman Camp Office during 2017-18. Expenditure amounting to Rs 1.995 million was incurred on renovation of building that was not notified / declared as camp office by the Competent Authority. Further, no provision regarding establishment of camp office exist in the Punjab Local Government Act, 2013.

Due to weak financial and internal controls, expenditure was incurred without proper authority.

Expenditure without authority resulted in unauthorized expenditure of Rs 1.995 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends to probe the matter for fixing responsibility against the concerned.

[AIR Para: 17]

10.2.2.13 Irregular execution of civil work – Rs 1.990 million

According to Rule 9(5) of the Punjab Local Governments (Works) Rules 2017, the bids shall be opened at the time and place specified in the public notice in the presence of the bidders or their representatives, by the Chief Officer, representative of the District Council concerned, Assistant Engineer, Local Government, District Officer (Finance) and District Officer (Infrastructure). Further, according to Rule 9(6) of *ibid*, the members of the committee shall affix their initials and date on every bid so opened and also on the comparative statement.

Chief Officer, District Council, Jhang executed work construction of fiber shed, new toilet block for engineering branch repair/sanitary fitting, flooring, tiles of bathrooms etc. at an agreement cost of Rs 1.990 million during 2017-18. The expenditure was held irregular due to following short comings:

- i. Tenders were opened by the Chief Officer and DO (I&S) in the absence of Representative of the Deputy Commissioner and Assistant Engineer, concerned Local Government.
- ii. Administrative Approval of the scheme was accorded by the Chief Officer on 02.08.2017 whereas, DO (I&S) forwarded the case to the Chief Engineer (HQ), PLGB for sanction of technical estimate on 01.08.2017. The Chief Engineer (HQ), PLGB sanctioned technical estimate giving reference of letter of DO(I&S) dated 25.10.2017 which is question mark on the sanction obtaining process.

Due to weak internal controls, expenditure was incurred without fulfilling codal formalities.

Expenditure without fulfilling codal formalities resulted in irregular amounting to Rs 1.990 million.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 18]

10.2.2.14 Mis-procurement of different items on Independence Day – Rs 1.937 Million

According to Rule 2 (p) of the Punjab Procurement Rules 2014, corrupt & fraudulent practices includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders designed to establish bid prices at artificial, non-competitive levels and to deprive procuring agencies from benefit of free and open competition.

Chief Officer, District Council, Jhang incurred expenditure on event of Independence Day, 2017 amounting to Rs 1.937 million through calling quotations during 2017-18. Quotations were shown as submitted by three

different vendors/bidders, whereas, all the documents, pertaining to procurements, like working/estimate, quotations (on bidders' official letter pads) and payment claim etc. were made at one place, in one computer as is evident from similar mistakes in all the documents. The detail is as under:

- i. ساونڈ سسٹم was written as سونڈ سسٹم in all the documents.
- ii. ٹینٹ was written as ٹنٹ in all the documents.
- iii. پورٹریٹ was written as پوٹریٹ in all the documents.
- iv. نیٹ was written as نٹ in all the documents.
- v. گراونڈ was written as گرونڈ in all the documents.
- vi. Expenditure amounting to Rs 0.314 million was incurred on lighting of different places but per day estimates of rates were prepared without any detailed working.
- vii. Cash prizes amounting to Rs 0.217 million were also claimed by the vendor.

Due to connivance of District Council authorities with the supplier, procurement was made on suspicious bidding documents.

Mis-procurement through collusive practice resulted in undue benefit to supplier and violation of above referred rule besides extra financial burden of local fund of District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends investigation of the matter besides fixing responsibility against the incumbent(s) at fault, under intimation to Audit.

[AIR Para: 5]

10.2.2.15 Less deposit of conversion fee by the owner of commercial building – Rs 1.752 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 percent if value of land is less than one million rupees,

10 percent if value of land is from one million rupees to ten million rupees and 20 percent if value of land is more than ten million rupees.

Owner of Nagina Marquee converted the land for commercial use by depositing the conversion fee for lesser area with the District Council, Jhang during 2017-18. Notice for recovery of conversion fee for additional area used by the owner for commercial activity was issued. However, no efforts were made to recover the balance amount of Rs 1.752 million from defaulter. The detail is given in the following table:

(Rupees in million)

Description	Formula	Amount	Unit
Total Land of Kila # 20	$(40*5.5)*(21.5*5.5)$	26,015.00	Sft.
Total Land in Marlas	$26,015/272.25$	95.56	Marlas
Already Included in Calculations		12.11	Marlas
Excess Land to be converted	$95.56-12.11$	83.45	Marlas
Rate per Marla as per Valuation Table		0.088	Million rupees
Value of Land	$87,865*83.45$	7.332	Million rupees
Value of Land Calculated previously		2.854	Million rupees
Total Value of Land	$7,332,334+2,854,327$	10.187	Million rupees
Conversion Fee @ 20% of value of Land	$10,186,661*20/100$	2.037	Million rupees
Already recovered Conversion Fee		0.285	Million rupees
Recoverable Conversion Fee	2,037,332-285,433	1.752	Million rupees

Due to weak internal controls, strenuous efforts were not made for recovery of fee.

Non-recovery of conversion fee amounting to Rs 1.752 million resulted in loss to the public exchequer.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of conversion and building plan approval fees amounting to Rs 1.752 million from concerned besides action against defaulters, under intimation to Audit.

[AIR Para: 20]

10.2.2.16 Non-recovery of Penal Rent – Rs 1.140 million

According to Government of the Punjab, Finance Department letter No.SO(PW-11-I&L(24)76 dated 27.09.1980, penal rent @ 60 percent of the pay of the unauthorized occupant is recoverable.

Four official residences of District Council, Jhang were illegally occupied by officers / officials of other departments. Chief Officer did not take action to vacate the said residences or recovery of Penal Rent amounting to Rs 1.140 million from the officers/officials concerned during 2016-18. **(Annexure-I/JHG)**

Due to weak internal controls, residences were neither got vacated nor the Penal Rent was recovered.

Non-recovery of Penal Rent amounting to Rs 1.140 million from the illegal occupants resulted in violation of above referred Government instructions and loss to District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of Penal Rent amounting to Rs 1.140 million from the concerned, under intimation to Audit.

[AIR Para: 22]

10.2.2.17 Less charging / collection of advance Income Tax – Rs 1.049 million

According to Section 236(A) of the Income Tax Ordinance, 2001, any person making sale by public auction of any property or goods, shall collect Advance Tax, computed on the basis of sale price of such property @ 10% if the person is a filer and @ 15% if the person is non-filer.

Chief Officer, District Council, Jhang leased out different pieces of land and auctioned collection rights of different river crossings & parking stands amounting to Rs 11.922 million. Further, different lots of trees were auctioned for Rs 8.625 million during 2017-18. Advance Income Tax @ 10% was charged /

collected from the contractors concerned being filer status. However, online verification of the contractors concerned revealed that the status of these contractors was non-filer. Resultantly, an amount of Rs 1.049 million was less charged / collected from the concerned.

Due to negligence and weak internal controls, Advance Income Tax at lesser rate was charged / collected.

Charging / collection of Advance Income Tax at lesser rate resulted in less collection of Income Tax amounting to Rs 1.049 million to the Federal Government.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of less charged Advance Income Tax amounting to Rs 1.049 million from the concerned at the earliest besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 23]

10.2.3 Performance

10.2.3.1 Non-recovery of conversion and building plan approval fees – Rs 15.023 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 percent if value of land is less than one million rupees, 10 percent if value of land is from one million rupees to ten million rupees and 20 percent if value of land is more than ten million rupees.

Owners of three buildings converted the land for commercial use without depositing or less depositing the conversion and building plan approval fee to the District Council, Jhang. District Officer (Planning), Jhang issued demand notices for recovery of conversion and building plan approval fees amounting to Rs 15.023 million from defaulters but failed to recover the said amount. The detail is as under:

(Rupees in million)

Sr. No.	Description of Land Use	Name of Owner	Description of Fee	Amount	Remarks
1	Haveli Bahadar Shah Power Plant	National Power Parks Management Company (Pvt.) Ltd.	Conversion & Building Plan Fee	13.571	CO issued demand notice vide No.570 dated 11.07.2018 for deposit of the Conversion & Building Plan Fee.
2	Haveli Bahadar Shah Power Plant	Punjab Thermal Power (Pvt.) Ltd.	Building Plan Fee	1.355	Deposited Conversion Fee. CO issued demand notice vide No.589/91 dated 03.11.2018 for deposit of the Building Plan Fee.
3	Hotel	M. Manzoor s/o Saifullah	Conversion & Building Plan Fee	0.097	Notice was issued for submission of case and payment of Conversion & Building Plan Fee
Total				15.023	

Due to weak internal controls, strenuous efforts were not made for recovery of fees.

Non-recovery of conversion and building plan approval fees amounting to Rs 15.023 million resulted in loss to the public exchequer.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends recovery of conversion and building plan approval fees amounting to Rs 15.023 million from concerned besides action against defaulters, under intimation to Audit.

[AIR Para: 4]

10.2.3.2 Non-recovery of rent of shops – Rs 6 million

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

Arrears amounting to Rs 7.654 million were recoverable on account of rent of 70 shops / buildings as on 30.06.2018. Out of this an amount of Rs 1.654 million was recovered by the District Council, Jhang upto December, 2018 leaving balance Rs 6 million which remained unrecovered.

Due to financial indiscipline, rent of shops was not recovered.

Non-recovery of rent to shops amounting to Rs 6 million resulted in less collection of receipts by the District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification for non-recovery besides recovery of Rs 6 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 6]

10.2.3.3 Non-recovery of local Government dues – Rs 4.204 million

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

Chief Officer, District Council, Jhang leased out different pieces of lands and collection rights of different river crossing, parking stands, canteen at an agreement cost of Rs 11.995 million including advance Income Tax during 2017-18. Out of which an amount of Rs 7.791 million was recovered leaving a balance of Rs 4.204 million, which remained un-recovered. (**Annexure-J/JHG**)

Due to negligence and financial mismanagement, local Government dues were not recovered.

Non-recovery of local Government dues amounting to Rs 4.204 million resulted in less collection of receipts.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends fixing responsibility on the person(s) at fault for non-recovery besides recovery of Rs 4.204 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 1]

10.2.3.4 Non-recovery of License Fee – Rs 3.137 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head. Further, according to Gazette Notification No. 1094 dated 10.10.2017, District Council, Jhang levied License Fee on different types of professions / businesses.

Chief Officer, District Council, Jhang did not recover license fee amounting to Rs 3.137 million from 265 business holders of different categories during 2017-18. Strenuous efforts were not made to recover the outstanding dues from the defaulters.

Due to weak internal controls, license fee was not recovered.

Non-recovery of license fee amounting to Rs 3.137 million resulted in less collection of receipts by the District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification for non-recovery besides recovery of Rs 3.137 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 14]

10.2.3.5 Non-recovery of rent from NADRA – Rs 1.440 million

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

District Council, Jhang collected rent @ Rs 83,454 per month on account of its building leased out to NADRA for establishment of office in Jhang during 2017-18. Another building of District Council situated in Shorkot City was occupied by NADRA without payment of any rent. Chief Officer did not make efforts to either to vacate the building or collection of rent after assessment by the District Rent Assessment Committee. Resultantly, District Council was deprived off its revenue amounting to Rs 1.440 million (Rs 80,000*18 months) during 2016-18.

Due to weak financial management, efforts were not made to recover rent from the NADRA.

Non-recovery of rent from NADRA amounting to Rs 1.440 million resulted in less collection of receipts by the District Council.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends justification for non-recovery besides recovery of Rs 1.440 million after assessment of District Rent Assessment Committee from the concerned at the earliest, under intimation to Audit.

[AIR Para: 21]

10.2.3.6 Non-imposition of penalty and non-forfeiture of bid security – Rs 1.173 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent. Further, according to Condition 8 of Work Orders issued by TO (Infrastructure & Service), Jhang & Shorkot, contractors were required to execute agreement deed with TMA within seven days of issuance of work orders and in case of failure, their bid security was required to be forfeited in favour of TMA.

Tehsil Officer (I&S), Jhang & Shorkot of defunct TMA awarded five works costing Rs 9.015 million for construction of drain, soling PCC slab, sewerage etc. at an agreement cost of Rs 6.848 million during 2014-16 with a completion period of 2 to 4 months. However, contractors failed to complete the works within stipulated period of completion provided in the agreements. Further, work orders of six schemes costing Rs 7.413 million for construction of soling, drain, sullage carrier etc. were issued to different contractors during 2014-18 but they failed to commence the work after lapse of considerable time. After introduction of new local government system, the said schemes were transferred to District Council, Jhang. Contrary to the above, TMA & District Council authorities did not impose penalty amounting to Rs 0.902 million for delay in completion of schemes and bid securities amounting to Rs 0.271 million were also not forfeited due to non-commencement of work at site

Due to weak internal controls, works remained incomplete and penalty was also not imposed.

Non-imposition of penalty resulted in non-completion / commencement of works and loss to the Government exchequer amounting to Rs 1.173 million.

The matter was reported to the PAO in January, 2019. The observation was received by the management with the promise to submit reply at the earliest. Audit stressed to submit reply at the earliest.

Audit recommends fixing responsibility on the person(s) at fault for non-completion / commencement of schemes within stipulated time besides recovery of Rs 1.173 million, under intimation to Audit.

[AIR Paras: 26, 37]

10.2.4 Internal Control Weaknesses

10.2.4.1 Non-reconciliation of Tax on Transfer of Immoveable Property – Rs 210.385 million

According to Government of the Punjab, LG&CD Department letter No.SOTAX(LG)2-46/08(PI) dated 20.02.2011, maintenance of Daily Recovery Register by the TMA staff shall be ensured and recovery of Tax on Transfer of Immoveable Property (TTIP) shall be reconciled with the Revenue Staff preferably on daily basis and any departure from these directions shall be interpreted as misconduct and corrupt practice in terms of Punjab Employees Efficiency and Disciplinary Act (PEEDA).

Authorities of District Council, Jhang realized income of Rs 210.385 million on account of Tax on Transfer of Immoveable Property (TTIP) during 2016-18. However, receipts were not got reconciled with Revenue Staff in violation of above directions.

Due to weak internal and financial controls, TTIP income was not got reconciled with Revenue Staff.

Non-reconciliation of income of Rs 210.385 million with Revenue Staff resulted in violation of the Government instructions besides vulnerability to the leakage of resources.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 24]

10.2.4.2 Undue benefit to developers due to less mortgage of land / plots – Rs 58.559 million

According to Rule 34(a) & (b) of the Punjab Private Housing Schemes and Land Sub Division Rules, 2010, a developer shall within a period of five years after

sanction of a scheme, develop a scheme in conformity with these rules and undertake development works after issuance of approval of design and specifications by the concerned agencies. Further, according to Rule 17(f) of ibid, a District Council or Development Authority shall, prior to issuance of sanction of scheme, require a developer to submit a mortgage deed, in accordance with form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area as security for completion of development works. Furthermore, according to minutes of the meeting of District Planning & Design Committee (DPDC) on 21.04.2016, Preliminary Planning Permission was granted in respect of Paradise City Housing Scheme subject to the condition that there should be no development or any type of construction on the site till the clearance of housing scheme from the competent authority.

District Council, Jhang granted sanction in respect of two private housing schemes during 2017-18. Contrary to the above referred rules less area of land measuring 41.24 Kanal amounting to Rs 58.559 was mortgaged in the name of District Council, Jhang as security of development works on the plea that the developer has already executed development works as site. However, the developer was restricted to carry out the development works at site by the DPDC in its meeting held on 21.04.2016. Undue benefit to the developers was given due to less mortgage of land despite penalizing the concerned for execution of development works without approval of schemes. The detail is as under:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Sanction Date	Area to be Mortgaged	Area Mortgaged	Less Area	Rate / Marla	Amount
1	Paradise City Housing Scheme	13.08.2018	81.45 Kanal	44.65 Kanal	36.80 Kanal	Rs 75,000	55.200
2	Ittefaq Homes Land Sub Division	04.06.2018	168 Marla	79.13 Marla	88.87 Marla	Rs 37,800	3.359
Total							58.559

Due to negligence and favouritism, undue benefit to the developers was granted.

Undue benefit to the developers due to less mortgage of land resulted in violation of above mentioned rules/instructions.

The matter was reported to the PAO in January, 2019. No DAC meeting was convened despite repeated requests by Audit.

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

[AIR Para: 13]

CHAPTER 11

11.1 District Council, Toba Tek Singh

11.1.1 Introduction

District Council, Toba Tek Singh was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Toba Tek Singh is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Toba Tek Singh as described in the Punjab Local Government Act, 2013 are as under:

- approve bye-laws and taxes;
- approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- review the performance of all offices working for the District Council;
- review the performance report presented by the Chairman;
- promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- prevention and removal of encroachment on public ways, streets and properties;
- prevention of nuisance in public ways, streets and properties;
- regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- regulation or prohibition of the excavation of earth, sand, stones or other material;
- regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
- celebration of public festivals;

- assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- enforce all municipal laws, rules and bye-laws regulating its functioning;
- promote animal husbandry and dairy development;
- hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

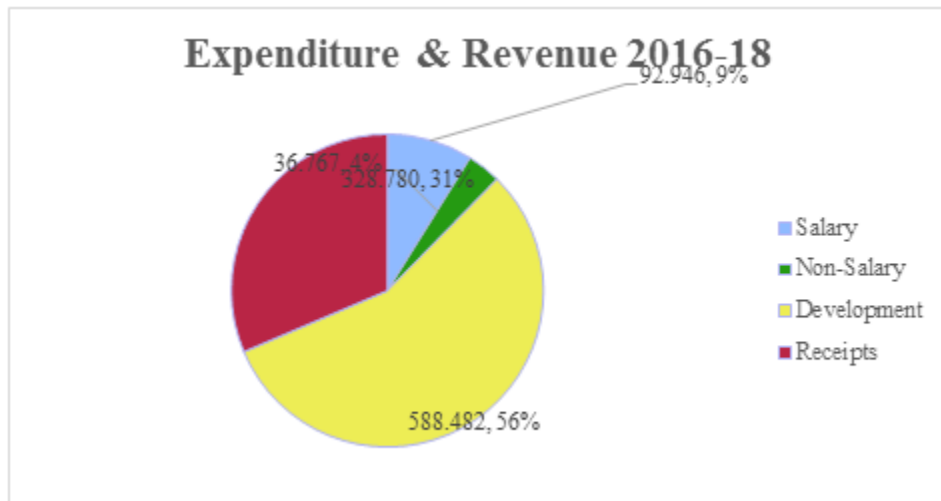
11.1.2 Comments on Budget and Accounts

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

(Rupees in million)

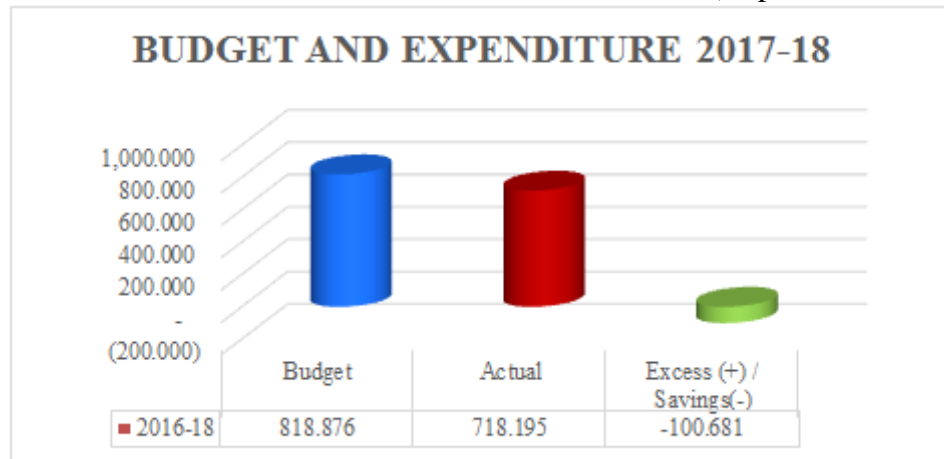
2016-18	Budget	Actual	Excess (+)/ Lapse (-)	% (Lapse)
Salary	107.866	92.946	-14.920	13.832%
Non-Salary	90.673	36.767	-53.906	59.451%
Development	620.337	588.482	-31.855	5.135%
Total	818.876	718.195	-100.681	12.295%
Receipts	351.763	328.780	19.638	-

(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Toba Tek Singh, total budget (Development & Non-Development) was Rs 818.876 million. Against the final budget, total expenditure of Rs 718.195 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 100.681 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



11.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Toba Tek Singh established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor Punjab to be laid before the legislature.

11.2 AUDIT PARAS

11.2.1 Irregularities and Non-Compliance

11.2.1.1 Irregular execution of works without maintaining history – Rs 21.624 million

According to Paras 2.36 and 2.6 of the Buildings and Roads (B&R) Department Code, projects for roads when submitted for sanction should be accompanied by report detailing history, design, scope, rates, specifications, references, cost, mode of execution etc. Further, according to Rule 9 of the Punjab Local Government (Works) Rules, 2017, District Engineer shall prepare the rough cost estimate or PC-I for the scheme after inspecting the site and certifying the feasibility of the scheme by incorporating images or photograph and shall get it vetted from the technical sanctioning authority. Furthermore, according to Rule 7 of the rules *ibid*, a draft scheme shall specify detailed history of the scheme including nature and location of the schemes; full particulars of the works to be executed; justification for the scheme; the benefits and returns from the scheme and such other particulars as prescribed in the standard PC-I.

Chief Officer, District Council, Toba Tek Singh got executed four works for improvement of roads at different sites under the jurisdiction of District Council, during the period 2017-18. Contrary to the above provisions, following record was not maintained before approval and execution of works.

- i. Register of public roads and streets detailing the roads/streets falling under the jurisdiction of District Council.
- ii. Roads and streets maintenance register showing previous repairs, maintenance period, projected life, schedule of next repairs etc. and
- iii. Rough cost estimates showing detailed history, requirement, feasibility, sustainability and projected life of schemes with images of photographs.

Due to weak internal controls and negligence, schemes were executed without maintaining previous record and history.

Execution of schemes without maintaining previous record and history resulted in irregular expenditure amounting to Rs 21.624 million.

The matter was reported to the DDO in December, 2018. It was replied that all the works were awarded after grant of admin approval and technical sanction from the Competent Authority and after fulfilling all the codal formalities. Progress in this regard would be shown to audit at the earliest. Audit stressed upon imposition of penalty against the contractors due to non-completion of works.

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

[AIR Para: 7]

11.2.1.2 Non-recovery of departmental charges-Rs 19.500 million

According to Local Government Act, 2013 Rule 7(3) in case the work is executed by the local government of behalf of the Government or another local government or body, the Government or the concerned local government or as the case may be the concerned body shall pay to the local government such departmental charges for the execution of work as may be fixed by the Government.

Chief Officer, District Council, Toba Tek Singh executed development works costing Rs 156 million for the financial year 2017-18 under development package for Union Councils. However, departmental charges @ 12.50% for works executed on behalf of other local government amounting to Rs 19.500 million. No efforts were made on the part of District Council authorities to recover the amount of departmental charges from the concerned local government.

Due to weak financial controls, departmental charges were not recovered.

Non-recovery of departmental charges from the concerned local government resulted in loss to the District Council amounting to Rs 19.500 million.

The matter was reported to the DDO in December, 2018. It was replied that the matter would be taken up with the concerned authority and compliance would be shown to Audit. Audit stressed upon compliance at the earliest.

Audit stressed to recover the amount of departmental charges from the concerned local government, under intimation to Audit.

[AIR Para: 1]

11.2.1.3 Utilization of bricks without ensuring standard specifications and testing – Rs 17.484 million

According to Clause 11 and 14 of Contract Agreement for civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Superintending Engineer Provincial Buildings Circle, Faisalabad letter No.44-M/109-G/1021-25/G-II, dated 13.03.2001, due to non-availability of bricks of 2000 pounds per square inch (PSI), the utilization of the bricks having crushing strength 1700 PSI was allowed with recovery @ Rs 0.30 per brick from all running/final bills of the contractors.

Chief Officer, District Council, Toba Tek Singh awarded sixteen works to the different contractors during 2017-18. Execution of works included 2,470,959 number of bricks costing Rs 17.484 million but no methodology was adopted to measure the strength, standard and specification of the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first class bricks could not be proved.

Due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 17.484 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the DDO in December, 2018. It was replied that necessary arrangements were made by this department for ensuring quality tests of bricks. However, quality of bricks on the running works would be ensure and compliance would be shown to Audit at the earliest. Audit stressed upon compliance at the earliest.

Audit recommends that the matter may be brought to appropriate level for fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 2]

11.2.1.4 Irregular grant of technical sanction without obtaining NOC – Rs 15 million

According to section 2.22 of Public Works Department Code, Chapter. II ,whenever the alignment of a new road, drain, pipe-line or sewer, etc., passes close to, or involves any alteration to or diversions of pre-existing railways or canals or interfere with any works or land appertaining to the same, the written acceptance of the authorities in charge of such railways or Irrigation work to the proposals involved by the construction of the new road, drain, pipe-line or sewer, etc., must invariably be obtained before any work thereon is put in hand, and the Buildings and Roads Department authorities concerned should, therefore, obtain the views of the responsible Railway or Irrigation authority in such cases during the survey.

Chief Officer, District Council, Toba Tek Singh grant technical sanction for construction of new bridge at Chak No.679/20 Phase-2. However, the said scheme was awarded without obtaining NOC fee from the irrigation department. The detail is as under:

(Rupees in million)

Sr. No.	Tendering Date	Description	Estimated Cost	Agreement Amount
1	30.05.2017	Construction of road Chak No.679/20 GB Phase-2	15.00	15.00
Total			15.00	15.00

Due to weak internal controls NOC was not obtained from to non-obtaining of NOC from irrigation department.

Irregular grant of technical sanction without obtaining of NOC from the irrigation department resulted in irregular technical sanction & award of work.

The matter was reported to the DDO in December, 2018. It was replied that the irrigation department would be requested to grant the approval of necessary permission/NOC. The same would be produced to Audit for verification. Audit stressed upon compliance at the earliest.

Audit recommends fixing of responsibility besides obtaining of NOC from irrigation department, under intimation to Audit.

[AIR Para: 25]

11.2.1.5 Non-recovery of miscellaneous fee from the owners of private housing scheme—Rs 11.045 million

According to Rules 38 (1)(a), (2) and 39 of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of rupees five thousand for scheme having area up to two thousand kanal and other fees at prescribed rates. Developer shall also deposit fee for conversion of peri-urban area to scheme-use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.

Chief Officer, District Council, did not recover design, naqsha, conversion fee as approved by the Government / based on scheduled rates amounting to Rs 11.045 million from owners of four private housing schemes/ societies.

Due to weak financial controls and negligence, approved fees were not recovered from the owner of private housing schemes.

Non-recovery of approved fees from the owners of private housing schemes resulted in loss to the public exchequer amounting to Rs 11.045 million.

The matter was reported to the DDO in December, 2018. It was replied that the matter would be investigated and recovery of various fee would be made from the owners of private housing scarcities and the compliance would be shown to Audit. Audit stressed upon earlier recovery from the owners of private housing societies.

Audit recommends recovery of Rs 11.045 million from the owners of housing schemes without further delay, under intimation to Audit.

[AIR Para: 8]

11.2.1.6 Irregular payment of bituminous items–Rs 4.334 million

According to Government of the Punjab, Communication & Works Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, use of PARCO Biturox having grade 60/70 & grade 80/100 produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh was allowed in addition to bitumen of National Refinery Karachi. Further, according to Government of the Punjab, Communication & Works (C&W) Department, letter No.PA/SECY(C&W) 26.05/2009 dated 25.05.2009, the bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI).

Chief Officer, District Council, Toba Tek Singh made payments amounting to Rs 4.334 million to various contractors during 2017-18 against bituminous items executed in three works without documentary evidence for procurement of bitumen from approved refineries. Further, quality of bitumen was not got tested from the RR&MTI. The detail is as under:

(Rupees in million)

Sr. No.	Name of work	Description	Estimated Cost	Agreement Amount	Quantity	Rate	Amount
1	Improvement of road Chak No.297/JB to 298/JB	P/L TST using 67 LB Bitumen	4.000	4.000	43,350	3,614.08	1.567
		P/L DST using bitumen			1,450	1,746.07	0.025
2	Improvement of road Gojra Pensera to Chak /no 362/JB Korean	P/L TST using 67 LB Bitumen	6.800	6.797	55,705	3,598.66	2.005
3	Improvement of road Kamalia Mamukanjen 54/1	P/L TST using 67 LB Bitumen	2.000	1.894	19,829	3,715.19	0.737

Sr. No.	Name of work	Description	Estimated Cost	Agreement Amount	Quantity	Rate	Amount
	Tukra						
Total			12.800	12.691	120,334		4.334

Due to weak internal controls, payment was made without ensuring procurement of bitumen from approved refineries and testing of the same from RR&MTI.

Non-assurance of procurement of bitumen from approved manufacturer and non-testing resulted in irregular expenditure amounting to Rs 4.334 million.

The matter was reported to the DDO in December, 2018. It was replied that all the works were executed after ensuring standard quality of bitumen and the works were done at sited according to the requirements/specification of works approved. However, Government instructions would be followed in letter and spirit in future.

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

[AIR Para: 4]

11.2.1.7 Non/short recovery of own source income—Rs 2.588 million

According to Notification No.829/CO/DC/TTSINGH dated 20.09.2017 the chairman of District Council approved license fee of petrol pumps @ Rs 10,000 under the powers vested by Punjab Local Government Act,2013 and Rule 3(6)&4 of Punjab Local Government Taxation Rules, 2017. Further, according to the Rule 47(1) of the Punjab Local Government (Budget Rules) 2017, the collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Chief Officer, District Council, Toba Tek Singh did not recover professional tax from 295 owners of different professions/businesses trading at different sites in the jurisdiction of District Council, Toba Tek Singh. Further, rent of godown amounting to Rs 0.219 million and license fee of petrol pumps amounting to Rs 0.150 million was not recovered. Furthermore, no survey was

conducted for estimation of total number of business/professions for levy of tax, preparation of estimated income for this important head of own source income. The detail of pending cases is as under:

(Rupees in million)				
Sr. No.	Tehsil	Nature	Number	Recoverable Fee
1	Tehsil Toba Tek Singh	Gowdown Rent	4	0.219
2	Tehsil Toba Tek Singh	Professional Tax	60	0.305
3	Peer Mahal & Kamalia	Professional Tax	175	1.632
4	Tehsil Gojra	Professional Tax	60	0.282
5	District Toba Tek Singh	Petrol Pumps fee	15	0.150
Total			299	2.588

Due to weak internal controls and lack of vigilance, professional tax, license fee of petrol pumps and godown rent was not received from the concerned.

Non-recovery of professional tax, license fee, godown rent resulted in non-achievement of income targets and loss to the public exchequer amounting to Rs 2.588 million.

The matter was reported to the DDO in December, 2018. It was replied that the concerned officer/officials have been directed to achieve the targets/recover the amount of arrear. The targets would be followed in letter and spirit and compliance would be shown to Audit. Audit stressed to ensure recovery at the earliest.

Audit recommends recovery of license fee from the owners of concerned businesses of amounting to Rs 2.218 million, under intimation to Audit.

[AIR Paras: 11, 16, 23]

11.2.1.8 Irregular payment of non-schedule item without obtaining of competitive market rates-Rs 2.040 million

According to the Government of the Punjab, Finance Department instructions vide No. RO (Tech) FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the

Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and rates shall not be more than the market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO (TECH) FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer, District Council, Toba Tek Singh awarded three civil works for improvement/renovation of Jinnah Hall, council offices, residence in the premises of District Council Complex during 2017-18. Contrary to the above, payment amounting to Rs 2.040 million was made to the contractors on account of non-schedule items without preparation of competitive rates (base rate by open quotations from the market), as detailed below:

(Rupees in million)

Sr. No.	Name of Work	WO No./Date	Description	Quantity	Rate	Amount
1	Improvement of Jinnaha Hall, Meeting Room	347/ 26.02.2018	S/E LED lights 2*2 48 watts	44	6,000	0.264
			P/F imported Ceiling sheet 2*2	3,118	100	0.312
			P/F wall paneling single sheet 10*9.5 complete	1,531	175	0.268
			P/F Ceiling fan Asia, Climax, Pak Fan as approved	24	6,000	0.144
2	Construction/repair residence of Taxation Officer, District Council	213/ 18.08.2017	P/F imported Ceiling sheet 2*2	336	90	0.030
			P/F wall paneling single sheet 10*9.5 complete	1,257	170	0.214
			P/F Ceiling fan Asia, Climax, Pak Fan as approved	3	7,000	0.021
3	Construction of boundary wall/renovation of offices, DO(I&S) DO(Planning & DO(Regulation)	004/ 25.04.2017	P/F imported Ceiling sheet 2*2	633	120	0.076
			P/F wall paneling single sheet 10*9.5 complete	917	332	0.304
			P/F imported Ceiling sheet 2*2	685	120	0.082
			P/F wall paneling single sheet 10*9.5 complete	1,148	248	0.285
			P/F imported Ceiling sheet 2*2	336	120	0.040
Total						2.040

Due to weak internal controls, work was executed without approval of rates from the Competent Authority.

Non-approval of rates of non-schedule items from the Competent Authority and payment thereof resulted in irregular expenditure amounting to Rs 2.040 million.

The matter was reported to the DDO in December, 2018. It was replied that the non-scheduled item rates were approved by the Competent Authority on the basis of market rates. Audit stressed to produce documentary evidence in support of reply.

Audit recommends fixing of responsibility against the concerned besides regularization of the expenditure, under intimation to Audit.

[AIR Para: 29]

11.2.1.9 Non-recovery of renewal fee from the government contractors – Rs 1.644 million

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

Chief Officer, District Council, Toba Tek Singh did not recover renewal fee from 106 government contractors working/entered into the contracts with District Council, Toba Tek Singh. Resultantly, an amount of Rs 1.644 million was not collected from the contractors.

Due to weak internal controls and lack of vigilance, renewal fee was not recovered from the government contractors.

Non-recovery of renewal fee from the government contractors resulted in loss to the public exchequer amounting to Rs 1.644 million.

The matter was reported to the DDO in December, 2018. It was replied that concerned contractors would be directed to deposit the renewal fee and next tenders would be issued to the contractors who deposit the renewal fee. Audit stressed to recover the amount of renewal fee from the contractors at the earliest.

Audit recommends recovery of renewal fee from the contractors amounting to Rs 1.644 million, under intimation to Audit.

[AIR Para: 14]

11.2.1.10 Non-recovery of commercialization fee–1.618 million

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

Chief Officer, District Council, Toba Tek Singh did not collect commercialization fee from the owners of commercial sites at various locations of district under the jurisdiction of District Council, Toba Tek Singh amounting to Rs 1.618 million during 2017-18. No efforts were made by the head of the District Council for effecting recovery from the owners of commercial sites. The detail is as under:

(Rupees in million)

Sr. No.	Location	Nature of setup	Conversion Fee	Map Fee	Total
1	Chak No.366/JB Gojra Samundari road Gojra	Petrol Pump	0.596	0.046	0.642
2	Chak No.288/GB Rajana Pirmahal road	Petrol Pump	0.216	0.064	0.280
3	Chak No.325/GB Pirmahal Darkhana road	Petrol Pump	0.240	0.028	0.268
4	Mouza Mai Safooran Abdul Hakeem road	Petrol Pump	0.031	0.044	0.075
5	Chak No.295/GB Rajana road TT Singh	Showroom	0.200	0.032	0.232
6	Chak No.350/GB Toba Tek Singh	Control Shed	0.028	-	0.028
7	Chak No.325/JB Jhang road Toba Tek Singh	Control Shed	0.026	-	0.026
8	Chak No.295/GB Rajana road TT Singh	Shop	0.034	0.010	0.043
9	Mouza Kamalia rajana road Toba Tek Singh	Shops	0.006	0.017	0.023
Total			1.377	0.241	1.618

Due to weak internal controls and lack of vigilance, commercialization fee was not recovered from the owner of commercial sites.

Non-recovery of commercialization fee from the owners of commercial sites resulted in short recovery of Rs 1.618 million.

The matter was reported to the DDO in December, 2018. It was replied that efforts are being made to collect the amount of conversion fee and naqsha fee. All the collecting staff has been directed to collect the dues from concerned owners of the shops. Compliance would be shown to Audit at the earliest. Audit stressed to recover the due amount of commercialization fee at the earliest.

Audit recommends recovery of commercialization fee amounting to Rs 1.618 million, under intimation to Audit.

[AIR Para: 15]

11.2.2 Performance

11.2.2.1 Short recovery of own source income—33.244 million

According to the Rule 13 of the Punjab Local Government (Budget Rules) 2017, The Local Government to ascertain the revenue potential shall conduct a review of tax base. Further, ibid rule 14 after completing the receipts estimates the collecting officer shall sign estimates and forward it to the head of the office. Furthermore, according to the rule 12(d) ibid all material reasons facts and circumstances relied upon while adopting the figures for the revised estimates for the current financial year shall be recorded clearly.

District Council, Toba Tek Singh failed to achieve the income targets set for the financial year 2017-18 under different heads of own source income. No efforts were made by the tax collecting officers/officials to achieve the set targets. Resultantly, an amount of Rs 33.244 million was not realized by the District Council. Further, no survey was conducted for evaluating the professions/business entities for collection of profession tax levied. The detail is as under:

(Rupees in million)

Sr. No.	Year	Head of Income	Targeted Income	Actual Income	Short Recovery
1	2017-18	License Fee	10.000	7.658	2.342
2	2017-18	Commercialization Fee	50.000	27.997	22.003
3	2017-18	Tax on transfer of Immoveable Property	160.000	151.101	8.899
Total			220.000	186.756	33.244

Due to weak internal controls and lack of monitoring, Income Targets were not achieved.

Less realization of income as compared to the set targets resulted in short recovery and loss to the District Council amounting to Rs 33.244 million.

The matter was reported to the DDO in December, 2018. It was replied that being new establishment of set up of District Councils, targets were fixed on estimates and all necessary steps were taken to achieve/ maximize the own source income of District Council. Further, all efforts would be made to achieve the

targets of income by the collecting team of District Council. The reply was not tenable because no assessment was made based on survey for estimation of various heads of income. Further, strenuous efforts were not made to follow the targets by the heads of council resulting into huge shortfall of income.

Audit recommends fixing responsibility for short recovery than set targets, under intimation to Audit.

[AIR Para: 24]

11.2.2.2 Non-deduction of Social Security Contribution – Rs 8.536 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, in case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim, an appropriate amount of the contributions payable, and pay such amount direct to the institution. Further, according to The Punjab Employees Social Security Institution (PESSI) letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014, in case contractor fails to produce certificate, the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office to cover the risks, mishaps and accidents.

Chief Officer, District Council, Toba Tek Singh executed various works through 106 contractors during 2016-18 but payments were made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. District Council authorities did not make efforts to deduct the Social Security Contribution amounting to Rs 8.536 million from claims of the contractors before making payments. The detail is given in the following table:

(Rupees in million)

No. of Contractors	No. of Employees	Average Wage Rate per Annum	Total Wages	Amount @ 6%
106	859	0.156	134.044	8.040

Due to weak internal controls and lack of vigilance, Social Security Contribution was not deducted.

Non-deduction of Social Security Contribution resulted in excess payment of Rs 8.040 million to the contractors.

The matter was reported to the DDO in December, 2018. It was replied that all the contractors would be directed to produce evidence of deposit of Social Security Contribution otherwise necessary steps would be taken according to the provisions of law against contractors. Audit stressed upon compliance at the earliest.

Audit recommends recovery of Social Security Contribution amounting to Rs 8.040 million from the concerned, under intimation to Audit.

[AIR Para: 17]

11.2.2.3 Irregular payment for works executed against defective agreements – Rs 4.186 million

According to Rule 63(b) of the Punjab Procurement Rules, 2014, a procurement contract shall come into force from the date on which the signatures of both, the procuring agency and the successful bidder, are affixed to the written contract and such affixing of signatures shall take place within a reasonable time. Further, according to Clause 6 of the Contract Agreement, the contractor shall enter into and execute a Contract Agreement in a Form as per specimen provided in the contract form for execution of work. Furthermore, according to Board of Revenue (Stamp Wing), Lahore, letter No.4435-2017/ST(I) dated 11.08.2017 since the e-stamping system has replaced with the system of traditional stamps, the later are no more acceptable.

Chief Officer, District Council, Toba Tek Singh awarded two civil works of construction of nali, soling/resoling to different contractors during

2017-18 at agreement cost of Rs 5.998 million. However, defective Stamp Papers were presented by the contractors for execution of agreements, as the stamp papers were purchased after the lapse of required period of signing of agreements. Further, traditional stamp papers were used in agreements in violation of directions of Board of Revenue. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Name of Contractor	Date of work order	Date of agreement	Agreement Cost
1	Constriction of soling/resoling drain Chak No.671/12 GB	Saeed Construction Co.	26.02.2018	28.04.2018	1.999
2	Construction of soling/resoling Chak No.765/GB Abadi Talwa Chontra Sargana	Sikandat Abbass	26.02.2018	28.04.2018	3.999
Total					5.998

Due to weak internal controls, defective agreements were executed.

Execution of defective agreements resulted in irregular payment of Rs 4.186 million to the contractors.

The matter was reported to the DDO in December, 2018. It was replied that the matter would be investigated and compliance would be shown to Audit at the earliest. Audit stressed upon action against the contractors at the earliest.

Audit recommends fixing of responsibility against the concerned for signing of Contacts after relinquishment of charge and incurrence of irregular expenditure, under intimation to Audit.

[AIR Para: 19]

11.2.2.4 Non-imposition of penalty for non-completion of schemes—Rs 3.578 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Chief Officer, District Council, Toba Tek Singh awarded ten works for construction of soling/resoling, drain, improvement of road, renovation of of rest house at agreement cost of Rs 35.778 million during 2017-18. The contractors executed works to the extent of Rs 19.485 million and the balance work was left incomplete. However, District Officer (I&S) did not take action against the contractors for completion of works and imposition of penalty amounting to Rs 3.578 million. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Completion Period	Date of Completion	Agreement Amount	Expenditure	Balance
1	Improvement of road Gojra Mochiwala to Chak 364/JB	2 months	28.04.2018	4.599	2.355	2.244
2	Construction of soling Chak No.670/11 GB	1 month	28.03.2018	1.500	0.603	0.897
3	Construction of soling/resoling nali Chak No.698/40 GB	1 month	28.03.2018	1.000	0.974	0.026
4	Improvement of Gojra, Jhang road to Chak No.427/JB	3 months	28.05.2018	6.487	3.887	2.600
5	Construction of soling resoling drain Chak No.341/JB	2 months	28.04.2018	3.500	2.555	0.945
6	Improvement of road, resoling Moza Shah Pur Pir Mahal	2 month	28.04.2018	3.996	3.162	0.834
7	Construction of soling resoling drain Chak No.697/39 GB	1 month	28.03.2018	1.500	0.875	0.625
8	Construction of drain soling ,salluge carrier Chak 338/JB	2 months	28.04.2018	4.500	2.886	1.614
9	Construction of Soling resoling Chak No291/GB TT Singh	2 months	28.04.2018	3.996	1.396	2.600
10	Construction/repair/Renovation of rest house	3 months	25.05.2017	4.700	0.792	3.908
Total				35.778	19.485	16.293

Due to weak internal controls and lack of vigilance, penalty was not imposed for non-completion of schemes.

Non-imposition of penalty for non-completion of works resulted in depriving the local populace, the envisaged benefits and loss to District Council amounting to Rs 3.578 million.

The matter was reported to the DDO in December, 2018. It was replied that the concerned contractors would be directed to accelerate the progress to the work besides submission of grant in extension of time limit from the Competent Authority. Permissible fine would be imposed by the Competent Authority.

Progress in this regard would be shown to audit at the earliest. Audit stressed upon imposition of penalty against the contractors due to non-completion of works.

Audit recommends imposition and recovery of penalty amounting to Rs 3.578 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 6]

11.2.3 Internal Control Weaknesses

11.2.3.1 Non-reconciliation of receipts of Tax on Transfer of Immoveable Property – Rs 232.387 million

According to Government of the Punjab, LG&CD Department letter No.SO. TAX (LG) 2-46/08(PI) dated 20.02.2011, maintenance of Daily Recovery Register by the Council staff shall be ensured and recovery of Tax on Transfer of Immoveable Property (TTIP) shall be reconciled with the Revenue Staff preferably on daily basis and any departure from these directions shall be interpreted as misconduct and corrupt practice in terms of Punjab Employees Efficiency and Disciplinary Act (PEEDA).

District Council, Toba Tek Singh realized income of Rs 232.387 million on account of Tax on Transfer of Immoveable Property (TTIP) for the period 01/2017 to 06/2018 but receipts were not got reconciled with Revenue Staff in violation of above directions. The detail is as under:

(Rupees in million)

Sr. No.	Year	Head of Income	Tax amount
1	2016-17 (01/2017 to 06/2017)	Tax on Immoveable Properties	81.286
2	2017-18	Tax on Immoveable Properties	151.101
Total			232.387

Due to weak internal and financial controls, TTIP income was not got reconciled with Revenue Staff.

Non-reconciliation of income of Rs 232.387 million with Revenue Staff resulted in violation of the Government instructions besides vulnerability to the leakage of resources.

The matter was reported to the DDO in December, 2018. It was replied that necessary arrangements would be ensured to reconcile the figures with revenue office and compliance would be shown to Audit. Audit stressed upon the compliance at the earliest.

Audit recommends reconciliation of TTIP income besides fixing responsibility on the person (s) at fault, under intimation to Audit.

[AIR Para: 13]

11.2.3.2 Non-auction of dried trees and dismantled material – Rs 14.198 million

According to Rule 15.18 of the Punjab Financial Rules, Volume-I, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal.

District Council, Toba Tek Singh for failed to auction dried/fallen trees of 22,014 units (units in Cft as calculated by the forest department according to circumference of the tree) that were lying at different road sides, sites within the jurisdiction of District Council. The estimated value of all the lots was worked out as Rs 13.268 million. The lots were lying in the open places with the danger of theft and deterioration with the passage of time. Further, dismantled material (bricks, girder, wooden doors windows) valuing Rs 0.930 million lying at the different places was not auctioned. (**Annexure-K/TTS**)

Due to lack of interest and weak management the lots were not auctioned.

Non-auction of dismantled material and dried trees lying on the road sides resulted in loss to the public exchequer and deterioration of precious assets valuing Rs 14.198 million.

The matter was reported to the DDO in December, 2018. It was replied that efforts would be made to auction the lots of dried trees and dismantled material. The same would be ensured after obtaining approval from Competent Authority/House. The compliance would be shown to Audit at earliest. Audit stressed to complete the auction process to save the precious assets from further deterioration.

Audit recommends early auction of the dried trees besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 26]

11.2.3.3 Non-returning of assets of District Council-Rs 6.200 million

According to Section 03(b) of the Punjab Local Government Act, 2013 A District Council, Municipal Corporation or Municipal Committee shall succeed the right, assets, and liabilities of City District Government, District Government and Town/Tehsil Municipal Administrations which fall within area of District Council, Municipal Corporation or Municipal Committee. Further, according to Rule 2.33 every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Contrary to the above, District Council, Toba Tek Singh not got returned various assets of the council from the different departments after constitution of District Council w.e.f. 01.01.2017. Strenuous efforts were not made for returning back precious assets of District Council. Resultantly, different vehicles and generator valuing Rs 6.200 million were being utilized by the other departments. The detail is as under:

(Rupees in million)

Sr. No.	Name of Vehicle	Location/Used by	Condition	Quantity	Estimated Value
1	Land Cruiser Jeep TS-8998	Assistant Commissioner Kamalia	Working	1	2.000
2	Car TSA-99	Commissioner Office Faisalabad	Working	1	1.000
3	Generator 50KVA	Deputy Commissioner TT Singh	Working	1	2.500
4	Pajero TSA-184	Deputy Commissioner TT Singh	Obsolete	1	0.400
5	Suzuki Khyber TSA-2034	Deputy Commissioner TT Singh	Obsolete	1	0.300
Total				5	6.200

Due to weak internal controls and negligence, precious assets were not got returned from different departments.

Non-returning back of assets of District Council by different departments resulted in hurdles in service delivery and loss to the District Council valuing Rs 6.200 million.

The matter was reported to the DDO in December, 2018. It was replied that the concerned authorities have been requested from time to time for returning the assets of District Council. Compliance in this regard would be submitted to Audit at the earliest. Audit stressed to return back the assets of District Council at the earliest.

Audit recommends early returning back of assets of District Council besides fixing responsibility for negligence on the person(s) at fault, under intimation to Audit.

[AIR Para: 3]

11.2.3.4 Non-award of works at risk and expense of the original contractors –Rs 4.691 million

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

Chief Officer, District Council, Toba Tek Singh awarded two civil works for Improvement of road, nali soling, pipe line to different contractors at an agreement cost of Rs 4.691 million with completion periods of 1 to 2 months.

However, after issuance of work orders contractors did not execute the works after issuance of work orders. Contrary to the above, District Council Authorities did not take action to award the works at risk and expense of the original contractors. The detail is as under:

(Rupees in million)

Sr. No.	Name of work	WO No./Date	Completion Period	Date of Completion	Agreement Amount	Expenditure	Balance
1	Improvement of road, soling Nailian Chak No.670/11 GB Pir Mahal	592/26.02.2018	60 days	28.04.2018	3.999	-	3.999
2	Lying of sewer pipe, Nala Chak No.153/GB	183/12.08.2017	45 days	27.09.2017	0.692	-	0.692
Total					4.691	-	4.691

Due to weak internal controls, works remained incomplete and District Council authorities did not award at risk and expense of the original contractors.

Non-award of works at risk and expense of the original contractors resulted violation of contract agreement and loss to the District Council amounting to Rs 4.691 million.

The matter was reported to the DDO in December, 2018. It was replied that notices have been issued to the contractors for execution of works at the site. Progress in this regard would be shown to audit at the earliest. Audit stressed to ensure black listing of the contractors besides allotment of work at risk & cost of original contractor.

Audit recommends award of the works at risk and expense of original contractors besides fixing responsibility on the person(s) at fault, under report to Audit.

[AIR Para: 5]

CHAPTER 12

12.1 District Council, Khanewal

12.1.1 Introduction

District Council, Khanewal was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Khanewal is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Khanewal as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;

- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

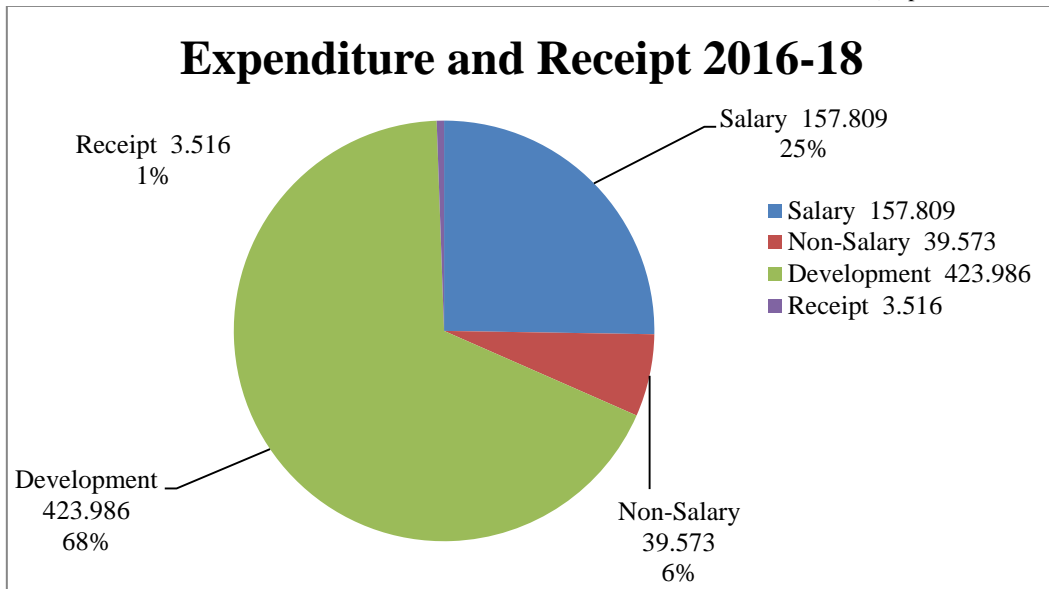
12.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	214.863	157.809	(57.054)	-27%
Non-salary	91.100	39.573	(51.527)	-57%
Development	599.394	423.986	(175.408)	-29%
Sub Total	905.357	621.368	(283.989)	-31%
Receipts	5.500	3.516	(1.984)	-36%

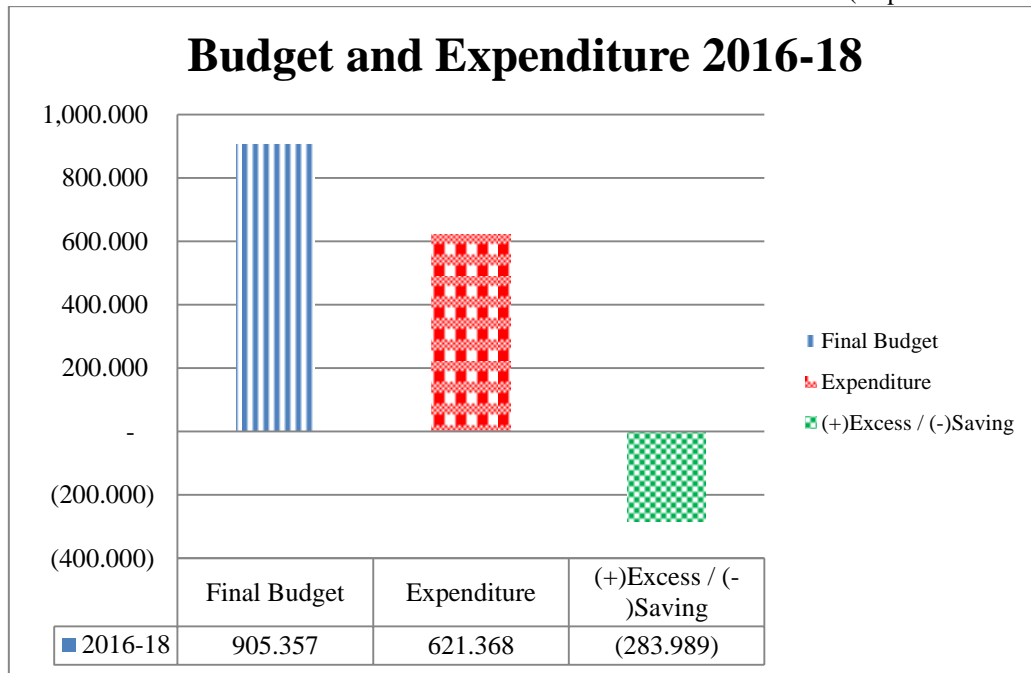
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Khanewal, total budget (Development & Non-Development) was Rs 905.357 million. Against the final budget, total expenditure of Rs 621.368 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 283.989 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The

comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



12.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Khanewal established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

12.2 AUDIT PARAS

12.2.1 Irregularities & Non Compliance

12.2.1.1 Non maintenance of cash book for expenditure and receipt- Rs 620.230 million

According to Punjab Local Government Act, 2013, the Zila Accounts Officer shall be responsible for the safe custody of the paid bills / vouchers. However, the DDO shall retain the duplicate copy of the paid vouchers and supporting documents for annual audit and record. A complete account of transactions relating to each Local Accounts Office shall be kept in Cash Book in Form LA-18 for receipts and Form LA-18.1 for payments. Every item received or paid shall be entered in the registers subsidiary to the Cash Book. The daily totals from the subsidiary registers shall be posted into the Cash Book.

The DDOs of District Council Khanewal, drew funds amounting to Rs 616.714 million on account of expenditures under various heads of accounts during Financial Year 2016-18 without maintenance of books of accounts/ vouched account i.e. cash book contingent register and budget control register etc. for the financial year 2016-18 without maintaining budget control registers, cash books, establishment check register etc. Receipt of Rs 3.516 was collected but not recorded in cash book. The DDOs were required to maintain their record but failed. The detail is given in **Annexure-C/KWL**

Due to weak internal controls, funds were withdrawn without maintenance of record.

Non maintenance of vouched accounts of Rs 616.714 million resulted in violation of government rules.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No.17]

12.2.1.2 Non forfeiture of security deposits - Rs 3.267 million

According to clause No. 3(a) of the condition of contract, the Municipal Engineer shall have power to rescind the contract of which rescission notice in writing to the contractor under the hand of the Municipal Engineer shall be conclusive evidence, and in which case the security deposit of the contractor shall stand forfeited.

The District Officer (Infrastructure), District Council Khanewal, did not forfeit the security deposits Rs 3.267 of the contractors who did not commence works at site despite issuance of work orders amounting to Rs 32.466 million during Financial Year 2016-18. The detail is given in **Annexure-D/KWL**

Due to weak internal controls, neither works were started nor security deposits were forfeited.

Non forfeiture of security deposit despite non execution of works resulted in loss of Rs 3.267 million.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No.18]

12.2.1.3 Unauthorized Appointment of Contingent Paid Staff- Rs 3.042 million

According to Government of the Punjab, Finance Department, Austerity/Economy measures for the year 2016-17 issued vide letter No.FD.SO (GOODS)44-4/2016 dated 19.09.2016, no contingent paid staff shall be

appointed during 2016-17 without approval of the Finance Department. Furthermore, according to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, no work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

The Chief Officer, District Council Khanewal, made payment of Rs 3.042 million on account work charge establishment during January, 2017 to June, 2018. The Chief Officer appointed work charge employees without obtaining permission from Finance and LG & CD Departments. Appointments were made without advertisement and adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. The detail is given in **Annexure-E/KWL**

Due to weak internal controls, irregular payment amounting to Rs3.042 million was made on account of work charge establishment.

Irregular payment on account of work charge establishment resulted in violation of rules.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from Finance Department, stoppage of any future work charge appointments and disciplinary action against the responsible, under intimation to Audit.

[AIR Para No.12]

12.2.2 Performance

12.2.2.1 Non recovery rent of shops and lease money of agriculture land- Rs 135.071 million

According to rule 47(1)(2) (3) of Punjab Local Government (Budget) Rules 2017, the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Fund. The head of the offices shall monitor, control and supervise the collecting officers and take corrective measures. The revised targets of receipts, if any, shall be communicated by the head of finance office to the collecting officers and head of offices.

The Chief Officer/ District Officer Finance, District Council Khanewal did not realized receipts of Rs 135.071 million on account of rent of shops, lease of agriculture land, lease of go downs etc during 2016-18. Mostly properties were occupied either by the encroachers or unlawful users without paying government dues. The authorities of District Council Khanewal neither recovered rent nor got vacated property from illegal persons

Due to inefficiency of management, the government receipts were less realized.

This inefficiency in collection of receipts resulted in loss of Rs 135.071 million.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides action against the illegal encroachers, under intimation to audit.

[AIR Para No.07,08,09]

12.2.2.2 Unauthorized sanction of land sub-division without obtaining bank guarantee/ mortgage- Rs 61.850 million

According to rule 17 (f)(ii) of Punjab Private Housing Schemes and Land Sub-division rules, 2010 a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer to a performance bond, in accordance with form D and D1, consisting of a performance agreement and a bank guarantee respectively. Amount of bank guarantee shall be equivalent to total cost of development works.

The Chief Officer District Council Khanewal sanctioned land sub-division without mortgaging or obtaining bank guarantee equal to development cost Rs 61.850 million (approximate). Neither development cost was assessed nor bank guarantee was obtained. As per Rules 35 (5) if developer failed to develop the land sub-division, sanctioning authority may take over the development work and shall execute the development work from sales of mortgage plots or encashment of bank guarantee. The owner failed to complete the development work within period. District Council was required to complete the development work by selling mortgage land or from bank guarantee. Further, owners sold the plots which were required for public places or open area. The detail is given in **Annexure-F/KWL**

Due to weak internal controls private housing colonies/LSDs were processed without obtaining bank guarantee.

Non obtaining of bank guarantee valuing Rs61.850 million resulted in violation of government rules

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends obtaining of bank guarantee fixing of responsibility upon the person(s) at fault.

[AIR Para No.03,04]

12.2.2.3 Non deduction of Punjab Sales Tax development schemes- Rs 18.153 million

According to Punjab Sales Tax on Services (Withholding) Rules 2012, All the Government departments were instructed to strictly to follow the principle of purchasing/ buying / acquiring taxable services only from such persons/ businesses which are registered with Punjab Revenue Authority. Punjab Sales Tax on construction services was @ 1% during 2016-17 and @ 5% w.e.f 01.07.2017 whereas the same is @ 16% on repair and maintenance services during 2016-2018.

The Chief Officer District Council Khanewal, paid Rs 452.691 million to different contractors for execution of development schemes during Financial Year 2016-2018 without deduction of Punjab Sales Tax Rs 18.153 million.

Due to weak internal controls, Provincial Sales Tax was not deducted.

Non deduction of Provincial Sales Tax resulted in loss of Rs61.850 million.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery from the person(s) at fault, under intimation to Audit.

[AIR Para No.22]

12.2.2.4 Loss to government due to less receiving of tender fee- Rs 15.461 million

According to rules 19 (1) of Punjab Local Government Works Rules, 2017, if any matter is not covered under the Rules, the Punjab Government Works Rules under the Building and Roads Department Works Code for Public Works department. Further, as per government of Punjab C&W department letter

No.B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged as per following schedule.

- i. For original work Rs.10000/- for each work
- ii. For M&R Rs.2000/- for each work

The Chief Officer District Council Khanewal did not ensure to receive tender fee of Rs15.461 million as prescribed by C& W department during 2016-18. Tender fee was not mentioned in Local Government Works Rules and was required to be received as per C & W department notification. Chief Officer received tender fee at less rates. The detail is as under.

(Rupees in million)

Date of Issuance of Tender	Date of Receipt of Tender	No. of Works	Nature of Work	Rate of Tender Fee	Fee Charged	Less	At Least No. of Participants in Each Work	Amount of Short Recovery of Tender Fee	Name of Programme / Package
09.06.2017	10.06.2017	219	Original Work	0.010	-	0.010	547	5.470	2016-17 ADP
27.12.2017	30.12.2017	264		0.010	0.002	0.008	792	6.336	2017-18 ADP
23.12.2017	26.12.2017	119		0.010	0.005	0.005	238	1.190	CM package
21.04.2018	24.04.2018	40		0.010	0.005	0.005	317	1.585	CM package Second Phase
21.04.2018	24.04.2018	11		0.010	0.002	0.008	110	0.880	ADP Second Phase
Total		653					2,004	1561	

Due to weak financial control, tender fee was received less from prescribed rates.

Receiving of less fee Rs15.461 million from prescribed rates resulted in loss to government.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No.01]

12.2.2.5 Non collection of tax on immoveable property from the Municipalities of District Khanewal- Rs 4.659 million

According to Punjab Local Government Act, 2013, the area beyond the jurisdiction of municipal limits is the domain of District Council and collection of tax on transfer of immoveable property in this area is the responsibility of District Council. According to the rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The District Officer Finance, District Council Khanewal did not collect the share of mutation fee amounting to Rs 4.659 million of the area beyond the jurisdiction of municipal limits for the period w.e.f 02.01.2017 to 09.01.2017 which was collected by respective municipality of District Khanewal. The detail is given **Annexure-G/KWL**

Due to weak financial management, the share of mutation fee was not received from concerned Municipal Committee.

Non collection of share of mutation fee resulted loss to District Council.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery from person(s) at fault, under intimation to Audit.

[AIR Para No.13]

12.2.2.6 Non recovery of commercialization fee for illegal construction of commercial buildings – Rs 1.966 million

According to rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012, a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million.

The Chief Officer, District Council Khanewal, failed to collect commercialization fee Rs 1.966 million from owners who converted their building for commercial activities during 2016-18. The buildings were converted illegally without approval and without paying commercialization fee. The detail is given in **Annexure-H/KWL**

Due to weak financial management, commercial buildings were illegally constructed without approval of maps and payment of the Government dues.

Non recovery of dues amounting to Rs 1.966 million resulted in loss.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery from person(s) at fault, under intimation to Audit.

[AIR Para No.05]

12.2.3 Internal Control Weaknesses

12.2.3.1 Non deposit of performance security into bank– Rs 25.756 million

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

The District Officer (Infrastructure), District Council Khanewal did not ensure proper deposit of performance security Rs 25.756 million received from lowest bidders. No transparent record of performance security deposits work wise/ contractor wise was maintained. It cannot be ascertained that which CDR was received against which work from which contractor. Such ambiguous record was prepared which cannot be verified. No relevant complete record was produced to audit for verification that the amounts of performance security were properly realized.

Due to weak financial control and non-observance of rules and regulations performance security were not properly credited in bank for realization of amounts.

Non-realization/clearance of CDRs of performance guarantee resulted in loss to government.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides fixing of responsibility against the person at fault under intimation to Audit.

[AIR Para No.20]

12.2.3.2 Non imposition of penalty for non-completion of works within stipulated period – Rs 12.798 million

According to clause 2 of Condition of Contract, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor.

Contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item (b) of the memorandum of work Annexured hereto for every day the work remains un-commenced or unfinished after the proper date.

The District Officer (Infrastructure) District Council, Khanewal, did not observe the time limits granted to the contractors during 2016-18. Contractors neither completed the works within time limit nor applied for time extension before the expiry of stipulated period. Penalty @ 10% amounting to Rs 12.798 million was required to be imposed due to non-completion of works despite lapse of several months after the completion date.

Due to weak internal controls, penalty was not imposed due to non completion of schemes within stipulated time period.

Non-imposition of penalty for non-completion of works within time limit resulted in loss of Rs 12.798 million.

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides fixing of responsibility on the person(s) at fault under intimation to Audit.

[AIR Para No.19]

12.2.3.3 Non auctioning of dry trees and old machinery - Rs 6.195 million

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

The Chief Officer of District Council Khanewal did not auction the dry fallen trees and old machinery during the Financial Year 2016-18. The trees and machinery were lying down in various locations but no effort had been made to auction the dry fallen trees and machinery to save the Government resources.

(Rupees in million)

Sr. No.	Name of items	Amount (Approx.)
1	Trees	2.5
2	Machinery equipment	3.695
	Total	6.195

Due to weak internal controls, dry fallen trees and machinery were not auctioned.

Non auction of dry fallen trees and old machinery resulted in loss to the Government amounting to Rs 6.195 million

The matter was reported to the CO of DC and the DDOs concerned in December, 2018, but no reply was submitted. However, DAC meeting was not convened by the PAO despite efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No.23]

CHAPTER 13

13.1 District Council, Lodhran

13.1.1 Introduction

District Council, Lodhran was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Lodhran is “a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name”.

The functions of District Council, Lodhran as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;

- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

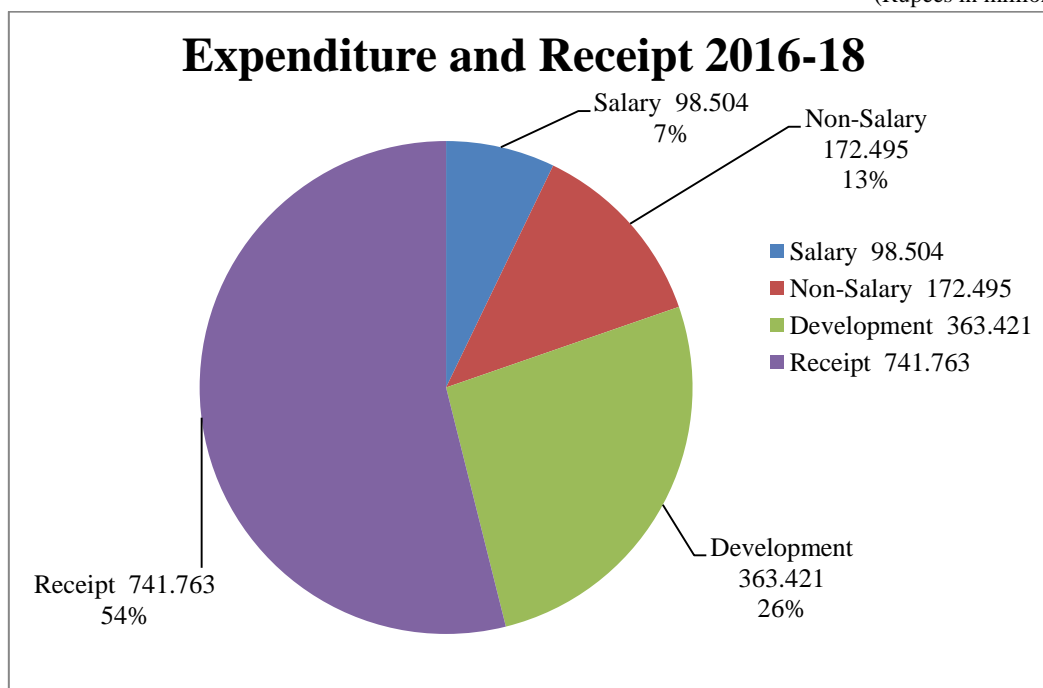
13.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	104.389	98.504	(5.885)	-6%
Non-salary	114.589	172.495	57.906	51%
Development	524.069	363.421	(160.648)	-31%
Sub Total	743.047	634.420	(108.627)	-15%
Receipts	677.531	741.763	64.232	9%

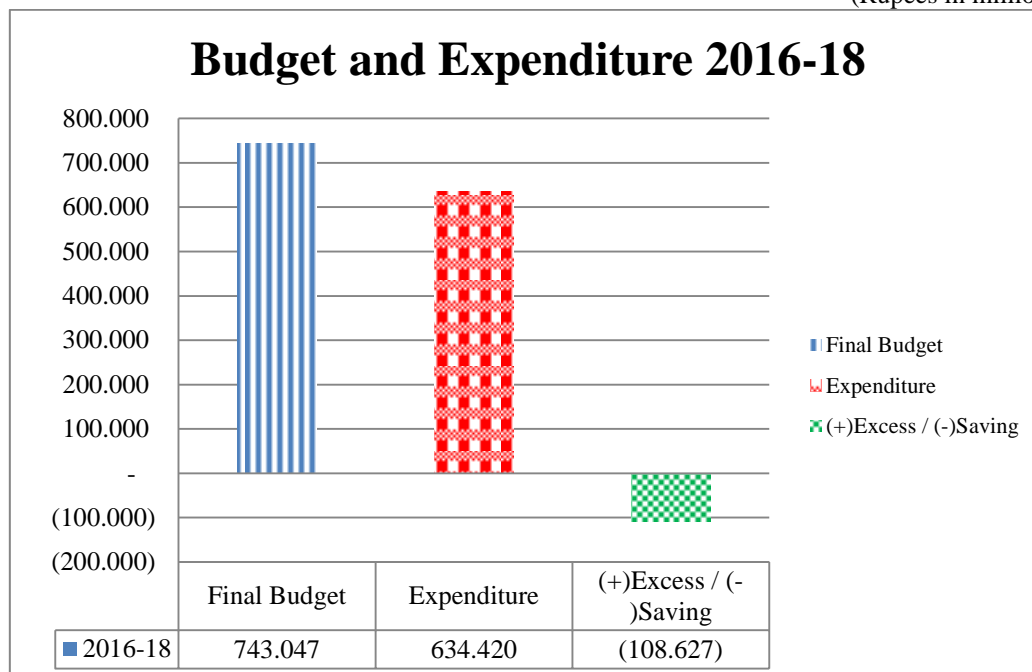
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Lodhran, total budget (Development & Non-Development) was Rs 743.047 million. Against the final budget, total expenditure of Rs 634.420 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 108.627

million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



13.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Lodhran established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

13.2 AUDIT PARAS

13.2.1 Irregularities & Non Compliance

13.2.1.1 Non reconciliation of mutation & registration fee – Rs 169.791 million

According to rule 15 (1) (2) of Punjab Local Governments (Accounts) Rules, 2017 the drawing and disbursing officer shall prepare estimates of expenditure for each head of account of expenditure; maintain cash book and promptly necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund of public account of the local government, prepare monthly and annual statements of expenditures and income, reconcile the figures with the accounts of the accounts officer and the bank concerned, remove any discrepancy pointed out in reconcile with the account officer and the bank, and bring the matter of any discrepancy to the notice of the chief officer indicating the amount involved and the employees from whom the amount shall be recovered.

Chief Officer of District Council Lodhran failed to reconcile the mutation & registration fee amounting to Rs 169.791 million collected for the financial year 2016-18 with the Revenue Department as both the entities collected the same revenue with different ratios. Furthermore, separate value of Mutation Fee apart from Registry Fee was not intimated to audit and it was stated that a cumulative figure was available only. Figures of Tehsil Kehrorpacca were quite mismatch with revenue department figures which needs proper reconciliation. Necessary detail of income shown in books of accounts is given below:

(Rupees in million)

Sub- Detailed object No	Receipts Heads	2016-17	2017-18	Total
B01313	Tax on Transfer of Immovable Property	52.681	117.110	169.791

Due to weak management, the mutation & registration fee was neither properly accounted for / reconciled with revenue department.

Non-reconciliation of the mutation & registration fee amounting to Rs 169.791 million of with revenue may cause misappropriation.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends reconciliation of mutation & registration fee with revenue department to ensure reporting of revenues transparent under intimation to Audit.

[AIR Para No. 1]

13.2.1.2 Excess expenditure incurred by misclassification – Rs 106.397 million

According to rule 27 (1) (b) of Punjab Local Governments (Accounts), 2017 drawing and disbursing officer is responsible to ensure availability of funds under relevant object code of the charge.

Chief Officer District Council Lodhran drew and paid Rs 106.397 million on account of purchase of machinery & equipment, entertainment items, demand notice of electricity, pana flex, payment of tax, repair of machinery and equipment etc from the head of account A03970 instead of proper head of accounts. Moreover, expenditure on account of A03970 is quite unjustified as it seems that development expenditure was booked as expenditure in this non-development head by misclassification.

(Rupees in million)

Sr. No.	Head of Account / Financial Year	Amount of Expenditure incurred
1	A03970-Others / 2017-18	5.385
2	A03970-Others / 2016-17	101.012
Total		106.397

Moreover, during 2017-18 an expenditure of Rs 101.012 million was booked against budget allocation of Rs 2.050 million resulting in excess expenditure of Rs 98.962 million as summarized below:

Particulars of Head of Account	Budget	Expenditure	Excess Expenditure
A03970-Others	2,050,000	101,012,216	-98,962,216

Due to weak financial control, funds were drawn irregularly through misclassification.

Misclassification of expenditure Rs 106.397 million resulted in irregular expenditure.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 02]

13.2.1.3 Irregular issuance of work order without obtaining additional performance security – Rs 10.484 million

According to rule 9 (d) Punjab Local Government (Works) Rules, 2017 in case if rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be 7 the additional performance security shall be refunded after issuance of completion certificate by the in charge of the engineering branch.

DO (Infrastructure) of District Council Lodhran issued work order to those contractors whose bid offers were equal to or more than 5% less from estimated cost without obtaining additional performance security amounting Rs 10.484 million. Neither additional performance security was obtained nor deposited in bank. The issuance of work order without obtaining additional performance security resulted in irregular issuance of work order as summarized below:

(Rupees in million)

Date of tenders	Total No. of Schemes	Amount of additional security not received
16.05.17	10	2.564
18.11.17	39	6.278
08.02.18	14	0.395

18.04.18	33	0.731
27.04.18	34	0.516
Total	130	10.484

Due to weak financial control, work order was issued without obtaining additional performance security.

Non obtaining of additional performance security Rs10.484 million resulted in putting to government at risk and violation of government rules.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization by Finance Department, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No. 08]

13.2.1.4 Unauthorized issuance of cheques other than actual payees – Rs 10.269 million

According to Accounting Practices and Procedures Manual, the payment should be made in the name of concerned vender through cheques and no cash payment will be made to suppliers / contractors.

DO (Infrastructure) of District Council Lodhran made payment of different works of different contractors by issuing single cheque from the District Council Fund. Copy of cheque was demanded but not provided neither the cheque books used during the period of 2016-18 were produced to Audit. The soft and hard copy of bank statement was also not provided. Moreover, the further disbursement record of amount of this chques was also not provided to conceal the mal-administration in payments. Copy cheque and bank scroll or bank payment advice was not provided by concerned. Necessary detail of subject cheques is given below:

(Rupees in million)

Sr. No.	Particulars	Head	Cheque No.	Date	Amount	Remarks
1509	The Bank of Punjab Lodhran - A/C # 15684-9	Development	807699489	8/6/2018	10.269	Cheque of multiple vendors was issued in the name of person other than actual payees

Due to weak financial management the payment of various vendors was made by single cheque.

Various vendors were paid by single cheque which resulted in doubtful payments to the vendors/contractors in violation of Government Rules.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends provision of complete trail of payments made to actual payees besides justification / action against responsible under intimation to Audit.

[AIR Para No. 09]

13.2.1.5 Irregular execution of works by splitting instead of tender – Rs 9.610 million

According to rule 12 of the Punjab Procurement Rules, 2014 procurements of goods, services or works over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA website / print media.

District Officer (Infrastructure) of District Council Lodhran incurred expenditure of Rs 9.610 million during 2016-18 on account of works without tender process by splitting up the indents below 100,000 through quotation without any urgency.

Due to weak financial controls, PPRA Rules were violated.

Non compliance of PPRA Rules resulted in irregular expenditure amounting to Rs 9.610 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure from authority besides disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 10]

13.2.1.6 Mis procurement of sewer sucker machine and non-deduction of liquidity damages – Rs 5.195 million

According to rule 4 of PPRA rules, 2014 a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Further, according to Rule 42 (b) of PPRA Rules, 2009 a procuring agency may request for quotations when the cost of object of procurement is below the prescribed limit of one hundred thousand rupees.

District Officer (Infrastructure) of District Council Lodhran made mis-procurement of sewer sucker machine during 2017-18 costing Rs 5.195 million. The entire process of procurement followed by payment for ‘sewer sucker machine’ was open to following audit observations:

- i. Bid document was neither prepared nor issued against the mandatory receipt of Rs 2,000 from each bidder and record of sale of bid documents was also not maintained.
- ii. Tender notice for inviting bids was void as pointed out by the PPRA vide their letter dated 23.09.2017 that the published quotations invitation is contrary to the Rule 27 of PPRA regarding bid security not exceeding five percent of the estimated price of procurement. No corrigendum was issued in compliance of PPRA’s directions despite the fact that they warned that procurement shall be considered as mis-procurement if compliance of above query was not entertained.

- iii. Technical Evaluation Committee neither constituted nor minutes were recorded. Neither grievance redressal committee constituted, nor was grievances invited from all competing bidders.
- iv. Without ascertainment of responsive/non-responsive firms the financial was opened and comparative statement was prepared in which rates of Bilal Engineering were mentioned only and 2nd firm namely 'Ghandhara Industries' was mentioned as no rates were quoted by Ghandhara Industries. Neither technical bid was available nor financial bid of 'Ghandhara Industries' was available but reflected in comparative as "No rates quoted".
- v. Supply order was issued in favor of single bidder M/s Bilal Engineering vide letter No. 397 dated 02.10.2017 with time duration of 2 months for supply of sewer sucker machine for Rs. 5,195,000. After 21 days of issuance of supply order the procuring agency entered into an agreement with the lowest bidder that procuring agency will pay 2,600,000 in advance to the manufacturing company M/s Ghandhara Industries Limited for supply of Isuzu chesis which is against the provisions of acceptance and supply order.
- vi. Advance withdrawal of funds was made and paid to the Ghandhara Industries Limited without prior approval of Finance Department on simple pre-receipt bill of Ghandhara Industries Ltd vide Cheque No. 0807004915 dated 10.11.2017 for Rs. 2475,897 and Rs. 74,103 to Commissioner Sales Tax on account of 20% of sales tax amount included in that bill of Ghandhara Industries Ltd. Whereas the lowest bidder for supply of complete set of truck, sucker and tank etc. was M/s Bilal Engineering but advance payment was made to M/s Ghandhara Industries Limited.
- vii. The supply of sucker machine was made on 01.02.2018 instead of 01.12.2017. Total delay in delivery was 60 days and LD should be applied at least Rs. 205,800. $(5145000 \times 0.00067 \times 60)$ hence overpayment of Rs 205,800 was made.

Due to weak internal controls PPRA rules were violated while making procurement of sucker machine.

Procurement of sucker machine in violation of PPRA rules resulted in mis-procurement of sucker machine.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of irregularity from competent authority besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 15]

13.2.1.7 Mis procurement of items besides uneconomical expenditure on “District Sports Gala” – Rs 5.145 million

According to rule 4 of PPRA rules 2014 as amended 2014 a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Further, according to Rule 42 (b) of PPRA Rules, 2009 a procuring agency may request for quotations when the cost of object of procurement is below the prescribed limit of one hundred thousand rupees. Furthermore, according to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant.

Chief Officer of District Council Lodhran uneconomically incurred Rs 5.145 million by misprocurement on account of ‘District Sports Gala’ during 2017-18. The entire expenditure was open to following Audit observations:

- i. The supply of imported kits was approved by procuring agency without its inclusion in tender advertisement.

- ii. Approved the rates of highest bid of Rs 45,000 for an item “arrangement and carriage of items for the event” instead of lowest bid of Rs 35,500 resulting in loss of Rs. 9,500.
- iii. Tender published without mentioning estimated cost/budget of such procurement of goods/services. Hence ascertainment of CDRs amount to participate in tender cannot be ascertained and PPRA declared this tender as void tender.
- iv. The sports kits were excessively purchased and shown as issued to the participants whereas the arrangement of only final event of prize distribution was the responsibility of District Council as per TORs but excessive kits were purchased and shown as supplied to the players in all matches.
- v. No detail of players who played in final event, participants who attended the event were available. As per list available in file only 30 persons have attended that event but entertainment arrangement shows excessive claim of chairs and Sofa sets for that event.
- vi. The entire expenditure was seems excess claimed than the occasional demand. The proof of deduction of taxes ie. GST/PST was not provided and expenditure was not verified by Sports Officer.
- vii. No minimum discount @ 40% to 50% on hiring of tentage was obtained. Expenditure on account of District Sports Gala was incurred without stock entries and consumption record.

Due to weak financial management the expenditure without observing codal formalities.

Non-observing codal formalities while incurring expenditure from Public funds may cause irregular and uneconomic expenditure.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict disciplinary action besides regularization of irregularity under intimation to Audit.

[AIR Para No. 16,17]

13.2.1.8 Irregular and un-economic procurement of furniture – Rs 4.654 million

According to rule 4 of PPRA rules, 2009 as amended 2014 a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Further, according to Rule 12 (4) of PPRA Rules, 2009 as amended 2014 any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

District Officer (I&S) Lodhran purchased furniture costing Rs 4.654 million during 2017-18 for the office of Chairman and Vice Chairman of District Council Lodhran. The entire procurement irregular and uneconomic on the basis of following grounds:

- i. The advertisement of inviting tenders/bids floated on PPRA website or in press was without mentioning the estimated cost of procurement as pointed out by PPRA as a void advertisement. Amount of bid security cannot be ascertained without mentioning the estimated cost of procurement.
- ii. The tender was not floated in two national daily newspapers having wide circulation one in Urdu and one English.
- iii. Furniture of Interwood Company was purchased from a general order supplier instead of directly purchased from manufacturer. These items can be directly purchased from the manufacturer at lesser rates than these are purchased from a supplier. The bidder has quoted excess rates and same were approved without assessing the market value of these items.

- iv. Audit compared certain items and revealed that an overpayment of Rs 1.063 million was made to supplier beyond the invoice price of the manufacturer to favor the contractor at Govt. cost as detailed in **Annexure-I/LDN**

Due to weak internal controls and weak financial management the procurement was made in violation of PPRA Rules.

Violation of PPRA Rules resulted in misprocurement of furniture of Rs 4.654 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of overpayment from the contractor besides regularization of the irregularity under intimation to Audit.

[AIR Para No. 18]

13.2.2 Performance

13.2.2.1 Non achievement of budgeted targets of revenue – Rs 79.418 million

According to clause 3(d) part II of (Budget) rules, 2017 the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Furthermore, according to clause 7 part II of (Budget) Rules, 2017 the collecting officer shall be responsible to prepare estimates of receipts for each head of income and timely submission to head of finance office, make assessment of tax, fee of levy by the local government , on periodical basis, for evaluating its potential and new tax proposal, ensure timely recoveries of each demand and ensure that all revenue collected against a demand is credited into the Local Fund.

District Officer (Finance) of District Council, Lodhran did not achieve the targets of Budgeted Estimates of various heads of receipt and less collected Rs 79.418 million during FY 2016-18. Either the budgeting was irrational or otherwise inefficiency of collection officer/officials the targets were not achieved. Necessary detail is given in **Annexure-J/LDN**

Due to weak financial management and poor performance of staff budgeted targets were not achieved.

Weak financial management resulted in non-realization of District Council revenue of Rs. 79.418 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that the responsibility may be fixed upon responsible(s) besides action under intimation to audit.

[AIR Para No.04]

13.2.2.2 Loss to government due to less recovery of tender fee – Rs 29.668 million

According to rules 19 (1) of Punjab Local Government Works Rules, 2017 if any matter is not covered under the rules, the Punjab Government Works rules under the Building and Roads Department Works Code for Public Works department will be followed. Further, as per government of Punjab C&W department letter No.B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged as per following schedule:

- | | | |
|-----|-------------------|-------------------------|
| i. | For original work | Rs.10,000 for each work |
| ii. | For M&R | Rs.2,000 for each work |

District Officer (Infrastructure) of District Council Lodhran less recover tender fee of Rs 29.668 million for 3,123 tenders as prescribed by C&W Department during 2016-18. Tender fee was not mentioned in Punjab Local Government (Works) Rules, 2017. Tender fee was covered under the above referred letter of C&W Department. Chief Officer received tender fee @ Rs 500 each instead of Rs 10,000 resulting in less recovery of Rs 9,500 for each tender form. Receipt of tender fee at lesser rates resulted in loss to government of Rs 29.668 million. Moreover, tender sale register was also not maintained to misappropriate the tender fee.

Due to weak financial control, tender fee was received less from prescribed rates.

Recovery of less fee Rs 29.668 million from prescribed rates resulted in loss to government.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No. 05]

13.2.2.3 Less recovery of rent of shops – Rs 8.343 million

According to clause 7 part II of (Budget) Rules, 2017 the collecting officer shall be responsible to prepare estimates of receipts for each head of income and timely submission to head of finance office, make assessment of tax, fee of levy by the local government, on periodical basis, for evaluating its potential and new tax proposal, ensure timely recoveries of each demand and ensure that all revenue collected against a demand is credited into the Local Fund.

DO (Finance) of District Council Lodhran did not recover dues of Rs 8.343 million on account of rent of shops from tenants. The recovery position was poor in receipt heads as arrears were not being collected. It shows that the concerned staff was not properly performing their duties. Necessary detail is given below:

(Rupees in million)

Head of Income / Receipt	No. of Shops	Recoverable rent of shops
Rent of Shops Lodhran	26	0.316
Rent of Shops Kehror Pacca	29	6.417
Rent of Shops Dunya Pur	09	1.610
Total	64	8.343

Due to poor performance, less recovery of rent of shops, was made

Less recovery resulted in loss to the Government amounting to Rs 8.343 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 8.343 million, besides fixing of responsibility, under intimation to Audit.

[AIR Para No. 11]

13.2.2.4 Less recovery of Conversion Fee, Map Fee and Design Fee – Rs 6.107 million

According to rule 38(2)(a,b,c) & 39 of Punjab Private Housing Schemes and Land Sub Division Rules, 2010 the developer shall deposit, fee for sanction of a scheme/LSD @ Rs 1,000 per kanal, approval of design and specification for water supply, sewerage and drainage @ Rs 500 per kanal, approval of design and specification for road, bridge and footpath of a scheme # Rs 500 per kanal followed by a scrutiny fee of Rs 1,000 and Rs 5,000 for a LSD and a Scheme respectively. Moreover, according to Rule 60 (1)(c) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 fee for conversion of peri-urban area to scheme use/ land sub division use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available. Furthermore, according to schedule of rates as per Notification No. 678/DCL dated 4.10.2017 published vide Gazette Notification No. L-7532 dated 09.02.2018 that District Council Lodhran will charge land sub-division map fee at the rate of Rs 500 per kanal from the applicant submitting the map for approval of a land sub-division/scheme.

DO (Planning) of District Council Lodhran less collected conversion fee, sanction of map and design fee Rs 6.107 million during 2016-18 from the owners / developers of Land Sub Divisions. The detail is given in **Annexure-K/LDN**

Due to weak internal controls, less recovery was made on account of conversion fee, map and design fee.

Less recovery of conversion fee, map and design fee resulted in loss of Rs 6.107 million to the Government.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 6.107 million, besides appropriate action against the concerned, under intimation to Audit

[AIR Para No. 13]

13.2.2.5 Non recovery of dues from illegally established commercial buildings – Rs 3.158 million

According to rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2014, a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to educational/health care institutional use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. Moreover, according to schedule of rates vide Notification No. 678/DCL dated 4.10.2017 published vide Gazette Notification No. L-7532 dated 09.02.2018 of District Council Lodhran the map fee regarding construction of Commercial and health/education facility buildings is Rs. 10 per Sft and Rs 5 per Sft of covered area respectively.

DO (Planning) of District Council Lodhran allowed the illegal establishment of hotels, commercial markets and hospitals without recovery of prescribed dues on account of conversion fee, map fee and sustained a minimum loss of Rs 3.158 million to Government exchequer during 2016-18. Necessary detail is given in **Annexure-L/LDN**.

Due to weak monitoring and law enforcement in field commercial buildings were established without payment of dues.

Non payment of dues by illegally established colonies resulted in violation of Rules and loss to government of Rs 3.158 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.158 million from responsible(s) besides regularization of irregularity under intimation to Audit.

[AIR Para No. 19]

13.2.3 Internal Control Weaknesses

13.2.3.1 Non mutation of public amenities besides no entry in property register – Rs 101.916 million

According to rule 48(1) & (2) of the Punjab Private Housing Schemes and Land Sub-Division Rules 2010, a sanctioning authority not before twelve months of sanction of scheme and not later than eighteen months of sanction of scheme, get the scheme land transferred in the revenue record within nine months of sanction, get land transferred in its name in revenue record as per transfer deed. According to sanction letter possession of transferred land was also to be taken over by the sanctioning authority. Further, according to Rule 7.16 of the Land Records Manual, the transfer deeds were required to be entered in mutation register/revenue record.

DO (Planning) of District Council Lodhran did not ensure the entry of transfer deeds in mutation register/revenue record in respect of 10 private LSDs. Audit revealed that developers of LSDs have provided transfer deed for transfer of the area of Roads, open spaces/parks, graveyard, public buildings and solid waste management having land valuation of Rs 101.916 million in compliance of planning standards but same were not entered in property register. Due to non-entry of transfer deeds in revenue record the area transferred to the sanctioning authority was not in the notice of revenue authorities and chances of illegal selling of allocated public area (open spaces/parks, graveyard, public buildings, solid waste management etc) by the developers and purchasers through mutations could not be ruled out. Moreover, the District Council did not record such areas in the property register of sanctioning authorities.

Due to improper monitoring control / defective law enforcement by authority concerned public amenities areas were not recorded properly.

Violation of rules ibid resulted in non-entry of transfer deeds in mutation register / revenue record for the area worth Rs. 101.916 million (**Annexure-M/LDN**)

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends early mutation of public areas in the name of sanctioning authority in revenue record besides taking possession and their record entry in property register under intimation to Audit.

[AIR Para No. 03]

13.2.3.2 Substandard and below specifications construction of soling works – Rs 25.687 Million

According to section 521-2 of book of specification describing 'Material' of Sub-base course of Brick pavement (solings) is the size of brick shall be as per section 1041. They shall be without frog, slightly over burnt without being vitrified. They shall be of uniform colour with reasonably square corners and parallel faces. They must be homogenous in colour and emit a clear ringing sound when struck. They shall be free from lime, air pockets and laminations. They should not absorb more than 1/6th of their weight of water when soaked for one hour, and shall show no signoff efflorescence on drying. Compressive strength shall not be less than 2000 lb. /sq. in. when tested in accordance AASSHO T 32. They shall be burnt from suitable soil which shall not contain detrimental quantities of salts. Moreover, according to section 521-2.2 of book of specification describing 'Material' of Sub-base course of Brick pavement (solings) is the sand on which the bricks are bedded and for filling the joints shall be free flowing and show no plasticity. The sub-grade shall be constructed in accordance with the Section 411.

District Officer (Infrastructure) made payment of Rs 25.687 million during 2016-18 for substandard / below specifications work of brick pavement having frog in bricks to various contractors. Audit physically visited numerous sites of works and observed the following discrepancies:

- i. All bricks used for brick pavement were not without frog. As per specifications of soling the bricks used should be without frog. Picture of brick obtained from site during inspection.
- ii. The quality of bricks was not standardized as required in specifications of soling as bricks used were not slightly over burnt, nor homogenous in colour, not of uniform colour with reasonably square corners and parallel faces and not emitting a clear ringing sound when struck while inspection at site.
- iii. Compressible strength of the bricks used was less than 2000 lb./sq. inches. In mostly files doubtful / fake test reports were placed showing that these bricks were of 2000 lb. PSI.
- iv. Audit has pointed out certain works rest of the works may be checked by department. Sand filling under floors was also not found up to the mark at site.

Due to negligence of engineer incharge substandard bricks against the specifications were used in soling works.

Use of below specification bricks resulted in payment of Rs 25.687 million for below specification works.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict disciplinary action against person at fault besides remedial measures under intimation to Audit.

[AIR Para No.06]

13.2.3.3 Non transfer of area in the name of concerned District Council – Rs 18.743 million

According to rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority.

DO (Planning & Coordination) of District Council Lodhran sanctioned / processed various housing colonies without ensuring the transfer of area valuing Rs 18.743 million concerned DC Lodhran. Audit noted that neither the land was transferred in the name of District Council by the developer nor the possession of public area was taken by the authority concerned and recorded in property register. The necessary detail of area and colonies is given below:

(Rupees in million)

Sr. No.	Name of Sceme / LSD	Road/ location	Total Area in Kanal	Date of Application	Map Approval No. & date	Area to be transferred of Open spaces and Public Buildings, roads	Rate as per Valuation table	Area as per Unit of Valuation Table	Amount
1	Al-Hamd LSD	Shujabad Road Gailywal	96	29.05.2017	Under Process	34.25	27362 per Marla	685.00	18.743

Due to weak internal controls private housing colonies/LSDs were processed without ensuring the completion of pre-requisites.

Non-transfer of area of public buildings parks and roads etc Government may sustain a loss of Rs 18.743 million and may create chances of sale of open spaces, and area of PBs.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate transfer of requisite area in the name of sanctioning body besides recording of state land in properly register under intimation to audit.

[AIR Para No.07]

13.2.3.4 Non obtaining of / Non-entry of mortgage deed of 20% saleable area in revenue record – Rs 6.758 million

According to rule 17 of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Town Municipal Administration, a Tehsil Municipal

Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer to:

- (f) Submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority:
- (i) a mortgage deed, in accordance with form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area as security for completion of development works; or
- (ii) a performance bond, in accordance with form D and D1, consisting of a performance agreement and a bank guarantee respectively. Amount of bank guarantee shall be equivalent to total cost of development works:

DO (Planning & Coordination) of District Council Lodhran sanctioned / processed various maps of Land Sub Divisions without obtaining the mortgage deed of 20% of salable area of LSDs valuing Rs 6.758 million in the name of concerned District Council. This undue favor was given to the developer to sale those plots before completion of development work at site. The necessary detail is given below:

(Rupees in million)

Sr. No.	Name of Scheme / LSD	Road/ location	T. Area Kanals	Date of Application	Area of Saleable Plots Kanals	20% of Area of Saleable Plots	Rate per Kanal in PKR	Amount
1	Al-Hamd LSD	Shujabad Road Galywal	96	29.05.2017	61.75	12.35	547,240	6.758

Due to weak internal controls private housing colonies/LSDs were processed without obtaining the mortgage deeds in the name of sanctioning authority.

Non-obtaining of mortgage deed of plots valuing Rs 6.758 million may result in sale of these plots before completion of necessary development work by the developer/owner.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends transfer of requisite area in the name of sanctioning authority besides record entry in property register under intimation to audit.

[AIR Para No.12]

13.2.3.5 Doubtful consumption of POL and repair of vehicles of sanitation branch – Rs 5.503 million

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

Chief Officer of District Council Lodhran incurred an expenditure of Rs 5.503 million on account of POL for sanitation branch vehicles and repair of vehicles during 2016-18. Speedo-meters of these vehicles were not got repaired intentionally in order to misappropriate the POL. Detail of expenditure incurred on POL and repair of vehicles of Infrastructure & Services branch and Chief Officer branch is given below:

(Rupees in million)

Particulars	Amount 2017-18	Amount 2016-17
A-15105 POL Charges for use of vehicle/Truck/Trolley	2.409	1.364
A-15108 POL Charges for Sanitation	0.084	0
A-13001 Repair of Transport	0.964	0.682
Sub-total	3.457	2.046
Grand Total		5.503

The entire POL expenditure was doubtful / being misappropriated on the following grounds:

- i. No meter reading was mentioned in the log books in absence of same the utilization of POL in vehicles (tractors) cannot be authenticated.
- ii. Speedo-meter of the vehicles were shown as out of order since long in-fact meter is not retained as operative to conceal the facts from audit and to misappropriate the POL funds.
- iii. Fake maintenance of log books is evident as exaggerated use of tractors is being recorded in log books on daily basis whereas the entire radius of the CO Unit Dhanot is less than 1 KM surroundings but in log books 8-12 hours working was recorded without mentioning the time from and to on the log books to work out hours worked.
- iv. Only collection of solid waste as per route was recorded and 65-78 KMs were being recorded daily in loader rikshaw's log books which is quite unjustified in absence of approved route/distance.
- v. No time of departure from and arrival in office was recorded in the log book despite the availability of columns in the log book.
- vi. No complaint register was maintained in conformity of each visit of sucker / jetting. In absence of complaint register running of vehicles was unjustified and movement of the vehicles as recorded was also doubtful. Similarly reports of Sewer man, over sears and acknowledgements of complainants were also not available.
- vii. Moreover, the copy of POL bills of sanitation branch were also not provided despite repeated requests.

Audit is of the view that mal-administration in utilization of POL resulted in misappropriation of POL.

Misappropriation of POL and misuse of vehicle resulted in loss to DC fund.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was

not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends enquiry of the matter at appropriate level for non-repairing the Speedo-meters of almost all vehicles and recovery of POL being misappropriated under intimation to audit.

[AIR Para No. 14]

13.2.3.6 Overpayment of earthwork to contractors – Rs 1.036 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.

DO (Infrastructure) of District Council Lodhran made overpayment of earthwork Rs 1.036 million during 2016-18 due to defective estimation of earthwork without deduction of road camber and excess payment was also made by excess measurement of earthwork than actual work done at site to favor the contractors. Necessary detail is summarized below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	District Officer (Infrastructure & Services)	Overpayment of Earthwork due to Non-decuction of Road Camber	0.632
2		Excess measurement and payment of earthwork than actual work done at site	0.404
Total			1.036

Due to incompetence of engineer incharge and defective TS estimate no deduction for road camber was made and excess measurements of earthwork were paid.

Payment of excess quantities as compare to work done the overpayments were made to the contractors.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO, despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides strict disciplinary action against the TS authority and engineer incharge under intimation to audit.

[AIR Para No. 23, 25]

CHAPTER 14

14.1 District Council, Multan

14.1.1 Introduction

District Council, Multan was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Multan is “a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name”.

The functions of District Council, Multan as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;

- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

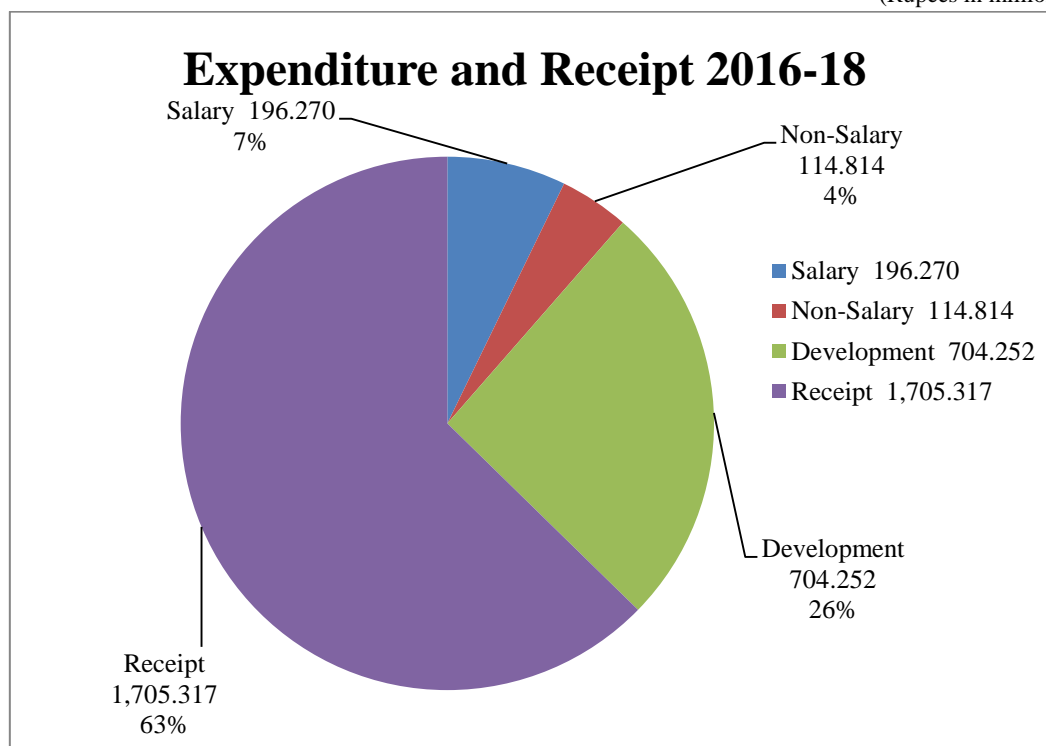
14.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	286.901	196.270	(90.631)	-32%
Non-salary	192.588	114.814	(77.774)	-40%
Development	1,132.618	704.252	(428.366)	-38%
Sub Total	1,612.107	1,015.336	(596.771)	-37%
Receipts	1,720.212	1,705.317	(14.895)	-1%

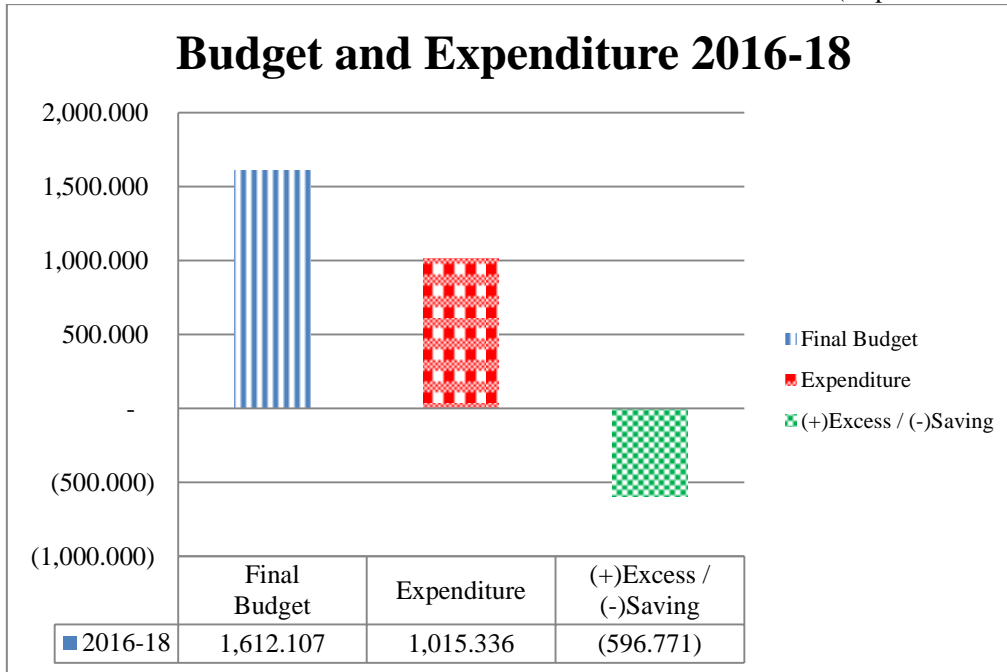
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Multan, total budget (Development & Non-Development) was Rs 1,612.107 million. Against the final budget, total expenditure of Rs 1,015.336 million was incurred

by the District Council during January, 2017 to June, 2018. A lapse of Rs 596.771 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



14.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Multan established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

14.2 AUDIT PARAS

14.2.1 Irregularities & Non Compliance

14.2.1.1 Non maintenance of separate books of accounts of expenditure by each DDO - Rs 1,015.636 million

According to Punjab Local Governments (Accounts) rules 2017 vide para No.15 (1) (2) Responsibility of the drawing and disbursing officer: the drawing and disbursing officer shall: a) prepare estimates of expenditure for each head of account of expenditure; d) maintain cash book and promptly necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund of public account of the local government. E) prepare monthly and annual statements of expenditures and reconcile the figures with the accounts of the accounts officer and the bank concerned, remove any discrepancy pointed out in reconcile with the account officer and the bank, and bring the matter of any discrepancy to the notice of the chief officer indicating the amount involved and the employees from whom the amount shall be recovered.

The DDOs of District Council Multan incurred expenditure of Rs 1,015.336 million on account of salaries, non-salary and development projects but did not maintain separate books of accounts i.e. Cash Book, Contingent Register, Budget Control Register and works register during the year 2016-18. Copy of passed vouchers relating to pay, contingency and development expenditure were not retained in the office of each DDO. Furthermore, neither the monthly statements were prepared nor any reconciliation of income and expenditure was being carried out as each DDO was allocated separate budget under specified head of accounts.

Description	BUDGET FY 16-17	ACTUAL FY 16-17	BUDGET FY 17-18	ACTUAL FY 17-18	Total
					2016-18
Salary	83.136	39.368	203.76	156.902	196.27
Non Salary	47.808	32.316	144.78	82.498	114.814
Development	13.7	4.834	1,118.92	699.418	704.252
Total	144.644	76.518	1,467.46	938.82	1,015.336

Audit is of the view that separate books of accounts were not prepared due to weak internal and financial control.

Non maintenance of separate books of accounts resulted in non observance of government rules and regulations.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends preparation of separate books of accounts as per government rules and regulations and production of the same to audit.

[AIR Para No. 01]

14.2.1.2 Irregular approval of development schemes - Rs 392.588 million

According to clause 3 of Punjab Local Government Works Rules 2017, the work costing Rs. 1.5 million or above shall be prepared on the PC-I prescribed by the Government and approved in the manner prescribed for approval of PC-I.

Chief Officer / DO (I&S) of District Council, Multan did not ensure approval of development projects exceeding Rs. 1.5 million on the prescribe format of PC-I as required by works rules.

Audit is of the view that the irregularity occurred due to weak financial and internal control.

Weak financial control resulted irregular approval of development scheme valuing Rs. million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends approval of scheme on prescribed performa of PC-I besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.02]

14.2.1.3 Non surrendering of saving and profit on fund transferred for Local Government Package 2017-18 Rs 27.500 million

According to the Deputy Commissioner Order No. DDD/DDC/6636/MN dated 27.03.18 and order no DDD/DDC/6435/MN dated 30.11.17. Condition No. XIV the schemes shall be completed within approved fund. No extra fund will be provided for permissible cushions caused to increase cost or reduce scope. In case of scope reduction as per site requirement, proportionate saving will be surrendered. Further according to condition no. XIV saving shall not be re-appropriated. It shall soon be surrendered.

Chief Officer and DO (Infrastructure) of District Council Multan neither executed the 11 development projects of chief minister local government package 2017-18 nor surrendered the fund of Rs. 27.500 million to the local government. Furthermore, profit on the fund amounting to Rs. 2.174 million was also not transferred to the local government. **Annexure – N/MLN**

Due to weak financial management and poor performance of staff the development project were not executed.

Weak financial management resulted in non execution of development projects and transfer of profit on the fund kept in banks.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends surrendering of fund and transfer of profit to the local government besides fixing of responsibility on the person(s) at fault, under intimation to audit.

[AIR Para No. 03]

14.2.1.4 Irregular expenditures on panaflexes and miscellaneous items at different event - Rs 5.554 million

According to rule 9 of PPRA, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Further, according to rule 12 (1) of PPR, 12 Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Chief Officer of District Council Multan incurred expenditure of Rs 5.554 million during 2016-18 on Independence Day, sports event and Saaf Dehat programme on printing of panaflexes, lighting etc. the expenditures were incurred through quotations under clause 59(d)(III) of PPRA Rule while the expenditures were not of urgency/emergency nature. Further, stock entries and further issuance of items purchased was not on record. The detail of expenditure is as below.

DDO	Description	code	Amount
Chief Officer	Expenditures on banners, panaflexes for 14 august,	A-03918	1.920
Chief Officer	Expenditures on Lighting 14 th august	A-03918	0.310
Chief Officer	Expenditures on panaflexes saaf dehat	A-03940	1.300
Chief Officer	Expenditures on Sports festival jalal pur peer wla	A-03970	0.800
Chief Officer	Expenditures on sports festival 14 th august tanveer Hussain	A-03970	0.392
Chief Officer	Expenditures on sports festival khurram ibrar	A-03970	0.832
Total			5.554

Due to weak internal controls, irregular heavy expenditure was incurred by violating the PPRA rules 2014.

Irregular expenditure resulted in non-transparent expenditure in violation of the Government instructions.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC

meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority, under intimation to audit.

[AIR Para No. 04]

14.2.1.5 Irregular expenditure on account of purchase of furniture – Rs1.719 million

According to rule 9 of PPRA, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Further, according to rule 12 (1) of PPR, 12 Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Chief Officer District Council Multan incurred expenditures of Rs 1.719 million on purchase of furniture i.e sofa set, chairs, table etc. The expenditure was incurred through quotations in violation of above mentioned rules. Further, the expenditure was incurred out of budget of DO (I&S) rather than the budget of chairman for whom the furniture was purchased.

DDO	Description	Code	Amount	Supplier	Date
DO I&S	Sofa set etc	A-09701	0.047	alnoor traders	12.08.17
DO I&S	Sofa set etc	A-09701	0.066	alnoor traders	15.07.17
DO I&S	Sofa set etc	A-09701	0.075	alnoor traders	10.06.17
DO I&S	Sofa set etc	A-09701	0.070	alnoor traders	02.05.17
DO I&S	Sofa set etc	A-09701	0.099	yasir traders	22.07.17
DO I&S	Table etc	A-09701	0.098	yasir traders	28.08.17
DO I&S	chairs etc	A-09701	0.088	yasir traders	18.09.17
DO I&S	Table and chairs etc	A-09701	0.088	yasir traders	18.08.17
CO	Sofa set etc	A-09701	0.095	alnoor traders	22.05.18
CO	Sofa set etc	A-09701	1.000		
Total			1.719		

Due to weak internal controls, durable goods were purchased without fulfilling the codal formalities.

Purchase of durable goods amounting to Rs 1.719 million without codal formalities resulted in uneconomical purchase and violation of Government instructions.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 05]

14.2.2 Performance

14.2.2.1 Unauthorized sanction of land Sub divisions by splitting up the area beyond 100 Kanals to favor the developer / owner – Rs 128.748 million

According to rule 41 (e) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Local Government shall, after verification of ownership documents, entertain an application for sub-division of land which is less than one hundred kanal subject to requirements a developer does not own additional land in continuation of the land proposed for sub-division.

Chief Officer and DO (Planning) of District Council Multan processed the maps of following Land Subdivisions by splitting up the area beyond one hundred canals to favor the developers as there are certain additional requirements to be fulfilled by developers. The following LSDs were irregularly sanctioned separately through splitting up the of more than 100 canals as same person's land was reflected in both LSDs having same 'Khewat' and 'Khatooni' as well which is violation of above rule. When audit physically inspect the LSDs there was no separation between these LSDs and were found adjacent to each other.

Sr. No.	Date of Application	Name of Scheme	Mouza / Location	Name of Owner	Khewat No.	T. Area of Khewat	land of owner	Area of LSD	Rate per Acre	land Value
1	2017	Nayab Garden	Mouza Bhaini Budhla Sant Road	Ashiq Nawaz S/O Ghulam Hussain Bhatti, Etc	201/184	344K-6M	111K-15M	98 K	5,700,000	69,825,000
2	237/06.01 .18	Nayab Garden Village LSD	Mouza Bhaini Budhla Sant Road	Aashiq Nawaz S/O Ghulam Hussain	201/184	344K-6M	111K-15M	82.7K	5,700,000	58,923,750
				Aashiq Nawaz S/O Ghulam Hussain	202/185	8K-0M	2K-0M			
				Allah Ditta S/O Ghulam Hussain Bhatti	201/184	344K-6M	114K-15M			
				Allah Ditta S/O Ghulam Hussain Bhatti	202/185	8K-0M	2K-0M			
Total Area of above two land sub divisions								180.70		128,748,750

Due to poor law enforcement in the field the schemes were processed in LSDs through splitting up the area of scheme with the collaboration of sanctioning authority.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility on the person(s) at fault besides revision of sanction of maps and obtaining of additional dues, under intimation to audit.

[AIR Para No. 06]

14.2.2.2 Non recovery of Government fee for illegal construction / addition to commercial buildings – Rs.39.227 million

According to rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. and

As per Punjab Gazette notification No.DCM/DO(F)/117 dated 24.06.2017 District Council, Multan following taxes on construction are required to be paid under clause 115 and part II of schedule III of Punjab Local Government Act 2013.

Map fee shops /plaza/apartment building	Rs. 10 /sft
Map fee Industry	Rs. 5 /sft
Betterment fee	Rs. 2000 / merla

Chief Officer/ DO (P) of District Council Multan allowed illegal new construction/ addition to commercial buildings in the jurisdiction of District council Multan without obtaining government dues i.e. map fee, betterment fee and conversion fee amounting to Rs 39.227 million. The management neither received the government dues nor take solid steps to stop the illegal construction/

addition to commercial buildings. Further there are no of Schools and Hospital that are being run in the area of District council but neither any survey was conducted nor record of their payment of conversion fee was available. **Annexure-O/MLN.**

Due to weak internal controls, illegal constructions/addition to commercial buildings was allowed without recovering of District Council dues.

Non recovery of District Council dues resulted in loss of Rs 39.227 million to District Council funds.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery Rs 39.227 million taking penal action against the concerned besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 07]

14.2.2.3 Non completion of development works by selling out the mortgaged plots – Rs 23.123 million

The Punjab Private Housing Shames and Land Sub-division Rules, 2010 Vide Rule 34 (5) stipulates that if a developer fails to develop a scheme within the stipulated period or development works are not in conformity with the approved design and specifications, then:

- (a) A Town Municipal Administration, a Tehsil Municipal Administration or
- (b) A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall execute the development works from the sale proceed of mortgaged plots or encashment of bank guarantee;

- (c) In case of differential in cost of development works, a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall recover the shortfall from a developer as arrears of land revenue;
- (d) take action against the deviations or violations as per law

Chief Officer and the DO (Planning) of District Council Multan did not ensure the completion of development works of the following approved Land Sub Divisions whose developers failed to complete development works within stipulated time period. Sanctioning authority concerned neither take action against developers nor executed the development works by selling out the mortgaged plots valuing Rs. 23.123 million.

Sr. No.	Name of Scheme / LSD	Road/ location	T. Area Kanals	Date of Application	Map Approval No. & date	Area of Saleable Plots Kanals	20% of Area of Saleable Plots	Rate per Kanal	Amount
1	Relax City	Mouza Madina Matital road UC-89	69.75	295 12.02.11 166 22.10.10	12.10.15	51.10	10.22	698,000	7,133,560
2	Professor Avenue	Moza madina Mattital Road	99.00	1045-46 27.06.14	12.10.14	79.95	15.99	1,000,000	15,990,000
Total									23,123,560

Due to weak law enforcement in LSDs the mortgaged plots were neither sold nor the development work was completed by the District Council/defunct TMAs/ZC.

Non selling of mortgaged plots resulted in non-completion of development work and provision of utilities.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate actions to complete the development works at site by selling the mortgage plots besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.08]

14.2.2.4 Non recovery of Conversion Fee, Map Fee and design fee – Rs 6.627 million

According to rule 39 of Punjab Private Housing schemes and Land Sub-division Rules, 2010 a developer shall deposit fee for conversion of pri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available. Moreover, according to Rule 43 (a) a developer shall submit an application for sub-division of a plot or a land to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority along with rupees one thousand as a scrutiny fee. Further The Punjab Private Housing schemes and Land Sub-division Rules, 2010 Vide Rule 37 (1) (2) A developer shall deposit a preliminary planning permission fee along with application at the rate of (a) rupees five thousand for scheme having area up to two thousand kanal; and (b) rupees ten thousand for scheme having area above two thousand kanal A developer shall deposit a fee for:

- (a) Sanction of a scheme at the rate of rupees one thousand per kanal;
- (b) Approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal;
- (c) Approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal;
- (d) Approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply.

Furthermore, according to Para 5 & 6 of Notification No. 788-TO(R)-TMA dated 04.07.2002 of TMA Multan City circulated vide Gazette Notification published on September 7, 2002 a TMA will charge land sub-division fee at the rate of Rs 200 per Marla and conversion from agricultural land to residential use at the rate of Rs 2,000 per acre. Moreover, Rs 20 will be charged on account of

form fee / file cover fee by TMA from the applicant submitting the map for approval of a land sub-division/scheme.

Chief Officer and the DO (Planning) of District Council Multan less collected miscellaneous government fess i.e. conversion fee, map and design fee amounting to Rs 6.627 million from the owners / developers of various Land Sub Divisions. **Annexure-P/MLN**

Due to weak internal controls, less recovery was made on account of conversion fee, map and design fee.

Less recovery of Government dues resulted in loss of Rs 6.627 million to the Government.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 6.627 million besides fixing of responsibility on the person(s) at fault, under intimation to Audit

[AIR Para No. 09]

14.2.2.5 Non obtaining of government dues from the illegal petrol pumps– Rs 6.398 million

According to rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. and

As per Punjab Gazette notification No.DCM/DO(F)/117 dated 24.06.2017 District Council, Multan following taxes on construction are required to be paid

under clause 115 and part II of schedule III of Punjab Local Government Act 2013.

Map fee shops /plaza/apartment building	Rs. 10 /sft
Map fee Industry	Rs. 5 /sft
Betterment fee	Rs. 2000 /merla

Chief Officer / DO(P) of District Council Multan neither recover the Government dues i.e. map fee, betterment fee , conversion fee etc. amounting to Rs. 6.398 million from the owner of illegal petrol pumps nor take action against the illegal construction of the petrol pumps. **Annexure-Q/MLN**

Audit is of the view that the due to weak internal control government dues remained unrecovered.

Due to non-collection of government dues resulted in loss of Rs 6.397 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs. 6.397 besides fixation of responsibility on person(s) at fault, under intimation to Audit.

[AIR Para No. 10]

14.2.2.6 Loss to the district council fund due to less charging of tender fee - Rs 6.150 million

According to clause 19(1) of Punjab Local Government Works Rules 2017, if any matter not covered under the rules, the Punjab Government works Rules under the building and road department works code for public works department. further as per Government of Punjab C&W department letter No.BII(C&W)2.11/78 procurement 2014 dated 03.02.2015 tender fee rates have been revised and now shall be charged @ Rs. 10,000 each for original work and @ Rs. 2,000 each for repair work. Further, according to clause 12(III) of the

account rules 2017, the Finance Officer shall be responsible for preparation of monthly and annual statement of receipt and expenditure and reconcile the statement with the accounts of accounts officer.

Chief Officer and DO (I&S) of District Council Multan did not ensure to receive tender fee of Rs 6.150 million as prescribed by C&W Department during 2017-18. Tender fee was not mentioned in Local Government Works Rules, 2017 and the same was to be received under Punjab C&W Department Rules in compliance of the above referred letter of C&W Department and the Punjab Local Government works Rules 2017as detail below.

(Rupees in million)

Description	No of Tenders received during 2017-18	Fee Charged	Fee required to be charged	Difference	Less charging of tender fee
Tender fee	1,230	5,000	10,000	5,000	6.150

Audit is of the view that the irregularity occurred due to weak financial and internal control.

Weak financial control resulted in loss to District Council fund.

The matter was reported to the PAO and DDO concerned in January, 2018. DDO did not submit any reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility on the person(s) at fault and charging of tender fee as prescribed besides reconciliation of the receipt from tender, under intimation to Audit.

[AIR Para No. 11]

14.2.2.7 Loss to district council fund due to non collection of license/ permit fee- Rs 6.126 million

According to clause 3(d) part II of Budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7“responsibility

of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the local government, on periodical basis, for evaluating its potential and new tax proposal. d) Ensure timely recoveries of each demand. E) Ensure that all revenue collected against a demand is credited into the Local Fund.

Chief Officer / MO(R) of District Council Multan had not collected the license permit fee, and encroachment fines and the arrears of water rates and taxes amounting to Rs. 6.126 million from the water consumer and the various shops owners in the jurisdiction of District Council Multan. Further, fresh survey of business carried out in the jurisdiction of MCM was not conducted which lead to misappropriation in license permit fees of the District Council. The detail is given below.

(Rupees in million)

Sr. No	Area of District council	Nature of dues remaining	Amount of recovery
1	Multan- Ex. Bosan town area	license permit fees	0.690
2	Multan- Ex. Ahah ruken alam town area	license permit fees	0.436
3	Multan- Ex Mosa pak town area	licenses permit fees	1.430
4	Multan, Multan tehsil area	Encroachment fines	0.037
5	Shujabad	licenses permit fees	0.376
6	Jalalpur Pirwala	licenses' permit fees	0.060
7	Jalalpur Pirwala	transfer of immoveable taxes	0.064
8	CO Unit Makhdoom rasheed	Arrears of water rates	0.255
9	CO Unit Qadir pur rawan	Arrears of taxes	2.778
Total			6.126

The above irregularity occurred due to lake of management and non performing of District council function which resulted in minimum loss of Rs 6.126 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs. 6.126 besides fixing of responsibility on the person(s) at fault and conducting a fresh survey of business being run in the jurisdiction of District Council, under intimation to audit.

[AIR Para No. 12]

14.2.2.8 Non achievement of budgeted targets of receipts - Rs 2.616 million

According to clause 3(d) part II of budget rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7“Responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) Make assessment of tax, fee of levy by the local the Government, on periodical basis, for evaluating its potential and new tax proposal. d) Ensure timely recoveries of each demand. E) Ensure that all revenue collected against a demand is credited into the Local Fund.

Administration of District Council Multan did not achieve the targets of budgeted receipt under various heads and less collected revenues of Rs. 2.616 million. Furthermore, the administration did not determine the key performance indicator and evaluated progress of collecting staff. Necessary detail is given below.

(Rupees in million)

SR No.	Code No.	Detail Receipt Head	Budget Estimate for FY 2017-18	Actual for the F Y 2017-18	Variation	%age of Variation
1	Urban immovable property tax (B01301-10)	B01310 - Other Collection	0.500	-	0.500	100
2	Fee and Fine for Building Plans (C0380026-40)	C0388027 - Fee for approval of Building/ Construction Plan	3.000	2.149	0.851	28
3		C0388034 - Fine for Encroachments	0.200	0.067	0.134	67
4		C0388035 – Enforcement	0.200	-	0.200	100
5	Income from Slaughter House (C0388041-45)	C0388042 - Fee for slaughtering of animals	0.100	0.090	0.010	10
6		C0388054 - Sewerage Fee/ Charges/ Nali Tax	0.600	0.364	0.236	39
7	Rent of Municipal Properties (C0388081 to	C0388081 - Rent of municipal Property –	1.500	0.853	0.647	43

	85)	Shops				
8		C0388083 - Rent of municipal Property - municipal urban land	0.150	0.112	0.038	25
Total			6.250	3.634	2.616	

Due to weak financial management and poor performance of staff budgeted targets were not achieved.

Weak financial management resulted in non-realization of District Council revenue of Rs. 2.616 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility on the person(s) at fault besides action against the concerned, under intimation to audit.

[AIR Para No. 13]

14.2.3 Internal Control Weaknesses

14.2.3.1 Irregular payment against the work of tuff tile and bricks without obtaining of Lab test report – Rs 13.569 million

According to Input rates of material for Bi-Annual concerned as published by the Finance Department Government of Punjab the rate for Pre-cast PCC paver/grey tuff tiles of 60 mm thickness (As per approved manufacturer) (7000 PSI). And in case of bricks not of standard quality than 7 to 10 % deductions is required.

Chief Officer / DO (Infrastructure) of District Council Multan incurred expenditure of Rs. 135.695 million on execution of works of tuff tiles and soling (bricks). The payment was made irregular without obtaining the laboratory test report of tuff tiles and bricks as proof of use of standard tuff tile in works as defined in MRS. Furthermore, the deduction i.e.7 to 10% to the tune of Rs. 13.569 million was not made from the bills of the contractors.

Audit is of the view that irregularity occurred due to weak internal control and financial management the payment was made without obtaining of lab test reports.

Irregular payment resulted in loss to the government of Rs. 13.569 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted.

However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides obtaining of laboratory test and proof purchase of tuff tiles from standard tuff tile maker and production of same to Audit.

[AIR Para No.14]

14.2.3.2 Non recovery of compensation for delay in completion of works - Rs 3.587 million

According to clause of contract agreement, the contractor shall pay, as compensation, an amount equal to one percent of the amount of the contract subject to the maximum of 10% or such smaller amount as the Engineer In charge may decide, for delay in completion of work. Further, as per clause 37 of the contract agreement, the contractor shall apply in writing for time extension, thirty days before the due date of completion, if there are unavoidable circumstances and the work may be delayed.

Chief Officer /DO (I&S) of District Council Multan extended undue favour to the contractor and did not impose and recover penalty of Rs. 1.586 million from the contractor for delay in completion of work of ADP of FY 2016-17. Similarly Rs. 2.001 million were not deducted from the bills of the contractors for delay in completion of development work. Further, progress report revealed that in some cases the work is still in progress but neither penalty was imposed nor securities were forfeited by the authority which showed that undue favour had been granted to the contractors.

The above irregularity occurred due to non observing the provisions of tender agreement.

Non compliance of the terms & conditions of agreement resulted in delay in completion of development projects and loss due to non imposing the penalty of Rs. 3.587 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs. 3.587 million from the concerned besides fixation of responsibility on the persons at fault, under intimation to Audit.

[AIR Para No. 15]

14.2.3.3 Doubtful repair of vehicles – Rs 1.205 Million

According to Punjab delegation of Financial Power Rules 2016, Powers to sanction and incur expenditure on addition to or repairs /replacement of parts and overhauling, etc. of the machinery, tools and plants and motor vehicles subject to the restrictions that Powers to sanction repairs, replacement, overhauling etc. of light machinery, motor vehicles and other tools and plants subject to the restrictions:

- (i) that the repairs are carried out in the Government Workshop;
- (ii) in the absence of Government Workshop open tenders are invited; and
- (iii) the expenditure is economical with reference to the service period of the tools, plants or machinery.

Further the extent of amount of repair was up to Rs.0.300 million or 10 percent of the book value of the machinery/vehicle whichever less is.

Chief Officer / DO (Infrastructure) of District Council Multan incurred expenditure of Rs 1.205 million on repair of machinery and equipment during 2017-18. The repair of vehicles was not carried out at Government Workshop; the assets register showing book values of vehicles was not available. Old parts were neither entered in dead stock register nor auctioned. Expenditure incurred without NOC from Motor Vehicle Examiner. The detail is given below:

(Rupees in million)

Sr. No	Description	Amount
1	Repair of sucker machine co unit Qadir pur rawn	0.050
2	Repair of sucker machine Co Unit Qadir pur rawn	0.080
3	Repair of Vehicle No. 5591	0.146
4	Repair of Track KAC/5222	0.096
5	Repair of tractor KAC/5222	0.037
6	Repair of vehicle KAC/5222	0.040
7	Repair of vehicle No. 8402	0.278
8	Repair of vehicle No. 6985	0.117
9	Repair of vehicle No. 9441	0.180
10	Repair of vehicle No. 1090	0.181
Total		1.205

Due to weak internal controls, doubtful expenditure on repair of machinery and equipment was incurred.

Unauthorized expenditure resulted in violation of Government Rules and irregular expenditure of Rs. 1.205 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for unauthorized expenditure on repair of machinery and equipment under intimation to Audit.

[AIR Para No. 17]

14.2.3.4 Loss due to non-safeguarding of machinery and equipment's - Rs 1.200 million

According to clause 9(a) of accounts rules 2017 "Responsibilities of functionaries" In case of any loss to the local government through fraud or negligence: the person functioning on behalf of local government shall be personally responsible and shall be liable to make good the loss.

Chief Officer of District Council Multan did not ensure the safeguarding of assets of District Council and failed to get back machinery estimated valuing Rs 1.200 million from the provincial highway department. Neither efforts have been made to get the machinery back nor any rent was recovered from the highway department. The assets in the custody of highway department create doubt regarding safeguarding of assets of district council. The detail is given below.

(Rupees in million)

Description	Qty	Location of possession	Approximate Amount	Total Amount
Tar coal boiler	1	In custody of Road Department	0.050	0.350
Road Roller No.15	1		0.250	0.250
Water tank	2		0.010	0.050
Tractor no 9713 with blade	1		0.500	0.500
Weight with accessories	1		0.050	0.050
Total				1.200

Due to weak internal controls the machinery and equipment's of district council were not obtained from the building department.

Non safeguarding of assets resulted in loss to district council assets Rs. 1.200 million.

The matter was reported to the Chief Officer of District Council and the DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report

Audit recommends taking serious steps to get back machinery and equipment or the rent from the highway department besides fixing of responsibility on the person(s) at fault, under intimation to audit.

[AIR Para No. 16]

CHAPTER 15

15.1 District Council, Pakpattan

15.1.1 Introduction

District Council, Pakpattan was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Pakpattan is “a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name”.

The functions of District Council, Pakpattan as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;

- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

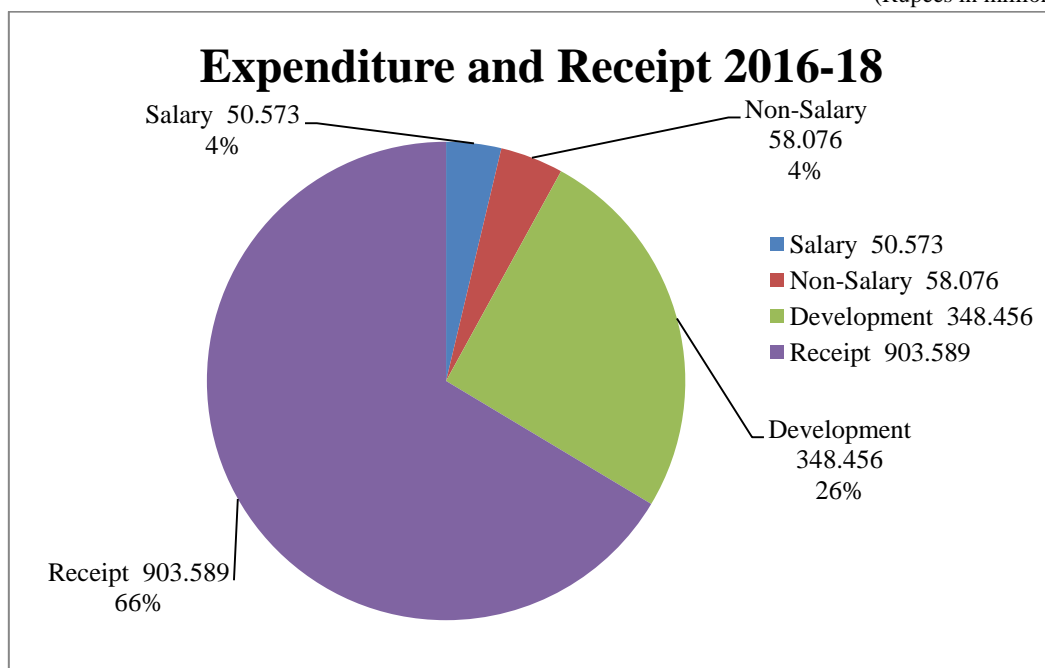
15.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	121.601	50.573	(71.028)	-58%
Non-salary	286.751	58.076	(228.675)	-80%
Development	649.100	348.456	(300.644)	-46%
Sub Total	1,057.452	457.105	(600.347)	-57%
Receipts	1,084.307	903.589	(180.718)	-17%

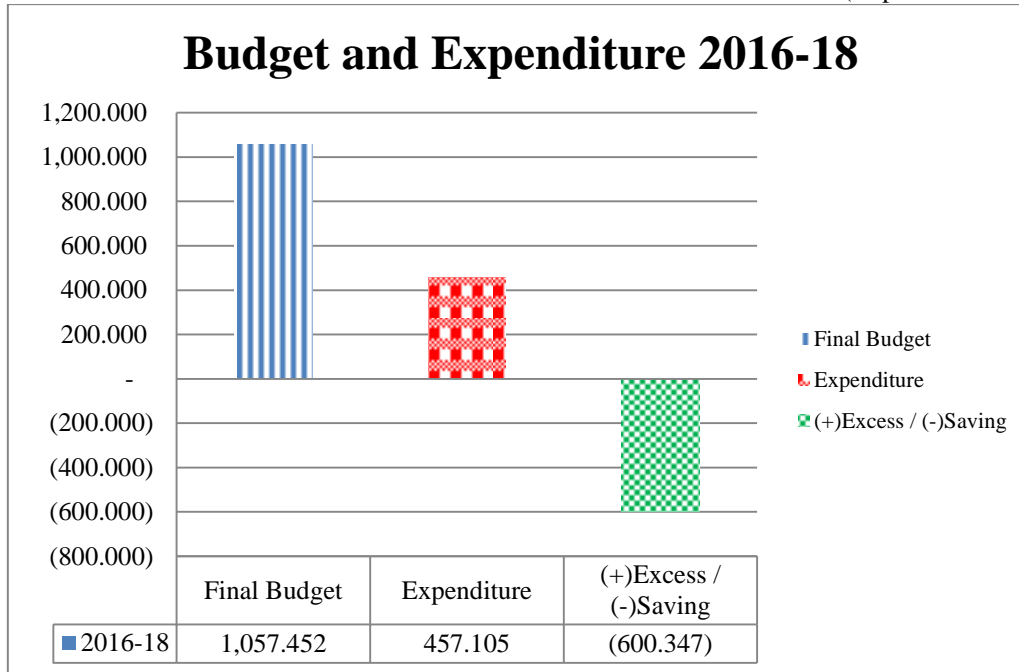
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Pakpattan, total budget (Development & Non-Development) was Rs 1,057.452 million. Against the final budget, total expenditure of Rs 457.105 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs

600.347 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and the management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



15.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Pakpattan established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of the Punjab to be laid before the legislature.

15.2 AUDIT PARAS

15.2.1 Non Production of Record

15.2.1.1 Non Production of record – Rs 21.495 million

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

The Chief Officer, District Council Pakpattan did not produce the record of contingencies expenditure and receipts amounting Rs. 21.495 million during 2016-18 of expenditures and receipt heads despite various verbal and written requests the detail is as under:

(Rupees in million)

Financial Year	Mentioned at Sr. #	Account Head	Budget allocation	Actual expenditure	Record provided	Record not provided
2016-17	120	A03921 Unforeseen expenditure for disaster preparedness and relief	2.200	1.668	-	1.668
2016-17	134	A03966 Advertisement & Publicity	4.000	3.601	-	3.601
2016-17	177	A09203 IT Equipment	21.800	5.839	-	5.839
2016-17	181	A09470 Others	4.000	0.865	-	0.865
2016-17	210	A12602 Apparatus and plants	5.000	0.323	-	0.323
2016-17	223	A13570 Others	1.200	1.098	-	1.098
2017-18	84	A03470 Others	4.000	3.746	0.600	3.146
2017-18	147	A04170 Others	8.900	1.860	-	1.860
2017-18	155	A06301 Entertainment & Gifts	1.500	1.254	-	1.254
2017-18	182	A09601 Purchase of plant & machinery	10.700	1.663	0.140	1.523
2017-18	232	A13805 Maintenance of playgrounds	3.000	0.318	-	0.318
Total			66.300	22.235	0.740	21.495

Due to weak internal controls and willful evasion from audit, record was not produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure incurred amounting Rs 21.495 million.

The matter was reported to the Chief Officer of District Council in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 11]

15.2.2 Irregularities & Non Compliance

15.2.2.1 Unjustified payment of earth work without recording of levels and cross section area - Rs 34.339 million

According to Para No.4.7 (3) of B & R code, in all cases where payments of earth work are to be made from the longitudinal and cross section prepared before the work is started, the levels for such works should be recorded in a special level book. The levels on which the sections are plotted should be entered in ink and the quantities should be calculated from the above mentioned levels. Furthermore, Government of the Punjab LG&CD letter No.SE/LG&CD/5(25)/2015-16 dated 24.07.2015, the exact quantity of earth work will be worked out after conducting leveling before executing of earth work in order to avoid possibility of any wrong payment besides preparation of lead chart of earth work showing borrowing areas specifying exact khasra and khatoni numbers.

The DO (Infrastructure), District Council Pakpattan made payment of earth amounting Rs 34.339 million during 2016-18 without recording cross section (X-Section) and natural surface levels (NSL). Lead charts showing borrowing areas specifying exact khasra and khatoni numbers were not available despite lead of earth was paid up to 1/2 miles.

Due to weak internal controls, earth work was paid without recording the levels and preparation of lead charts.

Payment of earth work without recording of levels and cross section area resulted in irregular expenditure of Rs 34.339 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 08]

15.2.2.2 Irregular payment of surface treatment – Rs 6.701 million

According to Government of the Punjab, Communication & Works Department Notification No.SOH-I(C&W)1-49/2012 (G) dated 13.06.2014, the use of “PARCO Biturox” produced by Pak Arab Refinery Ltd (PARCO) is allowed in projects to be executed by C&W Department, having grade 60/70 & grade 80/100 in addition to bitumen of National Refinery Karachi.

The DO (Infrastructure), District Council Pakpattan made payments of Rs 6.701 million to contractors during 2016-18 against bituminous items executed in works without documentary evidence for procurement of bitumen from approved refineries. Furthermore, quality of bitumen was not got tested from the RR&MTI. Furthermore, work was executed without formulation and approval of job mix formula from the RR&MTI. The payment of TST / DST was made on the basis of 67 Lbs bitumen and 7.50 Cft bajri for 100 Sft without laboratory test report in respect of percentage actually used in violation of above rules. **Annexure-R/PPN**

Due to weak internal controls, payment was made without ensuring procurement of bitumen from approved refineries and testing of the same from RR&MTI.

Non observance of instructions of the Government resulted in resulted in irregular expenditure of Rs 6.701 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 24, 25]

15.2.2.3 Unauthorized payment of contingent paid staff - Rs 6.435 million

According to Government of the Punjab Finance Department, Austerity/Economy measures for the year 2016-17 issued vide letter No. FD.SO(GOODS)44-4/2016 dated 19.09.2016, no contingent paid staff shall be appointed during 2016-17 without approval of the Finance Department. Moreover, no work charge staff can be appointed without advertisement in the newspaper and all appointments should be made through recruitment committee.

The Officer Incharge (Urban UC Qabools) District Council Pakpattan appointed contingent paid staff without advertisement in the newspapers and made payment of Rs 6.436 million on account of daily wages during 2017-18. No need assessment for requirement of staff was prepared and got approved from the competent authority before recruitment of contingent paid staff. No detail of total applications received and merit list prepared before appointment was produced to Audit. No proceedings of recruitment committee was produced to Audit which depicts that staff was appointed without approval of any committee. Audit asked for personal files of contingent paid staff but same was not produced to Audit.

Due to weak internal controls, irregular appointments of contingent paid staff was made.

Irregular appointment and payment on account of contingent paid staff amounting to Rs 6.436 million resulted in violation of rules.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry in the matter, regularization of expenditure from the competent authority besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 07]

15.2.2.4 Irregular expenditure by splitting – Rs 3.248 million

According to rule 12 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 / print media. Furthermore, according to rule 15.2 (c) of PFR, Vol-I purchase order should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

The Chief Officer and DDOs of District Council Pakpattan incurred expenditure of Rs 3.248 million during 2016-18 on account of purchase of UPS, batteries, computer, furniture, machinery and equipment by splitting to avoid the tendering process in violation of rules. **Annexure-S/PPN**

Due to weak financial controls, expenditure was incurred in an irregular manner.

Non compliance of PPRA's Rules / instructions resulted in irregular expenditure amounting Rs 3.248 million.

The matter was reported to the Chief Officer of District Council and DDOs concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 13]

15.2.2.5 Irregular execution of works in violation of TS estimate - Rs 2.604 million

According to clause 11 and 14 of the Contract Agreement for Civil works, the contractor shall execute work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials

of any inferior description, the contractor shall remove the materials or articles so specified.

The DO (Infrastructure), District Council Pakpattan made payment of scheme “Construction of metalled road laying tuff tile etc. Hotta” amounting Rs 2.604 million from ADP during 2017-18. Audit observed that providing and laying tuff pavers, 50% Grey / 50% Coloured 60 mm thick having 7000 PSI, was paid @ 94.95 P Sft for 9860 Sft amounting to Rs 0.936 million but it was revealed from the available pictures, only gray tuff tiles were used. Local tuff tiles were used as no proof of purchase from approved manufacturer was produced. No test report of tuff tile was provided. Earth filling was paid without recording cross section (X-Section) and natural surface levels (NSL). Bituminous items executed in works without documentary evidence for procurement of bitumen from approved refineries and quality of bitumen was not got tested from the RR&MTI. Further, according to the Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum) but payment of bricks work was made without laboratory test of strength and standard of bricks.

Due to weak monitoring, substandard work was executed without requisite laboratory test reports.

Non observance of rules / instructions of the government resulted in irregular payment of Rs 2.604 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry in the matter besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 17]

15.2.2.6 Uneconomical expenditure on non-schedule items – Rs 2.481 million

According to Government of the Punjab, Finance Department letter No.RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer and rate shall not be more than market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with Notification No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district. Further, according to Government of the Punjab, Communication & Works Department letter No. P.A/ SECY (C&W)/2008 dated 17.11.2008, it is imperative that the tendency of use of non-schedule items is curbed and only such items are included without which an important component of building is likely to adversely suffer.

The DO (Infrastructure), District Council Pakpattan awarded three civil works for renovation / repair, raising of boundary wall, renovation repair office of Vice Chairman District Council Pakpattan and beautification of office of District Council Pakpattan for Rs 5 million. Non-schedule items costing Rs 2.481 million were provided in technical estimates and executed in work without obtaining competitive rates from the market and approval of rates analysis.

Due to weak financial controls, non-schedule items were provided without obtaining competitive rates from the market and un-necessary non-schedule items were executed in work.

Execution of non-schedule items without obtaining competitive rates from the market resulted in uneconomical expenditure of Rs 2.481 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting

was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 23]

15.2.3 Performance

15.2.3.1 Non recovery of fee from illegal housing colonies – Rs 13.463 million

According to rule 4 (d) of Punjab Private Site Development Schemes (Regulation) Rules 2005, the development authority or scrutiny committee, as the case may be, shall examine the application keeping in view that the minimum area of the scheme is not less than 160 kanals. Furthermore, according to rule 60 (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be twenty percent of the value of the commercial land as per valuation table, or twenty percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

The DO (P&C), District Council Pakpattan did not recover map fee, conversion fee and security fee amounting Rs.13.463 million from the owners of private housing societies situated in jurisdiction of District Council Pakpattan during 2016-18. The owners were running their business without approval of schemes but DO (P&C) did not take any action. **Annexure-T/PPN**

Due to weak financial management, illegal housing schemes were running their business without approval and payment of Scrutiny fee, map fee & conversion fee.

Non-recovery of government revenues resulted in loss of Rs. 13.463 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery from concerned besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 05]

15.2.3.2 Non recovery of fee for commercial use of land - Rs 4.267 million

According to rule 60 (c) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009, the conversion fee for the conversion of peri-urban area or intercity service area to residential use shall be one percent of the value of the commercial land as per valuation table or one percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

The DO (P&C), District Council Pakpattan did not recover map fee, development charges and conversion fee Rs 4.267 million during 2016-18 for illegal use of residential buildings for commercial purposes without payment of conversion fee.

Due to weak internal control, government revenues were not recovered.

Non recovery resulted in loss to government.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 4.267 million from concerned besides fixing of responsibility on the person(s) at fault, under intimation to audit.

[AIR Para No. 01]

15.2.3.3 Less collection of license fee of professions – Rs 1.416 million

According to rule 7 (e) of District Council (Budget) Rules 2016, the Collecting Officers shall ensure that the revenue collected against a demand is credited into the Local Fund immediately and necessary entries recorded in the Demand and Collection Register. A demand and collection register/ Taxpayers account shall be maintained by the collecting officer / Assistant collecting Officer of the revenue officer of a Local Government.

The DO (Regulation), District Council Pakpattan did not recover Rs 1.416 million during 2016-18 from the different professions. Scrutiny of demand & collection registers of license permit fee of collection staff revealed that Rs 4.899 million was recoverable from various professions out of which only Rs 3.491 million was recovered. An amount of Rs 1.416 million could not be recovered.

Due to weak financial controls, profession fee was less realized.

Less realization of receipts form professions resulted in loss of Rs 1.416 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery from the concerned besides appropriate actions against the concerned.

[AIR Para No.03]

15.2.4 Internal Control Weaknesses

15.2.4.1 Non imposition of penalty for non-completion of works within stipulated period – Rs 3.208 million

According to clause 2 of Condition of Contract, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. Contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item (b) of the memorandum of work Annexured hereto for every day the work remains un-commenced or unfinished after the proper date.

The DO (Infrastructure) District Council, Pakpattan, did not observe the time limits granted to the contractors during 2016-18. Contractors neither completed the works within time limit nor applied for time extension before the expiry of stipulated period. Penalty @ 5% amounting to Rs 3.208 million was required to be imposed due to non-completion of works despite lapse of several months after the completion date.

Due to weak internal controls, penalty was not imposed due to non completion of schemes within stipulated time period.

Non-imposition of penalty for non-completion of works within time limit resulted in loss of Rs 3.208 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides fixing of responsibility on the person(s) at fault under intimation to Audit.

[AIR Para No.09]

15.2.4.2 Unjustified consumption of POL – Rs 1.119 million

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 Chief Officer, District Council Pakpattan incurred expenditure of Rs 1.119 million on account of POL of vehicle under use of Chairman District Council during 2016-18. It was revealed that no purpose of journey was mentioned in the logbook except inspection / Government duty. Average consumption certificate of Motor Vehicle Examiner was not available on record in the absence of which POL drawn was unjustified. The Officer in-charge did not sign the logbook to authenticate the entries.

Due to weak internal controls, doubtful expenditure was incurred on purchase of POL.

Unjustified / doubtful expenditure on POL resulted in loss of Rs 1.119 million.

The matter was reported to the Chief Officer of District Council and DDO concerned in January, 2019 but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends enquiry in the matter besides fixing of responsibility on the under intimation to audit.

[AIR Para No.04]

CHAPTER 16

16.1 District Council, Sahiwal

16.1.1 Introduction

District Council, Sahiwal was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Sahiwal is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Sahiwal as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;

- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

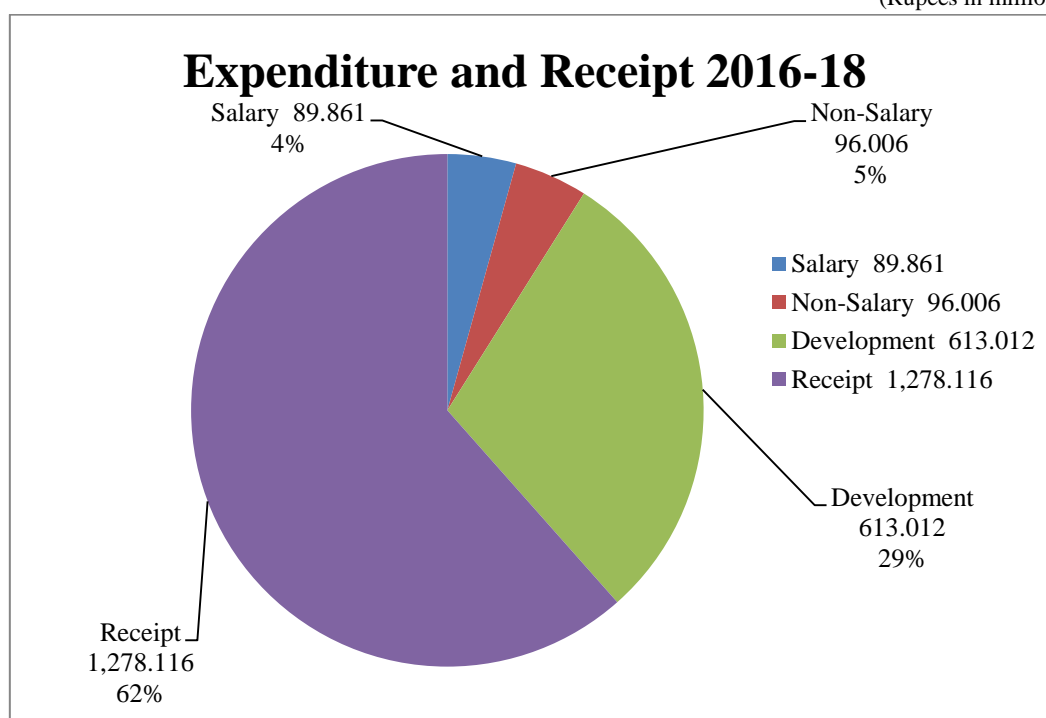
16.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	138.279	89.861	(48.418)	-35%
Non-salary	388.018	96.006	(292.012)	-75%
Development	1,133.000	613.012	(519.988)	-46%
Sub Total	1,659.297	798.879	(860.418)	-52%
Receipts	1,458.987	1,278.116	(180.871)	-12%

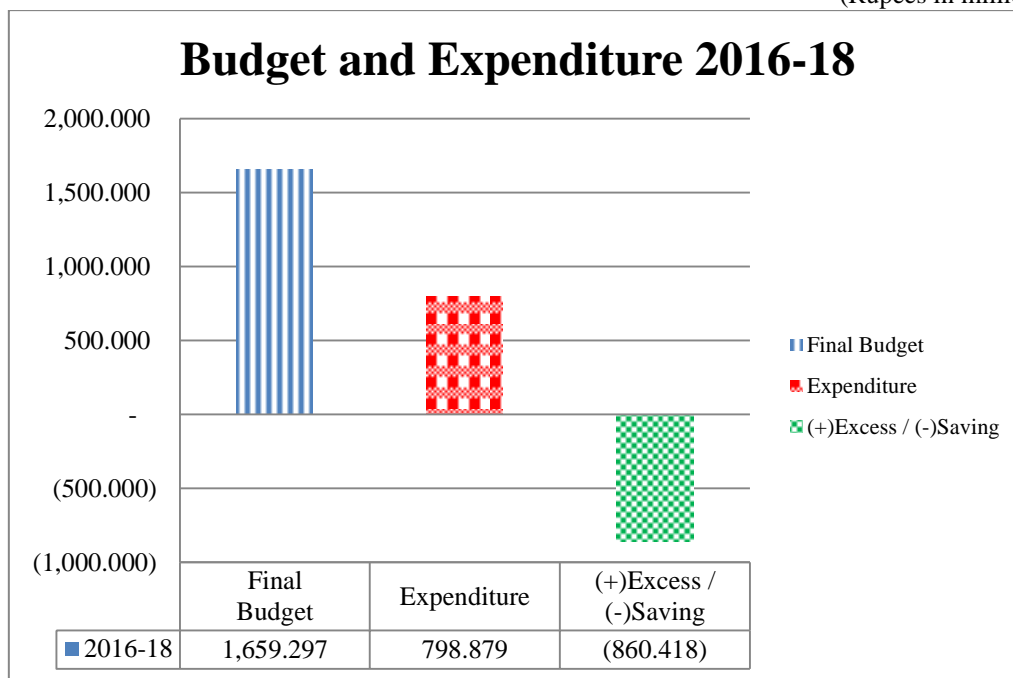
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Sahiwal, total budget (Development & Non-Development) was Rs 1,659.297 million. Against the final budget, total expenditure of Rs 798.879 million was incurred by

the District Council during January, 2017 to June, 2018. A lapse of Rs 860.418 million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



16.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Sahiwal established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

16.2 AUDIT PARAS

16.2.1 Misappropriation and Fraud

16.2.1.1 Estimated loss due to established misappropriation of trees - Rs 168.900 million

According to rule 468 of Pakistan Penal Code (Act XLV of 1860) as amended up 2002 Whoever commits forgery, intending that, the document forged shall be used for the purpose of cheating, shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine. Furthermore, according to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During Audit of District Council, Sahiwal it was observed that large scale tampering in the Tree Registers of the Tree Branch of the District Council during 2016-18. Audit raised following observations regarding the matter:

1. After establishment of the District Council, Sahiwal in 2016, District Forest set was closed and the charge of all the trees was to be given to the tree branch of District Council.
2. Tree Registers having details regarding type, number and circumference of the cross section of the trees bearing serial numbers from one (01) to nineteen (19) were handed over by an official from defunct District Forest Office to an official Mr. Zafar, Junior Clerk of District Council, I&S Branch.
3. Tree Registers having numbers 08, 11 and 12 were not handed over to the District Council Officer
4. Furthermore, another register from the registers handed over to official District Council, Sahiwal went missing afterwards
5. Staff deputed for looking after the trees was also transferred from District Forest Officer. So, the staff remained the same i.e mates and guards etc.

6. It was astonishing to note that there was excessive tampering in the tree registers which numbered 3378 entries in 16 registers.
7. Type and circumference of the trees were changed by tampering the record
8. Furthermore, old tree registers were neither available on record nor produced to despite repeated requests to verify the correct bringing forward of the number, type and circumference of the trees.
9. Mr Zafar, Junior Clerk after receiving the record reported to the District Council, Sahiwal that there was large number a tampering in the tree registers and some tree registers were not handed over
10. Mr Ashfaq ur Rehman, an official of District Council was directed to look into the matter and report the factual position.
11. Mr Ashfaq submitted his report to the District Council, Sahiwal it was established that 3378 entries were tampered in 16 registers
12. Furthermore, physical verification was conducted by Mr Ashfaq ur Rehman, Superintendent (I&S) branch along with Mr. Zafar, Junior Clerk and submitted a report that a large number of trees were absent from various roads. Road-wise physical verification report showing detail of absence of trees was submitted.
13. Furthermore, register-wise details of tampering was also submitted by the said officials.
14. Register-wise details are given in the **Annexure-U/SWL**.
15. It was also reported that fake record was prepared to show less number of trees in record while much more trees existed physically on the roads
16. It was reported that this fake record was prepared to misappropriate large number of the trees and misappropriation of the trees was in progress on daily basis
17. It was reported by Mr Zafar, Junior Clerk that some assets like furniture and fixture and other fixed and consumable assets were also transferred from o/o the defunct District Officer (Forest),

Sahiwal to the District Council, Sahiwal being successor of the former.

18. Later on those assets were misappropriated
19. It was also reported by Mr. Zafar, JC that excessive tampering was made in the register that was stolen to misappropriate the trees that is why the register was stolen afterwards to conceal excessive tampering in that tree register
20. Mr Ashfaq requested to hold a formal inquiry into the matter for ascertaining further facts and fixing of responsibility
21. An inquiry committee was constituted during March, 2018 having DO (P&C), District Council as head and Mr. Ashfaq, Superintendent as convener but this committee did not submit any report till the close of Audit in December, 2018.
22. Neither responsibility for such huge misappropriation was fixed nor was action taken against the persons responsible for it.
23. Keeping in view the foregoing facts, it was established that at least 3378 number of trees were misappropriated which caused a minimum loss of Rs 168.900 million @ Rs 50,000 per tree.

Audit is of the view that the trees were misappropriated and no action was taken against the defaulters till the close of the Audit in December, 2018.

Due to negligence on the part of the executive the trees were misappropriated and no action was taken against the defaulters till the close of the Audit in December, 2018.

Misappropriation of trees resulted in estimated minimum loss of Rs168.900 million and non taking of disciplinary action and non-finalization of the inquiry resulted in weak administration and more probability of recurrence of such criminal activities.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends investigation of the matter through NAB for ascertaining the actual loss sustained and fixing the responsibility on the defaulters besides recovery of the amount of actual loss to be calculated by the department and strict disciplinary action against the defaulters.

[AIR Para No. 14]

16.2.2 Irregularities and non-compliance

16.2.2.1 Irregular executions of development schemes without preparation of PC-1 - Rs 292.507 million

According to rule No.4(3) (4) of Works Rules 2017, the work costing rupees 1.5 million or above shall be prepared on the PC-1 prescribed by the Government and approved in the manner prescribed for approval of PC-I. Furthermore, according to Rule No.4(5) (2) for the preparation of rough cost estimates the engineering staff shall inspect the site and work out the feasibility of the work through images or photographs of the site, rough cost estimates, detailed estimates and PC-I shall be approved by the authority competent to do so.

District Council, Sahiwal executed following development schemes amounting Rs 292.507 million during 2016-18 each one having cost of 1.5 million or above without preparation of the PC-1 for each scheme. Even estimates were made without inspection because proper snaps of the site before execution of the work were not available with the estimates.

Audit is of view that due to mal-administration development schemes were executed without preparation of detailed PC-1 and the estimates were prepared without taking proper photographs of the site before execution of works.

Non compliance of the Government instructions resulted in irregular execution of schemes in a non transparent manner.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure from the competent authority besides fixing of the responsibility on the concerned under intimation to Audit.

[AIR Para No. 06]

16.2.2.2 Irregular payment of earth work - Rs 41.019 million

According to condition No. 03 of Technical Sanction of Superintending Engineer of LG&CD, Punjab Lahore vide letter No.SE / LG & CD / 5 (25) / 2015-16 dated 24.07.15, the exact quantity of earth work will be worked out after conducting leveling before execution of earth work in order to avoid possibility of any wrong payment besides preparation of lead chart of earth work showing borrowing areas.

CO and DO (I&S), District Council, Sahiwal got executed different development works through different contractors and made payment of earth amounting to Rs 41.019 million during 2016-18 without recording cross section (X-Section and L-Section) and Natural Surface Levels (NSL). It was further observed that lead charts showing borrowing areas specifying exact khasra and khatoni numbers were not available as lead of earth was paid up to 2 miles.

Due to negligence on the part of the executive irregular payment was made on account of earthwork.

Non compliance of the Government's instructions resulted in irregular payment of earth work amounting Rs 41.019 million.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure amounting Rs 41.019 million besides disciplinary action against concerned under intimation to Audit.

[AIR Para No. 09]

16.2.2.3 Unauthorized change of scope of the schemes by reducing items to be executed after advertisement - Rs 8.20 million

According to Secretary (C&W) Department Lahore vide letter No. SOR-I (C&W) 1-42 (MISC) dated 30.07.1997. The work may be executed strictly in

according to the scope and provision of the technically sanctioned estimates. Items of work executed in violation of the provision of the sanctioned estimate will not be entertained.

CO and DO (I&S) District Council, Sahiwal got executed various schemes by different contractors while TS amounted to Rs 8.20 million. Audit observed that the items executed were different from the advertised schemes as during execution some items like tuff tile, culverts, sewerage etc. were reduced and only soling or soling and drain were executed on site. This irregularity was pointed out from a selected sample and the Department itself may check and calculate actual amount of all such schemes. The details are given in **Annexure-V/SWL**

Due to negligence on the part of the management, unauthorized scope change of schemes having TS amounting Rs 8.20 million was made.

Change of scope of schemes having TS amounting Rs 8.20 million resulted in violation of the Government instructions.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the irregularity involving an amount of Rs 8.20 million from competent authority besides fixing of responsibility on the concerned under intimation to Audit.

[AIR Para No. 19]

16.2.2.4 Irregular payment without obtaining evidence of legal purchase – Rs 3.817 million

According to FBR letter No. 1(42) STM / 2009 / 99638-R clause 04 Sub Clause (ii) dated 24.11.2013, in case of public works, it may be ensured that the contractors engaged make purchases only from sales tax registered persons, since contractors carrying out Government works against public tender are required to

have a BOQ (Bill of Quantity). The contracting department / organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase before payments is released to them.

District Council, Sahiwal made irregular payment of Rs 3.817 million to different contractors without obtaining evidence of legal purchase in shape of Bills of Quantity (BOQ) and sales tax invoices. Further, evidence of payment and deposit of GST amounting to Rs 0.555 million was not obtained from the supplier / contractors. It resulted in suspected misappropriation of GST amounting to Rs 0.555 million. The details are given in **Annexure-W/SWL**

Due to weak internal controls, Bill of Quantity (BOQ), sales tax invoices and evidence of deposit of GST was not obtained from the supplier / vendor.

Non-collection of sales tax invoices for purchases amounting to Rs 3.817 million and proof of deposit of sales amounting to Rs 0.555 million resulted in irregular payment and in suspected misappropriation of GST.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends obtaining of evidence legal purchase amounting to Rs 3.817 million, besides fixing of responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para No. 01]

16.2.2.5 Loss to the Government due to non receiving of tender fee Rs 2.380 million

According to rules 19 (1) of Punjab Local Government Works Rules, 2017, if any matter is not covered under the rules, the same may be dealt according to the Punjab Government Works Rules under the Building and Roads Department Works Code for Public Works department. Further, as per

Government of the Punjab C&W department letter No. B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged as per following schedule.

- i. For original work Rs.10000/- for each work
- ii. For M&R Rs.2000/- for each work

Chief Officer District Council, Sahiwal did not receive tender fee of Rs 2.380 million as prescribed by C&W Department during 2016-17. Tender fee was not mentioned in Local Government Works Rules, 2017 and the same was to be received under Punjab C&W Department Rules in compliance of the above referred letter of C&W Department.

Due to weak financial control, tender fee was not received from the bidding contractors at prescribed rates.

Non-Recovery of tender fee at prescribed rates resulted in loss to the Government amounting to Rs 2.380 million.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of the tender fee amounting to Rs 2.380 million, besides fixing of responsibility on the concerned, under intimation to Audit.

[AIR Para No. 08]

16.2.2.6 Unauthorized change of scope of development scheme - Rs 2 million

According to rules 19 (1) of Punjab Local Government Works Rules, 2017, if any matter is not covered under the rules, the same may be dealt according to the Punjab Government Works Rules under the Building and Roads Department Works Code for Public Works department. Furthermore, according to Secretary (C&W) Department Lahore vide letter No. SOR-I (C&W) 1-42

(MISC) dated 30.07.1997. The work may be executed strictly in according to the scope and provision of the technically sanctioned estimates. Items of work executed in violation of the provision of the sanctioned estimate will not be entertained.

District Council Sahiwal got executed a scheme with the nomenclature “Improvement / repair of residences of District Council near Jogi Chowk and near Old Rest House” by M/S Muhammad Saleem contractors during 2017-18 having TS amount of Rs two (02) million. Audit observed that scope of the scheme was changed in an unauthorized manner after advertisement. The scheme was to be executed for repair of residential quarters of the employees of District Council Sahiwal near Jogi Chowk and near Old Rest House, District Council, Sahiwal. In violation of the scope of approved scheme an amount of Rs 0.935 million (inclusive of PST) was utilized for execution of development / repair work at residential quarters near Commissioner office Sahiwal. Name and exact quantities of the works to be conducted at various quarters were not precisely mentioned in the estimate to keep the scheme vague. Further, a considerable amount was utilized on the repair of the quarter of Mr. Safdar Ali, Driver against the provision of the approved scheme (actual calculation to be made by the Department). Audit held the change of scheme unauthorized without processing the same as new scheme and obtaining revised admin approval and TS. The details are given below:

(Rupees in million)

Sr. No.	Site Detail	Description of Works	Estimated Cost	Total Work Done
1	Near Old Rest House	Quarter of Mr. Muhammad Rafique, Draftsman	0.235	0.234
2	Near Old Rest House	Sewerage Lines for All Quarters	0.312	0.119
3	Near Jogi Chowk	NIL	1.177	0.000
Sub-total			1.724	0.353
2	Near Commissioner Office	Other Quarters 04-Nos	0.000	0.806
Total			1.724	1.159
Add 16% PST			0.276	0.185
Grand Total			2.000	1.344

Due to weak internal controls, unauthorized payment had been made by change of scope of works without processing the work as new scheme and obtaining new Admin Approval.

Unauthorized change of scope of works amounting to Rs 2 million resulted in violation of rules.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 04]

16.2.2.7 Irregular procurement of store items through contractor - Rs 1.836 million

According to technical sanction condition No. 08, items rate of non- schedule items provided in the estimate are only for estimation purpose. Approval of competent authority is required before making payment of non- schedule items. Further, as per Finance Department letter No. RO (TECH) FD.18-23/2004 dated 21-09-2004, all the store items required to be purchased as per rules laid in purchase manual.

Chief Officer, District Council, Sahiwal made procurement of fixed assets / store items amounting Rs 1.836 million through contractor as a development scheme in violation of rules / the Government instructions and made undue payment of Rs 0.167 million on account of contractor profit which needs recovery. These items were required to be purchased according to PPRA Rules after advertisement in the newspaper and PPRA website. Furthermore, an amount of Rs 22,051 was added in the estimate on account of Income Tax which is unauthorized and needs recovery. The detail is given in the **Annexure-X/SWL**

Due to weak internal controls, store items were procured irregularly in violation of the Government instructions as a development scheme through contractor and unauthorized payment of contractor profit amounting Rs 0.167 million.

Irregular procurement of store items as a development scheme through contractor resulted in violation of the Government instructions and unauthorized payment of contractor profit amounting Rs0.167 million resulted in loss.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 0.189 million paid on account of contractor's profit and Income Tax and regularization of the expenditure amounting to Rs 1.836 million besides fixing of responsibility on the responsible(s) under intimation to Audit.

[AIR Para No. 11]

16.2.2.8 Non imposition / recovery of penalty due to late completion of development schemes – Rs 1.133 million

As per clause 2 of condition of contract, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The work shall throughout the stipulated period of the contract be proceeded with all due diligence in accordance with the programme of work and the contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item(b) of the memorandum of work annexed hereto for every day the work remains un-commenced or unfinished after the proper date.

CO and DO (I&S) did not impose penalty amounting to Rs 1.133 million on the contractors who did not complete their work within stipulated time during 2016-18. Audit calculated the penalty by taking 2% of the TS amount.

Due to negligence on the part of the executive no penalty was imposed on the contractors who failed to complete the works awarded to them within stipulated time.

Non imposition of penalty on the contractor who failed to complete the works awarded to them with in stipulated time resulted in loss to the Government amounting to Rs 1.133 million.

The matter was reported to the Chief Officer of the District Council and the DDOs concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery amounting to Rs 1.133 million besides fixing of responsibility against person(s) at fault, under intimation to Audit.

[AIR Para No. 12]

16.2.3 Performance

16.2.3.1 Establishment of illegal residential colonies / land sub-divisions and loss of - Rs 111.881 million

According to rule 60 (c) of Punjab Land Use Rules 2009, the conversion fee for the conversion of peri-urban area or intercity service area to residential use shall be one percent of the value of the commercial land as per valuation table or one percent of the average sale price of preceding twelve months of commercial land in the vicinity.

DO (P&C) and CO, District Council, Sahiwal did not recover conversion fee and map fee of minimum Rs 111.881 million during 2016-18 from the developers of illegal residential colonies / land sub-divisions situated in the jurisdiction of District Council, Sahiwal. Plans of residential colonies were not submitted to the District Council.

Due to weak internal controls and negligence on the part of the executive, illegal housing colonies were established without payment of conversion fee, map fee and other Government dues.

Non-recovery of conversion fee, map fee and other Government dues resulted in minimum loss of Rs 111.881 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 111.881 million by taking penal action against the owners / developers of the illegal residential colonies / land sub-divisions, besides disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 33]

16.2.3.2 Loss due to illegal construction of commercial buildings without payment of map fee and conversion fee – Rs 108.586 million

According to rule 60(1) (a)(b)(c)(d)(e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 a City District Government or a Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

Furthermore, according to ibid rules conversion fee for use of any kind of land to educational or healthcare institutional use shall be 10%.

DO (P&C) and CO District Council, Sahiwal neither recovered conversion fee and map fee amounting Rs 108.586 million not took any action against the owners of illegally constructed buildings in the jurisdiction of District Council, Sahiwal. Audit conducted physical inspection of buildings in the area under jurisdiction of District Council, Sahiwal in the presence of field staff being representative of DO (P&C) and CO and observed that following buildings were illegally constructed without payment of map fee and conversion fee and without approval of maps as there was no record or file of these buildings in P&C branch. The owners of these buildings were conducting their business and neither the buildings were sealed nor demolished.

Due to negligence and inefficiency on the part of the executive, conversion fee and map fee was not realized.

Non-realization of conversion fee and map fee resulted in loss amounting Rs 108.586 million to the Government.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate recovery of Rs 108.586 million besides taking disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 34]

16.2.3.3 Loss due to non conversion of tehbazaari shops into leased shops - Rs 108 million

According to Government of the Punjab LG&CD Department notification No. S-III/2-11/80 dated 07.07.1982, after the expiry of five years the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops. If the conditions of negotiation is not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision. The shops should be re-auctioned according to prescribed procedure. District Price Assessment Committee should assess the rent of Government Property.

District Council, Sahiwal did not auction over 450 numbers of tehbazaari shops in spite of lapse of more than 02 years after the establishment of District Council till the date of close of Audit in December, 2018. It is despite the fact that shops had been constructed by the occupants and they were running their businesses whereas a negligible amount of ranging from Rs 100 to 500 per annum was being recovered from the occupants. DO (MR) / property manager neither made concrete efforts to re-auction these properties nor get vacated the property from the occupants to fetch maximum revenue by auctioning the land on Build-Lease-Operate basis. Many of the existing tenants have sub-let the shops and were receiving a rent of Rs 30,000 per month. The market rent was much higher as these shops were situated in center of the Harappa Market. In this way a minimum loss of Rs 108 million was being caused per annum by not converting status of these shops as leased shops. Audit stressed forthwith conversion of

tehbazaari shops into leaseable shops / rent for land use to fetch market based maximum revenue.

Due to negligence on the part of the executive, status of tehbazaari shops was not changed to fetch market based maximum revenue.

Non-conversion of status the shops as rented / leased shops at market-based rent resulted in minimum loss of Rs 108 million per annum.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that status of tehbazaari shops may be changed into leaseable shops / rent for land use to fetch market based maximum revenue besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 23]

16.2.3.4 Non / Less execution of mortgage deed / non / less obtaining of bank guarantee - Rs 70.977 million

According to section 17 (e) & (f) and section 42 (h) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of twenty percent of the saleable area, in accordance with Form C, as security for completion of development works and

- (i) A performance bond, in accordance with Form D and D1, consisting of a performance agreement and a bank guarantee respectively and the amount of bank guarantee shall be equivalent to total cost of development works;

Furthermore, according to Section 34 (a) A developer shall execute all development works within following stipulated time period.

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

DO (P&C) and CO, District Council, Sahiwal approved following land sub divisions / housing schemes by non / less obtaining of mortgage deed in violation of above rules. DO (P&C) and CO neither ensured execution of the mortgage deed equal to 20% of saleable area valuing 70.977 million nor ensured obtaining of bank guarantees equal to the said amount as security for completion of development work. The detail is given in the **Annexure-Y/SWL**.

Due to negligence and weak internal controls on the part of the executive, neither mortgage deed was executed nor was bank guarantee obtained as a security for completion of the development works.

Non-execution of mortgage deed and non-obtaining of bank guarantee resulted in non-completion of development work in time.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends forthwith execution of mortgage deed or obtaining of performance guarantee amounting Rs70.977 million to ensure early completion of development works besides fixing of the responsibility on the concerned, under intimation to Audit.

[AIR Para No. 32]

16.2.3.5 Loss due to illegal extension in converted area of commercial buildings without payment of map fee and conversion fee – Rs 27.564 million

According to approval of building plan no illegal extension in the converted area for commercial or industrial land use will be allowed without

approval of District Planning and Design Committee (DPDC) and payment of conversion fee, map fee and any other fee leviable from time to time. Furthermore, according to Rule 60(1) (a)(b)(c)(d)(e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 a City District Government or a Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

Furthermore, according to ibid rules conversion fee for use of any kind of land to educational or healthcare institutional use shall be 10%.

DO (P&C) and CO District Council, Sahiwal neither recovered conversion fee and map fee amounting Rs 108.586 million not took any action against the owners of illegally extended commercial buildings without approval of DPDC and payment of the Government dues in the jurisdiction of District Council, Sahiwal. Audit conducted physical inspection of buildings in the area under jurisdiction of District Council, Sahiwal in the presence of field staff being representative of DO (P&C) and CO and observed that following commercial buildings were illegally extended without payment of map fee and conversion fee and without approval of revised maps as there was no record or file in P&C branch for revision of building plans and payment of conversion fee in regard to these buildings. In case of Engro Foods, demand notice for conversion of extended area of 1360 marlas was issued by defunct TMA Sahiwal during 2013 but no recovery was effected on account of conversion fee or map fee since then and till the close of Audit during December, 2018. Neither premises was sealed / demolished after serving notices nor were any other penal action taken against the defaulting owner(s). The owners of these buildings were conducting their business. Neither the buildings were sealed nor demolished. The details are given in the **Annexure-Z/SWL**.

Due to negligence and inefficiency on the part of the executive, nor conversion fee and map fee was not realized for illegally extended area nor was any penal action taken against the defaulting owner(s).

Non-realization of conversion fee and map fee and non-initiation of any penal action resulted in loss amounting Rs 27.564 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate recovery of Rs 27.564 million besides taking disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 35]

16.2.3.6 Non recovery of License Permit Fee amounting to Rs 2.324 million

According to rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

During the audit of District Council, Sahiwal it was observed that license permit fee amounting to Rs 2.324 million was not collected / misappropriated during 2016-17 and 2017-18. Audit compared list of vendors of license permit fee maintained by office of the District Officer (Excise and Taxation) for the year 2015-16 with that of District Council, Tehsil Chichawatni for the year 2017-18, it was revealed that neither following items of license permit fee were entered in the demand and collection register of Tehsil Chichawatni, District Council, Sahiwal nor was fee of these items realised. Neither authorities imposed any penalty / fine nor initiated any action against the vendors nor serious efforts were made to recover the Government revenue in timely manner. Audit stressed that departmental inquiry may be conducted for ascertaining amount misappropriated and amount not recovered and

forthwith recovery of the amount due from the concerned besides fixing of responsibility on the person(s) at fault. The details are given in below.

(Rupees in million)

Sr. No.	Description of Item	Tehsil	Schedule Fee	No. of Units listed in the Demand Register F.Y. 2017-18	Actual No. of Units	Differ.	Period in years	Amount not recovered
1	Petrol Pum	Chichawatni	6000	46	60	14	2	0.168
2	Brick Killn	Chichawatni	6000	47	68	21	2	0.252
3	Cotton Factories	Chichawatni	10000	2	27	25	2	0.5
4	Ice Factories	Chichawatni	5000	8	13	5	2	0.05
5	Surgicl Cotton	Chichawatni	3000	0	1	1	2	0.006
6	Gas Agency	Chichawatni	10000	0	43	43	2	0.86
7	Paint Store	Chichawatni	1000	23	30	7	2	0.014
8	Diesel Agency	Chichawatni	2000	0	96	96	2	0.384
9	Mobil Oile Agency	Chichawatni	1000	0	45	45	2	0.09
Total								2.324

Audi is of view that due to weak management Government revenue on account of was not recovered / misappropriated.

Non-recovery resulted in loss amounting Rs 2.324 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that departmental inquiry may be conducted against collecting officer / recovery officer for ascertaining amount not recovered and forthwith recovery of of Rs 2.324 million from the concerned besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 30]

16.2.3.7 Non / short collection of conversion fee and map fee - Rs 2.227 million

According to rule 42 (e) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, a town municipal administration after verification of

owner ship documents entertain an application of subdivision of land, which is less than one hundred kanal subject to a developer does not own additional land in continuation of the land proposed for sub-division. A developer shall transfer area under road through transfer deed to a Town Municipal Administration. According to Rule 44(h), “No objection certificate from the Environment Protection Department for land of forty kanal and above.

DO (P&C) and CO District Council, Sahiwal did not recover / less recovered conversion fee and map fee amounting Rs 2.227 million nor initiated any penal action against the owners of approved land subdivision / residential colonies who have illegally extended area of the housing scheme without payment of the Government dues and without obtaining NOC for the revised schemes or extended area. The details are given in **Annexure-AA/SWL**.

Furthermore, Audit observed following shortfalls also existed:

- i. In case of South Block NEC and NOC from Revenue was not available in the file besides non-availability mortgage deed
- ii. In case of Noor City, NOC of EPA and NOC of Revenue were not available in the file besides non-availability of Mortgage deed. Furthermore, Area of Park Was not provided and as per Map Area of open Space was shown in the area of road in violation of the road
- iii. In case of Shalimar Town, NOC of EPA and NOC of Revenue were not available in the file besides non-availability of Mortgage deed. Furthermore, Area of Park Was not provided and as per Map Area of open Space was shown in the area of road in violation of the road

Due to weak internal controls and negligence on the part of the executive, Government dues were non / less recovered and statutory requirements were not fulfilled.

Less recovery of Government dues resulted in loss amounting Rs 2.227 million and non-fulfillment of statutory requirements resulted in violation of the Government rules / instructions.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of the Government dues amounting Rs 2.227 million and fulfillment of the statutory requirements besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 31]

16.2.3.8 Low recovery due to non auctioning of Pattans - Rs 1.759 million

According to Government of the Punjab LG&CD Department notification No. S-III/2-11/80 dated 07.07.1982, after the expiry of five years the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops. If the conditions of negotiation is not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision. The shops should be re-auctioned according to prescribed procedure. District Price Assessment Committee should assess the rent of Government Property.

District Council, Sahiwal did not auction twenty (20) numbers of pattans and made low recovery of Rs 1.759 million during 2017-18 whereas much more revenue could have been fetched by auctioning the Pattans as was evident in the previous years. The details are given in **Annexure-AB/SWL**.

Due to weak financial management, Pattans were not auctioned to fetch maximum revenue.

Non auction of Pattans resulted in heavy loss to the Government.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that Pattans may be auctioned forthwith to fetch maximum revenue besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 28]

16.2.3.9 Poor Performance due to low recovery and non-taking of actions against defaulters of license / permit fee - Rs 1.548 million

According to rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

DO (Finance) District Council, Sahiwal made low recovery of license permit fee and heavy amount of Rs 1.548 million was pending as arrears during 2017-18. Neither authorities imposed fine on the vendors nor serious efforts were made to recover the Government revenue timely. Audit stressed that all out efforts be made in order to recover the Government revenue expeditiously and besides taking action against the defaulters and collecting officers responsible for blockage of the Government revenue accordingly under intimation to Audit. The details are given in **Annexure-AC/SWL**

Audi is of view that due to weak financial management less recovery of license permit fee was made.

Non-recovery of arrears of license permit fee and non-taking of action against the defaulters and staff members responsible resulted in blockage of revenue amounting Rs 1.548 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of revenue amounting Rs1.548 million expeditiously besides taking action against the defaulters and staff members responsible for blockage of the revenue under intimation to Audit.

16.2.3.10 Non conducting of fresh survey and non-recovery of license / permit fee – Rs 1.002 million

According to rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

During audit of DO (Finance) / DO (Regulations), District Council, Sahiwal it was found that no survey for registration of new vendors for license permit fee was conducted for the Tehsil Chichawatni during 2017-18. Audit was astonished to observe that following items of license permit fee were not listed at all in the Demand and Collection Register or Survey Register of Tehsil Chichawatni whereas vendors of all these items existed in Tehsil Sahiwal and Chichawatni. Vendors of these items were listed in the Survey Register as well as Demand and Collection Register of Tehsil Sahiwal but vendors of the same items were not listed in the Survey Register as well as Demand and Collection Register of Tehsil Chichawatni. In this way, license permit fee amounting to Rs. 1.002 million approximately was not recovered by the officials deputed on recovery of this fee by not listing them in their registers. Authorities did not conduct any inquiry to find facts. The details are given in below.

(Rupees in million)

Sr. No.	Description of Item	Tehsil	Schedule Fee	No. of Units as per Survey Register of F.Y. 2017-18	Estimated No. of Units in Tehsil Chichawatni	Period (in years)	Amount not recovered
1	Timber Taal	Chichawatni	3000	0	14	2	0.084
2	Tyre Service	Chichawatni	1500	0	34	2	0.102
3	Auto Service	Chichawatni	1500	0	53	2	0.159
4	Kabaar Khana	Chichawatni	500	0	15	2	0.015
5	Mobil Oil Shop	Chichawatni	1000	0	20	2	0.040
6	Rice Mills	Chichawatni	6000	0	10	2	0.120
7	Iron Moulding	Chichawatni	5000	0	5	2	0.050
8	Gas Agency	Chichawatni	10000	0	15	2	0.300

9	CNG Pump	Chichawatni	6000	0	11	2	0.132
Total							1.002

Audi is of view that due to negligence on the part of the executive, these items were not listed in the Demand and Collection Register or Survey Register of Tehsil Chichawatni.

Non-listing of items of license permit fee in the Demand and Collection Register or Survey Register of Tehsil Chichawatni and non-recovery mounting to Rs 1.002 million resulted in loss to the Government.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter to fix responsibility and forthwith realization of actual pending recovery under intimation to audit.

[AIR Para No. 29]

16.2.4 Internal Controls Weaknesses

16.2.4.1 Non maintenance of books of accounts by DDOs – Rs 798.879 million

According to Punjab Local Governments (Accounts) Rules 2017 vide para No.15 (1) (2) Responsibility of the drawing and disbursing officer: the drawing and disbursing officer shall: a) prepare estimates of expenditure for each head of account of expenditure; d) maintain cash book and promptly necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund of public account of the local government. E) prepare monthly and annual statements of expenditures and reconcile the figures with the accounts of the accounts officer and the bank concerned, remove any discrepancy pointed out in reconcile with the account officer and the bank, and bring the matter of any discrepancy to the notice of the chief officer indicating the amount involved and the employees from whom the amount shall be recovered.

DDOs of District Council, Sahiwal did not maintain separate books of accounts i.e. Cash Book, Contingent Register, and Budget Control Register, office copies of all claimed vouchers either relating to pay, contingency or development expenditure etc. during the financial year 2016-18. Non-development expenditure worth millions of rupees and development expenditure of over Rs 64 million resulting in total expenditure of over 1 billion was incurred by the DDOs but neither proper books of accounts were maintained nor were proper reconciliations being carried out. All the DDOs were allocated separate budget under specified heads of accounts as prescribed under relevant rules.

All the branches have separate staff being controlled by concerned DDO. Hence, non-maintenance of books of accounts is a serious irregularity despite the availability of separate budget, staff and sanctioned strength. Audit has taken the books of accounts from Deputy Director Accounts from Local Fund Audit Department the detail of which is as under:

Deputy Director Accounts is functioning as treasury officer and is not responsible for providing vouchers and maintenance of books of accounts on

behalf of DDOs of District Council. He is responsible for maintaining his books of accounts being treasury officer and for provision of the same to audit for certification audit of their treasury only, if conducted. Summary of expenditure for financial year 2016-17 and 2017-18 is given below:

(Rupees in million)

Sr. No.	Description	Budget		Expenditure	
		2016-17	2017-18	2016-17	2017-18
1	Pay & Allownces	48.722	89.557	24.308	65.553
2	Physical Assets	0.5	58.2	0.364	5.342
3	Non-Salary	143.113	186.205	44.611	45.689
4	Civil Works	190	943	30.398	582.614
Total		382.335	1276.962	99.681	699.198
Total Expenditure for 2016-18					798.879

Audit is of the view that weak internal controls resulted in the non-maintenance of books of accounts by the concerned DDOs.

Non maintenance of separate books of accounts resulted in willful violation of relevant rules which is a serious irregularity and audit had to rely on the record maintained by the Deputy Director, Local Fund Audit. In case of non-availability of record maintained by Deputy Director of Local Funds Audit, no record will be available for Audit scrutiny.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper maintenance of books of accounts by each DDO besides ensuring reconciliation with all stakeholders under intimation to audit.

[AIR Para No. 21]

16.2.4.2 Pooling of Contractors with connivance of executive – Rs 667.446 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 to Government through fraud on negligence on his part.

District Officer (I&S) and Chief Officer, District Council, Sahiwal got executed 436 development schemes worth Rs 667.446 million through contractors by advertising tenders. Audit held that the tendering process was pooled by the contractors through open collusion due to the following reasons. District Council, Sahiwal did not take any steps to avoid such collusion / pooling.

- a. No tender sale register was maintained to show how many tenders were sold to the contractors.
- b. There were 436 development projects and a large number of contractors submitted the tenders
- c. Astonishingly, in every scheme only two contractors quoted rates (in most of the cases i.e in over 90%) while large number of rest of the contractors did not participate
- d. In rest of the schemes (less than 10% of the total schemes) only three (03) contractors offered bids while large number of rest of the contractors did not participate
- e. On the other hand, in other district like Vehari there was a competition and even upto 70 contractors submitted bids in a single scheme
- f. The tenders were distributed among these contractors in such a way that almost all the contractors were granted some projects
- g. In all the cases, highest bidder quoted about 1-2% above and the lowest bidder quoted upto 1-2% below.
- h. On the other hand, in other district like Vehari there was a competition and low bids upto 16% below the TS amount were offered and the schemes were executed having low cost of the schemes with a huge amount of savings
- i. All the contractors quoted different rates for different projects as a result of collusion with other counterparts in order to distribute the development projects as per pre-decided design.
- j. The rates quoted in the tenders ranged over narrow range from 2% less to 2% above.
- k. Audit is of the view that such pooling of tenders was not possible without connivance of the District Council, Sahiwal's administration

- i. Audit is further of the view that pooling of contractors was made possible only under the patronage of the District Council administration
- m. This point is also evident from the fact that tenders were called thrice valuing hundreds of millions of rupees each time and there was an open pooling of the contractors
- n. No steps were taken at all to curb this unabated malpractice during entire period of Audit i.e financial years 2016-17 and 2017-18
- o. On the other hand, in other district like Vehari there was a competition and even upto 70 contractors submitted bids in a single scheme and low bids upto 16% below the TS amount were offered and the schemes were executed having low cost of the schemes with a huge amount of savings
Due to negligence on the part of the executive, pooling was done by the contractors and no action was taken.

Such unabated malpractice of pooling of contractors resulted in not only heavy loss by depriving District Council from the obvious saving in the form of low bid rates below TS amount but also resulted in loss to the Government in terms of less tender fee by not ensuring healthy competition resulting in more and more numbers of the contractors bidding for all the schemes.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends fixing of the responsibility on the concerned through departmental inquiry, under intimation to Audit.

[AIR Para No. 07]

16.2.4.3 Irregular payment of bricks without obtaining lab test reports – 206.333 million

According to input rates of material for Bi-Annual period (1st February, 2016 to 31st July, 2016), the rate for Pre-cast PCC paver / grey tuff tiles of 60mm thickness (as per approved manufacturer) (7000 PSI) at site is Rs 56 plus other

relevant cost. And in case the bricks are not of standard quality, 7% to 10% deduction is required.

District Council Sahiwal, incurred an irregular expenditure of Rs 206.333 million on execution of development works involving brick works during 2016-18. The payment was made without obtaining laboratory test reports of bricks or making deduction @7% amounting Rs14.443 million in violation of the above rule. Audit stressed that without obtaining results of laboratory test reports, crushing strength as well as size of the bricks could not be ascertained which warranted for making deduction at the rate of 7% on account of substandard material. The details are given in the Annexure below:

Due to weak internal controls, laboratory test reports were not obtained to ensure the use of standard material as specified in the MRS.

Non-obtaining of laboratory test reports as an evidence of use of standard material in violation of rules / the Government instructions resulted in doubts regarding quality of works and an irregular expenditure amounting to Rs 206.333 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter at an appropriate forum and obtaining laboratory test reports of samples taken from all the schemes to ensure quality of the works besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 20]

16.2.4.4 Non reconciliation of mutation and registration fee with Revenue Department - Rs 203.760 million

According to rule 15 of Punjab Local Government (Accounts) rules, 2017 stipulates that the primary obligation of the Collecting Officers shall be to ensure that all

revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head. The Head of the Offices shall supervise and take corrective measures in respect of the activities of the Collecting Officers.

District Council, Sahiwal failed to reconcile the recovery amounting to Rs 203.760 million made during 2016-18 on account of mutation and registration fee with the Revenue Department as both the entities collected the same revenue with different ratios and there are always chances of leakage of revenue in both the departments. The details are given below:

Sr. No.	Receipts Heads	Tehsil	Financial Year	Amount Recovered
1	Tax on Transfer of Immovable Property	Sahiwal	2016-17 w.e.f. Jan. 17 to June, 17	38.648
2	Tax on Transfer of Immovable Property	Sahiwal	2017-18	87.315
3	Tax on Transfer of Immovable Property	Chichawatni	2016-17 w.e.f. Jan. 17 to June, 17	19.423
4	Tax on Transfer of Immovable Property	Chichawatni	2017-18	58.374
Total				203.760

Due to weak management, mutation and registration fee was not reconciled with Revenue Department.

Non-reconciliation of mutation and registration fee amounting to Rs 203.760 million with Revenue Department may facilitate misappropriation in both the departments.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that mutation and registration fee be reconciled with Revenue Department forthwith to make the accounting of revenues transparent and free from any suspicion under intimation to Audit.

[AIR Para No. 27]

16.2.4.5 Irregular expenditure on sports activities Rs 2.186 million

According to rule 30 (1) of Punjab Local Government (Accounts) Rules, 2017 a sequentially numbered purchase order in Form-AR-1 shall be raised for contingent expenditure, excluding salaries and utilities, by the drawing and disbursing officer.

Chief Officer District Council, Sahiwal incurred expenditure of Rs 2.186 million on sports activities during 2017-18. The expenditure on sports activities were open to following audit observations.

1. No competitive rates through open tenders were obtained. Expenditure was split up to avoid tendering.
2. Record regarding participants and results thereof was not maintained / produced to audit.
3. Cricket kits, Jaugers and pairs of socks amounting to Rs 134,616 were purchased and stated as distributed among the players.
4. Acknowledgement of the recipient viz. signatures on the list showing name and phone numbers of the individual players and match officials were neither available on record nor produced to Audit despite repeated requests.
5. Cash prizes worth Rs 551,000 were awarded to the winners and runners up
6. Acknowledgement of the recipients of Rs 551,000 viz. signatures on the list showing name and phone numbers of the individual players were neither available on record nor produced to Audit despite repeated requests.
7. An unjustified extravagant expenditure of Rs 319,250 was incurred on pana flexes and steamers
8. An unjustified extravagant expenditure of Rs 345,000 was incurred on refreshment on four events while as per guidelines issued by Government of the Punjab for conducting Youth Festival 2014 only Rs 20 per day per person for players only was allowed on account of refreshment

9. A huge amount of Rs 180,000 was shown disbursed as cash prize on the event of only one Kabaddi Match at Chichawatni
10. Unrealistic heavy expenditure was shown incurred on lease of generators, sound systems and fans without giving break up of numbers and period for such assets were leased
11. The generator was shown leased with POL irregularly as the generator should have been leased on per day / hour basis and the POL should have been supplied by the District Council from the regular supplier of the District Council.
12. Heavy amount of Rs 130,000 was shown incurred on refreshment for only one event without giving number of each item and rates paid thereof

Due to weak internal controls on the part of the executive, the Government instructions were not complied with.

Non-compliance of the Government instructions resulted in irregular expenditure.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure from the competent authority, under intimation to Audit.

[AIR Para No. 13]

16.2.4.6 Excess payment to the contractor by taking excess quantities / rates – Rs 1.392 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.

District Officer (I&S) and Chief Officer, District Council, Sahiwal made excess payment amounting Rs 1.392 million to the contractors by taking excess

quantities and rates in following development schemes during 2016-18. Audit physically inspected the sites of development schemes and observed that excess quantities were taken in the paid. Furthermore, rates of PVC wall paneling paid by the District Council were compared with the rates paid for the same by RHC Sahuka and it was observed that excess rates were paid. The details are given below:

(Rupees in million)

AIR Para No.	Subject of Para	Amount
2	Excess payment to the contractor by taking excess quantities of Soling	0.570
3	Excess payment due to the contractor by taking excess quantities of earthwork	0.442
10	Excess payment by paying excess rates on account of PVC wall paneling	0.380
Total		1.392

Due to weak internal controls, excess quantities were entered in the MB and excess rates were approved in the TS estimate and paid accordingly.

Excess payment resulted in loss amounting Rs 1.392 million.

The matter was reported to the Chief Officer of the District Council and the DDO concerned in January, 2019, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 1.392 million besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[PDP Nos. 02, 03, 10]

CHAPTER 17

17.1 District Council, Vehari

17.1.1 Introduction

District Council, Vehari was established on 01.01.2017 under Punjab Local Government Act, 2013. District Council, Vehari is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name.

The functions of District Council, Vehari as described in the Punjab Local Government Act, 2013 are as under:

- Approve bye-laws and taxes;
- Approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- Review the performance of all offices working for the District Council;
- Review the performance report presented by the Chairman;
- Promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- Prevention and removal of encroachment on public ways, streets and properties;
- Prevention of nuisance in public ways, streets and properties;
- Regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- Regulation or prohibition of the excavation of earth, sand, stones or other material;
- Regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- To organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;

- Celebration of public festivals;
- Assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
- Provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
- Promotion of sports including sports for persons with disabilities. provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- Assisting Union Councils in provision and maintenance of rural water supply schemes and public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- Construction of culverts, bridges and public buildings;
- control over land use, spatial planning, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- Enforce all municipal laws, rules and bye-laws regulating its functioning;
- Promote animal husbandry and dairy development;
- Hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
- Undertake other development activities.

The Chief Officer is the PAO of District Council and he/she manages functions of the District Council through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services.

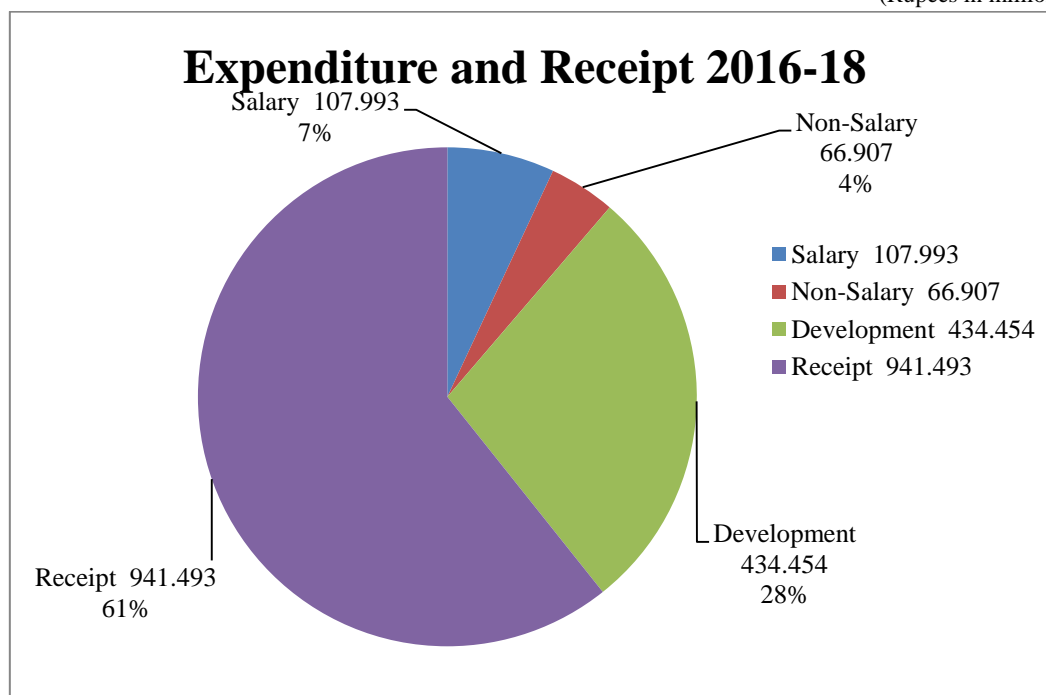
17.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	168.945	107.993	(60.952)	-36%
Non-salary	167.620	66.907	(100.713)	-60%
Development	1,046.711	434.454	(612.257)	-58%
Sub Total	1,383.276	609.354	(773.922)	-56%
Receipts	1,089.881	941.493	(148.388)	-14%

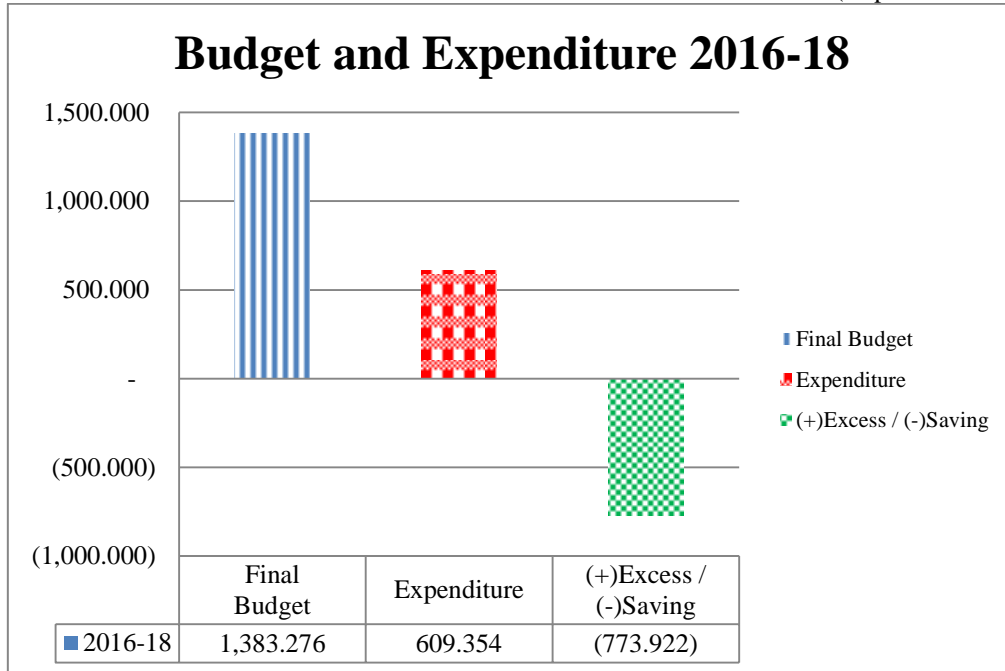
(Rupees in million)



As per Appropriation Accounts 2016-18 of the District Council, Vehari, total budget (Development & Non-Development) was Rs 1,383.276 million. Against the final budget, total expenditure of Rs 609.354 million was incurred by the District Council during January, 2017 to June, 2018. A lapse of Rs 773.922

million came to the notice of Audit due to inefficient financial management in release of budget by Authorities. No plausible explanation was provided by the PAO and management of District Council (Annexure-B). The comparison of budget and expenditure for FY 2016-18 showing huge lapse is as under:

(Rupees in million)



17.1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the account of District Council, Vehari established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

17.2 AUDIT PARAS

17.2.1 Irregularities and Non Compliance

17.2.1.1 Irregular execution of development schemes and opening of tenders by irrelevant committee– Rs 650.065 million

According to rule 9 (3) the tendering process and procurement shall be in accordance with PP Rules 2014. Further, according to Rule 12(2) of PPRA rules, all procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu, Further, according to Rule 9 (5) of Punjab Local Government (Works) Rules, 2017 the bids shall be opened at the time and place specified in the public notice in the presence of the bidders or their representatives who care to be present by the following committee:

- | | |
|---------------------------------------------------------|-----------|
| i. Chief Officer | Convener |
| ii. Representative of the Deputy Commissioner concerned | Member |
| iii. Assistant Engineer, concerned Local Government | -do- |
| iv. District Officer/ Municipal Officer (Finance) | -do- |
| v. District Officer/ Municipal Officer (Infrastructure) | Secretary |

Chief Officer, District Council Vehari executed development schemes costing Rs650.065 million during 2016-18 without floating tenders in English newspapers. Tenders were required to be floated in PPRA Website, Urdu and English newspapers. The tender of these development schemes were also opened by irrelevant committee instead of committee constituted in rule. The Assistant Engineer Local Government Vehari did not attend the proceeding of tender opening. The Sub Engineer being representative of Assistant Engineer Local Government Vehari attended the tender opening process. As per rules Assistant Engineer cannot delegate/nominate his power to his subordinate. The detail is as under.

Date of opening of Tender	Total No. of schemes	Rs in million
31.07.2017	410	294.838
31.03.2018	410	355.227
Total		650.065

Due to weak internal controls, schemes were executed irregularly.

Irregular tendering amounting to Rs 650.065 million by the irrelevant committee instead of committee constituted in Local Government Works Rules resulted in violation of the Government Rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against concerned for unauthorized opening of tenders besides regularization from the competent authority, under intimation to Audit.

[AIR Para No.27,33]

17.2.1.2 Unauthorized Purchase of Sewer Jetting & Suction machines – Rs 11.399 Million

According to rule 12(2) of PPRA Rules, all procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Furthermore, according to Rules, 10 of PPRA's Rules, 2014 a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage.

Chief Officer, District Council Vehari purchased sewer jetting & suction machines for Rs 11.399 million during 2017-18 without floating tender in English newspaper. The undue favor was given to manufacturers by imposing condition of manufacturer. One firm was rejected during technical scrutiny due to non-manufacturer but another firm bid was open whereas the said firm was also

non-manufacturer. The supplier firm not provided import documents and income tax Rs 512,955 was not deducted at source.

Name of firms	Bill No.	Date	Particulars of bill	Gross Amount	Income Tax
Cobibrative Heavy Industries (Pvt) Limited	236	1.3.18	Sewer Sucker Machine	4.950	0.223
Cobibrative Heavy Industries (Pvt) Limited	237	1.3.18	Sewer Jetting Machine	6.450	0.290
Total				11.399	0.513

Audit is a view that due to weak financial control, purchase of sewer jetting and sucker machines were made irregularly.

Purchase of machines for Rs 11.399 million resulted in unauthorized purchase.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization, recovery of income tax besides fixing of responsibility upon the person(s) at fault.

[AIR Para No.1,2,14]

17.2.1.3 Unauthorized issuance of work order without obtaining additional performance Security Rs 9.600 million

According to rule 9 (7) (d) of Punjab Local Government Works Rule 2017, in case if rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be 7 the additional performance security from scheduled bank ranging from 5% to 10%.

Chief Officer, District Council Vehari issued work order to those contractors whose bids offers were equal to or more than 5% less from estimated cost without obtaining additional performance security Rs 9.600 million during 2017-18. 71 contractors offered more than 5% less rates from estimated cost.

Neither additional performance security was obtained nor deposited into bank. The work orders were issued without obtaining additional performance security.

Due to weak financial control, work order was issued without obtaining additional performance security.

Non obtaining of additional performance security amounting to Rs9.600 million resulted in putting to government at risk and violation of government rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No.20]

17.2.1.4 Unauthorized execution of development work without technical sanction Rs 5.400 million

According to Rule 5 (5) of Punjab Local Government (Works) Rules, 2017 an estimate on the basis of which a work is to be undertaken shall be technical sanction by the competent authority in the prescribed manner.

Chief Officer, District Council Vehari executed development schemes amounting to Rs 5.400 million during 2017-18 without obtaining technical sanction (TS) from competent authority. The schemes were required to be technically sanctioned by competent authority but executed without obtaining technical sanction from competent authority. The execution of schemes without obtaining technical sanction resulted in irregular execution. The detail is as under.

Scheme No.	Name of work	Amount	Date of tender	Work award letter No.	Date of work award
10	Const. of Soling Resoling Sewerage Chak No.24/WB	2.900	29.3.2018	797	16.08.2018
267	Const. of Drainage Sewerage Adda	2.500	29.3.201	273	7.4.2018

	Putha Rajbah Vehari		8		
	Total	5.400			

Audit is a view that due to weak internal control, development schemes were executed without obtaining TS.

Execution of schemes amounting to Rs 5.400 million without obtaining TS resulted in irregular execution.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization besides fixing of responsibility upon the person at fault.

[AIR Para No.28]

17.2.1.5 Unauthorized Appointment of Contingent Paid Staff – Rs 4.883 million

According to Government of the Punjab, Finance Department, Austerity/ Economy measures for the year 2016-17 issued vide letter No.FD.SO (GOODS)44-4/2016 dated 19.09.2016, no contingent paid staff shall be appointed during 2016-17 without approval of the Finance Department. Furthermore, according to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, no work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

Chief Officer, District Council Vehari made payment of Rs 4.883 million on account of 22 work charge establishment during January, 2017 to June, 2018. The Chief Officer appointed work charge employees without obtaining permission from Finance Department. No advertisement was made for such appointments. Appointments were also not made by the committee.

Due to weak internal controls, irregular payment amounting to Rs4.883 million was made on account of work charge establishment.

Irregular payment on account of work charge establishment resulted in violation of rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from Finance Department, stoppage of any future work charge appointments and disciplinary action against the responsible, under intimation to Audit.

[AIR Para No.16]

17.2.1.6 Doubtful expenditure on national celebrations / sports activities - Rs 4.177 million

According to rule 30 (1) of Punjab Local Government (Accounts) Rules, 2017 a sequentially numbered purchase order in Form-AR-1 shall be raised for contingent expenditure, excluding salaries and utilities, by the drawing and disbursing officer. Further, according to Rule 9 of Punjab Procurement Rules, 2014 a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised on the PPRA's website as tender inquiry

Chief Officer, District Council Vehari withdrew Rs 4.177 million on the eve of Janshn-e- Azadi, Eid Millad-e- Nabi and sports activities during 2017-18. Due to following audit observations the expenditure remains doubtful:

- a. Indent were split up to avoid from tendering process.
- b. Neither sequentially numbered supply order was given nor quantities of requisite material was mentioned in supply order.

- c. No competitive rates through open tenders were obtained. Expenditure was split up to avoid tendering process.
- d. The letter pad of Al-Khair Enterprises was used for drawl of funds as evident from serial numbers and dates. Serial number of mostly bills were in descending order which shows clearly that firm letter pad was used for withdrawal of funds.
- e. The expenditure on sports activities were incurred only in Tehsil Burewala whereas other two Tehsil was ignored.
- f. Neither records about participant's teams were prepared nor results.
- g. Punjab Sales Tax on Services of Rs746,800 was not deducted which needs recovery.
- h. GST and PST was deducted at one invoice without proof of deposit. Income tax was also less deducted.
- i. The expenditure was not verified sports officer of Tehsil Burewala.
- j. The quantities and qualities were not verified by any authorized officer/ committee.
- k. Neither quantities of tentage items were mentioned in supply order nor number of days mentioned.

Audit is a view that due to weak financial control, funds were drawn in doubtful manner.

Withdrawal of funds amounting to Rs4.177 million without mentioning quantities in supply order and splitting of expenditure resulted in doubtful expenditure.

Audit recommends inquiry of the matter besides fixing of responsibility upon the person at fault.

[AIR Para No.5,7]

17.2.1.7 Irregular refund of securities before time period Rs - 3.528 million

According to rule 18 (10) of Punjab Local Government (Works) Rules, 2017, the security, if any, deposited by the contractor, shall be retained for six

months after the completion of the work and shall then be returned to the contractor, unless in the meantime the work has been found to be defective or not up to the specifications and the specifications in which case such sum shall be deducted and retained until defects are removed.

Chief Officer, District Council Vehari refund call deposit/ additional performance securities Rs 3.528 million to contractors before time period for the development schemes executed during 2017-18. The contractors applied for refund of call deposit/ additional performance security before completion of work and call deposit was refunded accordingly. The refund of call deposit before time period resulted in irregular refund.

Due to weak financial control, call deposit was refund before time irregularly.

Refund of call deposit prior to time period Rs 3.528 million resulted in irregular refund.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No.18]

17.2.1.8 Unauthorized payment of non-schedule items for Rs 2.948 million and recovery thereof - Rs 1.091 million

According to technical sanction condition No. 08, items rate of non-schedule items provided in the estimate are only for estimation purpose. Approval of competent authority is required before making payment of non-schedule items. Further, as per Finance Department letter No. RO (TECH) FD.18-23/2004 dated 21-09-2004, all the store items required to be purchased as per rules laid in purchase manual and no contractor and overhead charges is allowed to the contractor.

Chief Officer, District Council Vehari paid Rs 2.948 on account of non-schedule items without sanction of competent authority. No rate analysis was prepared on the basis on quotations. Machinery and equipment were purchased for filtrations plants but contractor profit was allowed. These were storable items and contractor profit was not allowed. Neither sales tax invoice nor sales tax deposit proof was shown. Further, no PC-I was prepared for these schemes as required under works rules. The payment of non-schedules items without approval, non-recovery of contractor profit and sales tax Rs 1.091 million and execution without preparation and approval of PC-I resulted in irregular payment and loss to government.

Name of work	Name of contractors	Date of comments	Date of completion	Total amount	Cost of plant
Construction of filtration plants 172/WB	Waqar &Co	10.11.17	5.3.18	2.000	0.900
Construction of filtration plants 275/EB	Yaqoob and Sons	7.9.17	1.2.18	2.000	1.050
Construction of filtration plants 283/EB	Azaan enterprises& Co	3.1.17	8.2.18	1.300	0.998
Total amount				5.300	2.948
20% contractor Profit					0.590
Sales 17%					0.501
Total recovery					1.091

Due to weak financial control, non-schedule items were paid irregularly.

Payment of non-schedule items without approval Rs2.948 million and non-recovery of Rs 1.091 million of contractor profit and sales tax amount resulted in loss to government.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization and recovery under intimation to audit.

[AIR Para No.22]

17.2.1.9 Uneconomical expenditure on purchase of furniture - Rs 1.051 million

According to rule 9 of Punjab Procurement Rules, 2014 a procuring agency shall announce in an appropriate manner all proposed procurements for

each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised on the PPRA's website as tender inquiry.

Chief Officer, District Council Vehari made uneconomical purchases of furniture and machinery of Rs 1.051 million during 2017-18 by calling quotations/ without quotations from the suppliers and splitting the indents of the store to avoid tender process through advertisement on PPRA website/ print media. The detail is given in **Annexure-AD/VR**.

Audit is of the view that non-compliance of PPRA Rules resulted in uneconomical purchase of Rs 1.051 million.

Purchase of furniture and machinery through splitting resulted in violation of government rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that the matter may be got regularized from the competent authority under intimation to Audit.

[AIR Para No.8]

17.2.2 Performance

17.2.2.1 Unauthorized sanction of land sub-division without obtaining bank guarantee - Rs 290.448 million

According to rule 17 (f)(ii) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer to a performance bond, in accordance with form D and D1, consisting of a performance agreement and a bank guarantee respectively. Amount of bank guarantee shall be equivalent to total cost of development works.

Chief Officer, District Council Vehari sanctioned land sub-division without obtaining bank guarantee equal to development cost Rs 290.448 million (approximate). Neither development cost was assessed nor bank guarantee was obtained. As per Rules 35 (5) if developer failed to develop the land sub-division, sanctioning authority may take over the development work and shall execute the development work from sales of mortgage plots or encashment of bank guarantee. Sanction of land sub divisions without obtaining bank guarantee equal to development cost resulted in irregular sanction. No development works were also not monitor by district council authorities. The detail is given in **Annexure-AE/VR**.

Due to weak internal controls private housing colonies/LSDs were processed without obtaining bank guarantee.

Non-obtaining of bank guarantee valuing Rs290.448 million resulted in violation of government rules

Audit recommends obtaining of bank guarantee fixing of responsibility upon the person(s) at fault.

[AIR Para No.26]

17.2.2.2 Loss to government due to less receiving of tender fee Rs - 64.966 million

According to rules 19 (1) of Punjab Local Government (Works) Rules, 2017, if any matter is not covered under the Rules, the Punjab Government

Works Rules under the Building and Roads Department Works Code for Public Works department. Further, as per government of Punjab C&W department letter No.B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged as per following schedule.

- i. For original work Rs.10000/- for each work
- ii. For M&R Rs.2000/- for each work

Chief Officer, District Council Vehari did not ensure to receive tender fee of Rs64.966 million as prescribed by C& W department during 2016-18. Tender fee was not mentioned in Local Government Works Rules and was required to be received as per C & W department notification. Chief Officer received tender fee at less rates. The detail is as under.

Particulars	Date of tender	Amount of tender fee received	Total No. of tenders received	C& W department fee rate	Difference of fee	Total amount of recovery
Repair work	15.5.17	200	117	2,000	1,800	0.211
Major work/ new work	18.5.17	500	133	10,000	9,500	1.264
Major work/ new work	31.7.17	500	5,584	10,000	9,500	53.048
Repair work	8.8.17	200	157	2,000	1,800	0.283
Major work/ new work	26.9.17	500	32	10,000	9,500	0.304
Major work/ new work	27.9.17	500	75	10,000	9,500	0.713
Major work/ new work	29.3.18	5,000	1,829	10,000	5,000	9.145
Total amount of recovery						64.966

Due to weak financial control, tender fee was received less from prescribed rates.

Receiving of less fee amounting to Rs64.966 million from prescribed rates resulted in loss to government.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No.21]

17.2.2.3 Less recovery of receipts and non-achievement of targets –Rs 7.005 million

According to rule 47(1)(2) (3) of Punjab Local Government (Budget) Rules 2017, the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Fund. The head of the offices shall monitor, control and supervise the collecting officers and take corrective measures. The revised targets of receipts, if any, shall be communicated by the head of finance office to the collecting officers and head of offices.

Chief Officer/ District Officer Finance, District Council Vehari realized receipts of Rs 6.605 million against targeted receipts of Rs 13.610 million resulting in less/short recovery of receipts of Rs 7.005 million during 2016-17. The detail is given below.

Financial Years	Detail Receipt Head	Budget Estimate for Financial Year 2016-17	Total Income	Short recovery
2016-17	License fee (article of food and drink)	0.600	0.502	0.099
	Renewal of registration	2.500	0.560	1.940
	Rent of shops	3.000	2.321	0.679
	Local rate	1.000	0.248	0.752
2017-18	Fee for other transport stand	0.100	0.080	0.020
	Renewal of registration	0.400	0.248	0.152
	Advertisement fee	4.000	2.000	2.000
	Copying fee	0.010	0.000	0.010
	Local rate	2.000	0.647	1.353
Total		13.610	6.605	7.005

Due to inefficiency of management, the government receipts were less realized.

This inefficiency in collection of receipts resulted in loss to government.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that immediate recovery be made, under intimation to audit.

[AIR Para No.32]

17.2.2.4 Unauthorized auction of advertisement tax below from reserve price - Rs 2.010 million

According to rules 13 of Punjab Local Governments (Auction of Collection Rights), 2016 if the bid is not received equal to or above the reserve price in three attempts, the Mayor or the Chairman shall place the matter before the House to:

- (a) Examine the reasonability of the bids; and
- (b) Decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance.

District Council Vehari auctioned the collection rights of advertisement tax for Rs 2.010 million during 2017-18 below from reserve price. In 1st attempt of auction no bid was received. In 2nd attempt of auction bid above than reserve price was received but bidder did not enter into contract. According to 3rd attempt of auction bid was received lowest from reserve price. The Chairman District Council Vehari did not place the matter before House for examine the reasonability of bid. The acceptance or rejection of bid after recording was not obtained from House. The advertisement tax was auction without approval of House.

Audit is a view that due to weak internal control, advertisement tax was auctioned without approval of House.

Auction of advertisement tax for Rs 2.010 million without placing the matter before House and without approval of House resulted in violation of government rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No.3]

17.2.3 Internal Control Weaknesses

17.2.3.1 Non transfer of public area in the name of concerned TMAs/DCs – Rs 271.601 million

According to rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority / local government.

District Officer (Planning) sanctioned / processed various housing colonies without ensuring the transfer of area of public buildings, open spaces, parks, roads and graveyards valuing Rs 271.601 million in the name of TMA/ZC of Vehari. Neither the land was transferred in the name of defunct TMAs / DC by the developer nor the possession of public area was taken by the authority concerned besides recording in property register. The detail is given in **Annexure-AF/VR**

Due to weak internal control, land sub-division were sanctioned without transfer of land.

Non transfer of land valuing Rs271.601 million in the name of District Council resulted in violation of government rules.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization/ transfer of land in the name of District Council Vehari besides fixing of responsibility upon the person(s) at fault.

[AIR Para No.25]

17.2.3.2 Non verification of tender fee and earnest money – Rs 17.624 million

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

District Officer (Infrastructure) District Council Vehari did not ensure proper deposit of tender fee worth Rs. 2.882 million and earnest of Rs 14.742 million which needs recovery from the concerned or otherwise complete deposit proof of the tender fee and earnest money be got verified from audit. Whether the CDRs were cleared and properly credited in govt. treasury / bank account of securities or not. No transparent record of security deposits work wise/ contractor wise was maintained only bank wise CDRs were recorded. Out of which it cannot be ascertained that which CDR was received against which work from which contractor. Such ambiguous record was prepared which cannot be verified. No relevant complete record was produced to audit for verification that the amounts of tender fee and earnest money were properly realized.

Due to weak financial control and non-observance of rules and regulations tender fee and earnest money CDRs were not properly credited in bank for realization of amounts.

Non recovery of tender fee or non-realization/clearance of CDRs resulted in Loss to Govt.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of the tender fee and earnest monies besides action against responsible under intimation to Audit.

[AIR Para No.19]

17.2.3.3 Unauthorized execution of development work without obtaining revised administrative approval - Rs 3.635 million

According to rule 5 (15)(16) Punjab Local Government (Works) Rules, 2017 during the execution of work, the cost of work shall not be allowed to exceed 10% of the approved cost on account to of change in design, scope or rates. If the cost of work exceeds the limited mentioned in sub-rules 15, new

detailed cost estimates or PC-I of the scheme shall be formulated and revised administrative approval shall be obtained.

Chief Officer, District Council Vehari revised the original scheme without obtaining administrative from House costing Rs 3.635 million. The House was competent to accord revised administrative approval but Chief Officer got the approval from Chairman District Council on note sheet. The revision of scheme without obtaining revised administrative approval of House resulted in irregular execution. The detail is as under.

Scheme No.	Name of work	Amount	Date of tender	Date of work award		Revised cost
403	Improvement of Metalled Road Jallah Jeem (Phase-I)	3.000	29.3.2018	338	18.5.2018	3.635

Audit is a view that due to weak internal control, development schemes were executed without obtaining revised administrative approval from House.

Execution of schemes costing Rs 3.635 million without obtaining revised administrative approval from House resulted in irregular execution.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization besides fixing of responsibility upon the person at fault.

[AIR Para No.29]

17.2.3.4 Irregular expenditure without stock entries – Rs 1.731 million

According to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them

in his appropriate stock registers. When materials are issued, a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Chief Officer, District Council Vehari incurred expenditure amounting to Rs1.731 million on account of purchase of furniture, computers and machinery without stock entries. Further, record of payment of income tax and GST was not available on the record. The incurring of expenditure without stock entries resulted in doubtful expenditure. **Annexure-AG/VR**

Due to weak internal controls, stock entries were not maintained.

Irregular expenditure without stock entries amounting to Rs 1.731 million resulted in doubtful expenditure.

The matter was reported to the Chief Officer and Chairman in January, 2019. DDO did not submit the reply. However, DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends Inquiry in the matter, besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.9]

ANNEXURE

Annexure-A**Memorandum for Departmental Accounts Committee Paras
Pertaining to Current Audit Year 2018-19****Bahawalpur Region****(Rupees in million)**

Sr. No.	DDOs	Para No.	Subject	Amount
1	Chief Officer, DC, Bahawalnagar	2	Non collection of fee and taxes due late sanctioning of schedule of fee and taxes	2.877
2		3	Unauthorized payment of Pension Contribution of employees of other departments	11.695
3		4	Non conducting of annual stock taking	0
4		10	Non-maintenance of DDO wise annual accounts and books of accounts	529.327
5		16	Less deposit of pension contribution	6.235
6		18	Doubtful expenditure on scheme	2.32
7		21	Non-recovery of building plan fee	0.709
8		23	Loss to government due to non-collection of shop sign board fee	0.236
9		24	Doubtful expenditure on scheme	6.193
10		28	Doubtful expenditure on repair of vehicles / tractors etc.	0.448
11		29	Doubtful expenditure without demand on purchase of different items	1.921
12		33	Doubtful purchase and consumption of strychnine powder loss to Govt	0.098
13		34	Irregular expenditure on cabin offices and renovating of rooms	1.172
14		37	Overpayment due to non-reduction of composite rates of concrete	0.089
15		38	Loss due to excessive expenditure on holiday allowance	0.607
16		39	Excess payment of earth work by taking lump sum without minimum slope	3.637
17		41	Doubtful expenditure on scheme	0.946
18		42	Shortage of vehicles of Rs 10.000 million (App.)	10
19		43	Excess / overpayment due to non observing the OGRA Rates	0.075
20		44	Loss due to purchase at higher rates	0.119

Sr. No.	DDOs	Para No.	Subject	Amount
21		46	Doubtful expenditure due to dateless of bill of same serial No.	0.291
22		49	Loss to Govt. due to Non deduction of Conveyance Allowance	0.321
23		50	Non Curtailment of budget upto 15%	1.129
24		56	Unauthorized executions and payment of items in excess of TS estimate	0.118
25		58	Non-recovery from contractor due to use of substandard Bricks	3.892
26		60	Irregular Execution of work due to Non Preparation of PC-I	302.748
27		61	Excess payment due to use of undersize bricks	2.655
28		64	Loss due to payment of excess quantities of Mild Steel Fabrication	0.661
29		65	Loss due to non recovery of fees from illegal private housing schemes	0
30		66	Excess payment due to use of undersize bricks	0.115
31		68	Loss due to less receiving of fee land sub division	0.216
32		74	Doubtful expenditure due to complaint of under mentioned schemes	0.4
33		75	Irregular promotions in District Council Bahawalnagar of	0
34		76	Loss to government due to non recovery from illegal occupants and legal residents of designated residencies	2.538
35		77	Loss to Govt. due to unjustified payment of irrelevant allowances	0.081
36	Chief Officer, DC, Bahawalpur	3	Irregular expenditure without maintenance of cash book and understatement of budget and expenditure	203.273
37		9	Non-Preparations/non provision of reconciled expenditure Statements and Receipt Statements	0
38		10	Loss to DC funds due to realization of Map Fee of less Area	0.715
39		12	Non submission of monthly progress report by DO (I&S) regarding development Schemes	0
40		13	Doubtful consumption of POL of Sucker machine	1.532
41		16	Doubtful expenditure on account of POL and recovery thereof	0.065

Sr. No.	DDOs	Para No.	Subject	Amount
42		19	Irregular advertisements due to no advertisements in English newspapers	0
43		22	Irregular expenditure of sports activities without observing PPRA Rules	0.667
44		23	Doubtful drawl of funds on bogus documents	0.03
45		25	Non verification of stores and property by the Local Government	0
46		27	Non deposit of CDRs of additional performance security	1.885
47		28	Irregular execution of works due to agreement after/before completion of works	13.9
48		29	Doubtful expenditure on account of development	1
49		30	Irregular expenditure on development works on the basis of void agreements	4.4
50		31	Doubtful execution of development works	1
51		36	Irregular execution of works without obtaining NOC from District Government	118.332
52		37	Doubtful expenditure on account of earth filling	21.408
53		38	Non-Recovery of Professional Tax	1.55
54		40	Irregular expenditure on account of Repair of various items including Vehicles	1.533
55		41	Irregular use of savings from Development works	13.024
56		42	Loss due to unjustified revision of TSEs	0.147
57		45	Likely misappropriation due to improper maintenance of stock registers and non-maintenance of sub-stock registers	0
58		Chief Officer, DC, Rahim Yar Khan	1	Loss due to non deductions / utilization of dismantled material in sub base
59	2		Loss due to allowing purchase of T.S.T material from far quarry.	0.257
60	5		Loss due to non-recovery of professional tax	0.61
61	6		Loss due to payment of unnecessary development expenditure	0.04
62	9		Loss due to encroachment of commercial land	16.35
63	10		Loss due to non opening of "Corporate Premium Account" or "Profit Bearing Account"	0.083
64	12		Loss due to misappropriation of tender fee	0.583
65	13		Loss due to Non Deposit of Sale Proceed of Used Mobil.	0.02

Sr. No.	DDOs	Para No.	Subject	Amount
66		15	Loss due to misappropriation under the head of "fair & exhibition"	0.897
67		19	Loss due to doubtful consumption of POL	0.931
68		24	Non maintenance of record of assets.	0

Dera Ghazi Khan Region

(Rupees in million)

Name of formations	Sr. No.	Para No.	Subject	Amount
District Council Dera Ghazi Khan	1	5	Loss to government due non achievement of receipt target	36.282
	2	9	Loss to government due to non recovery of overpayment	0.285
	3	11	Unauthorized retention of public money into account of DDO	48.910
	4	12	Unjustified expenditure on repair of vehicles	3.473
	5	13	Loss on account of conveyance allowance	0.276
	6	14	Unjustified expenditure on POL	0.773
	7	15	Overpayment due to payment of higher rates of pol than notified by OGRA	0.054
	8	16	Overpayment due to unjustified applying of MRS rate	0.633
	9	17	Un-scrutinized expenditure due to non-production of log book	0.169
	10	18	Un-justified expenditure on chief minister Punjab visit	1.082
	11	20	Un-justified payment of Punjab sales tax	0.191
	12	21	Unjustified expenditure on repair of water supply schemes	2.865
	13	22	Overpayment due to allowance of unjustified compaction	0.781
	14	23	Loss due to non-recovery of income	9.521
	15	26	Recovery due to unjustified payment of contractor profit and overhead charges	0.345
	16	28	Overpayment due allowing of unjustified carriage charges	0.024
	17	30	Loss to government due to non relaying of dismantled material as sub base coursers	0.149
	18	32	No recovery of advance payment/secured advance	0.649
	19	34	Overpayment due to allowing of unjustified work	0.101

Name of formations	Sr. No.	Para No.	Subject	Amount
	20	35	Overpayment due to allowing of higher rate of tuff tile	0.061
	21	38	Overpayment due to allowing of unauthorized tuff tile	0.140
	22	39	Overpayment due to application of irrelevant MRs item	0.078
	23	41	Unauthorized payments to contractors out of zila council fund without pre-audit	58.357
	24	42	Unauthentic payments of jeep-able track work	0.378
	25	43	Irregular expenditure on plantation and overpayment to contractor	0.049
	26	44	Overpayment due to utilization of local billet tuff tile pavers	0.351
	27	45	Non-production record of G.I pipe resident allotment register	-
	28	46	Overpayment due to allowing of unjustified rate of borrow pit excavation	0.228
	29	47	Un-justified payment due to unjustified execution of work	0.196
	30	48	Payment of non scheduled items without approval from competent authority	3.597
District Council Layyah	31	1	Irregular and unjustified allocation of development budget	293.180
	32	2	Irregular allocation resulting blockage and non-utilized development budget	290.234
	33	4	Doubtful and unauthentic expenditure	3.229
	34	5	Unauthentic payments against Taxes	1.561
	35	9	Irregular expenditure on procurement of tractor	0.085
	36	10	Misclassification of Expenditure	1.693
	37	12	Irregular incurrence of expenditure against Jeep rally	1.134
	38	15	Understated Budget Book against Revenue/receipts side due to non accountal of profit on bank accounts	4.660
	39	16	Unauthorized opening of bank account and retention of public money	74.748
	40	18	Unauthorized Payments in cash	0.689
	41	19	Collection of Taxes and revenue without Reconciliation	179.988
	42	21	Un-Authorized Clearance of Outstanding Liabilities	0.358
	43	23	Doubtful expenditure on account of furniture and fixture	0.481
	44	24	Loss due to unjustified advertisement and publicity	0.835
	45	26	Irregular expenditure on repair of vehicles	0.317
	46	27	Unjustified and doubtful consumption of POL of	0.268

Name of formations	Sr. No.	Para No.	Subject	Amount
			tractor	
	47	28	Overpayment due to payment of higher rates of POL than notified by OGRA	0.043
	48	29	Misappropriation owing to fake entries in the logbook	0.088
	49	30	Unjustified and Doubtful expenditure against electricity charges and resulted loss	0.313
	50	31	Unjustified and Doubtful expenditure against electricity charges	0.827
	51	32	Unjustified and Doubtful expenditure consumption	0.786
	52	33	Unjustified and doubtful consumption of POL	0.229
	53	34	Overpayment against pay due to unauthorized up gradation	0.042
	54	35	Overpayment against pay due to unauthorized up gradation	0.245
	55	36	Unjustified and doubtful consumption of POL	0.256
	56	37	Unjustified and unauthorized withdrawal of incentive	0.147
	57	4	Loss to Govt. due to misappropriation of Revenue	5.753
	58	6	Reduction of revenue in the revised budget estimates and loss in actual receipts	14.305
	59	9	Unauthentic Budgeting due to difference of Opening Balances	38.120
	60	10	Unauthorized block allocation in the Final Account	921.90
	61	12	Unauthentic Procurements of Machinery, Equipment's and Furniture without Specifications	6.740
	62	14	Overpayment on account of Earth	0.315
	63	19	Overpayment on account of Carriage	0.502
	64	20	Wasteful expenditure on account of brick work in foundation and plinth	1.038
	65	21	Doubtful Payment of hidden items by making overall measurement	0.360
	66	23	Unjustified payment of heavy steel in foundation	0.809
	67	27	Unauthorized incurrence of development expenditure on quotations	0.585
	68	28	Defective Tendering of Works	905.16
	69	29	Unjustified expenditure without Monitoring of Development Schemes	790.438
	70	30	Unauthorized of advance payments to DGPR Rs350,000	0.350
	71	33	Unapproved Revised Budget for the Year 2017-18,	340.780
	72	34	Unauthorized re appropriation of Funds	15.206
	73	36	Unjustified Hiring of Tent, Chairs etc	2.712
District Council Muzaffargarh				

Name of formations	Sr. No.	Para No.	Subject	Amount
	74	37	Unauthorized retention of Govt. tax and lump sump Payments without any reconciliation	5.404
	75	40	Unjustified expenditure on repair of vehicles / M&E	2.599
	76	43	Doubtful Consumption of POL by showing fake visits in log books	2.886
	77	46	Unauthentic payments of Civil Pension	64.226
	78	48	Loss on Account of House Rent	0.726
	79	49	Overpayment on account of audit Allowance	0.071
	80	50	Unjustified release of security deposits million	10.927
	81	51	Collection Immoveable Property Tax without Reconciliation	238.227
	82	53	Non maintenance of important record	-
	83	54	Non Conducting Of Physical Verification	-
	84	55	Non Conducting Of Stock Taking	-
District Council Rajanpur	85	2	Overpayment due to wrong calculation and by Increasing Rate	0.074
	86	7	Unauthorized increase in Length and specification without prior approval to adjust the savings	1.597
	87	9	Unjustified provision of lead on earth work	0.149
	88	10	Unjustified payment of pacca brick work in f&p	0.196
	89	12	Overpayment of rates than TS and agreement	0.218
	90	13	Overpayment due to Execution of quantity in excess of TS	0.062
	91	14	Unjustified Payment of Earthwork	2.525
	92	15	Recovery due non relaying of old material as sub base	0.382
	93	17	Un-justified payment of Sub Base and Base Course Material without Quality Testing Report	14.182
	94	18	Loss to Government due to unjustified provision of excess carriage/lead of crushed stone for triple surface treatment	0.056
	95	20	Recovery due to less/non deduction of valuing of old material from contractor bill	0.433
	96	21	Overpayment due to allowance of unjustified rate of ramming of earthwork	0.910
	97	23	Overpayment Due to non Deduction of shrinkage in Earth Work	1.520
	98	24	Un-justified payment due to undo benefits to contractor against Sub Base and Base Course Lose Material	1.095
	99	25	Unjustified payment On Account of Compaction	0.116
	100	27	Overpayment on account of earthwork	0.223

Name of formations	Sr. No.	Para No.	Subject	Amount
	101	29	Recovery of Unauthorized Payment of Conveyance Allowances to the employees residing within work premises	0.120
	102	30	Non collection of Funds as Successor of LG'S for the payment of Pension, Security clearance of Liabilities and continuity of Development Schemes	23.322
	103	31	Un-justified expenditure and loss of - Due to overpayment	0.595
	104	32	Recovery on account of HRA and Maintainers Charges	0.412
	105	33	Non Proof of Consumption of POL for WSS	0.075
	106	34	Un-justified expenditure on POL without verification of entries from hours/km meters	0.553
	107	37	Unauthorized expenditure on store Items without tender advertisement	1.814
	108	38	Un authorized payment of Salary of close day	1.565
	109	40	Loss due to non-auction of shops after the expiry period.	3.783
	110	41	Non Realization and Recovery arrears of Water Rate Charges against WSS CO Unit Dajal and less recovery of audit period	0.728
	111	44	Less valuation of property resulting less receiving of commercialization Fee	0.341
	112	45	Less realization of commercialization Fee	0.880
	113	46	Loss to Govt. due to Less realization and deposit of Conversion fee of Shops by showing less value of land	0.373
	114	47	Less Realization arrears and Non Recovery of Rent of Shops Chances of Misappropriation and less recovery of 2017-18	1.286
	115	48	Non Production and Non Reconciliation of On Account Of Property Tax	12.562
	116	51	Non Realization of Income Expected Loss	19.664

Faisalabad Region

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
District Council, Chiniot				
1	Chief Officer, DC, Chiniot	6	Loss to District Council due to non re-auction of shops	0.752
2		7	Non recovery of revenue on account of lease of land and ferries	0.076
3		8	Non receipt of share of signboard fee for the year 2016-17	0.400
4		9	Non-recovery of revenue on account of rent of shops	0.53
5		10	Non-recovery of NOC fee from petrol pump	0.030
6		11	Non-lease out of retrieved land resulting loss to District Council	0.050
7		12	Suspicious disbursement of honorarium to members of District Council	0.424
8		13	Suspicious/doubtful expenditure on the repair of transport	0.234
9		14	Non examining and recommendation of permission by District Planning and Design Committee inspite of deposit of fees	-
10		15	Undue delay in the approval of permitted uses of land	0.071
11		16	Non-maintenance of various registers	-
District Council, Faisalabad				
12	Chief Officer, DC, Faisalabad	20	Non-credit of profit to District Council Fund	0.460
13		21	Non-forfeiture of bid security due to non-commencement of works	0.378
14		23	Loss of revenue due to non-auction of land	0.211
15		25	Excess payment due to recording of excess thickness of bricks	0.179
16		26	Excess payment by applying higher than actual rate	0.153
17		27	Less payment of Stamp Duty by the suppliers	0.140
18		28	Non-recovery of unadjusted advance payment	0.123
19		29	Excess payment of contractor's profit and overhead charges	0.082
20		30	Unauthorized payment of Conveyance Allowance	0.050
21		31	Overpayment of labour charges	0.024
22		32	Non-deduction of Advance Income Tax	0.024
23		33	Non-maintenance of assets record	-

Sr. No.	DDOs	Para No.	Subject	Amount
24		34	Improper maintenance of public account of District Council, Faisalabad	-
25		35	Non-reconciliation of actual amounts of revenue and expenditure	-
26		36	Non-handing / taking over of record of trees	-
District Council, Jhang				
27	Chief Officer, DC, Jhang	28	Unauthorized payment of Conveyance Allowance	0.781
28		30	Excess payment due to recording of excess thickness of bricks	0.516
29		32	Loss to local Government due to procurement at excessive rates	0.340
30		33	Irregular expenditure against POL of vehicle	0.326
31		34	Irregular promotion of staff	0.319
32		35	Unknown whereabouts of motorcycles	0.295
33		36	Non-credit of profit to District Council Fund	0.280
34		39	Less payment of Stamp Duty by the suppliers	0.145
35		40	Unauthorized expenditure	0.011
36		41	Non-maintenance of assets record	-
37		42	Improper maintenance of public account of District Council, Jhang	-
38		43	Unauthorized use of electricity by other office from connection of District Council	-
District Council, Toba Tek Singh				
39	Chief Officer, DC, Toba Tek Singh	9	Non-recovery of share of District Council from TMA	1.623
40		10	Non-recovery of House Rent Allowance and utility bill charges	0.569
41		12	Non-recovery of advance Income Tax	0.223
42		18	Non-forfeiture of advance deposited by the contractor	0.119
43		20	Less/Non-deduction of cost of old material	0.386
44		21	Non-maintenance of record of moveable / immovable property / assets register on prescribed format	-
45		22	Non-obtaining of Additional Performance Security	0.631
46		27	Infructuous expenditure on computerization of library books	0.300
47		28	Infructuous expenditure	0.148
48		30	Non-recovery of road roller charges from the contractors	0.269
49		31	Excess payment to the contractor due to charging	0.029

Sr. No.	DDOs	Para No.	Subject	Amount
			of excess rate	
50		32	Overpayment to contractors	0.029
51		33	Unauthorized collection of District Council share of TTIP	0.025
52		34	Non/less application of stamp papers/duty from contractors	0.007

Multan Region

(Rupees in million)

Khanewal			
Sr No.	Para No.	Subject	Amount
1	2	Non recovery of different fees from illegal private housing schemes	6.765
2	6	Unauthorized retention of files of commercial buildings involved commercialization fee	-
3	10	Misappropriation of confiscated items	2
4	11	Improper pursuance of court cases in the court of law	-
5	14	Non-reconciliation of mutation fee and registry fee with revenue department and leakage during 01/17 to 06/2017	288.817
6	15	Short collection of tax on immoveable properties	1.134
7	16	Non reconciliation of accounts of receipts and expenditure	708.699
8	21	Non-execution of mortgage deed on account of grant of house building advance to the employees of Zila Council	2
9	24	Non production of record of contingent bills	0.895
10	25	Irregular payment of earth work	-
11	26	Irregular payment of tuff tiles and brick works	-
12	27	Misclassification of expenditure	-
13	28	Incurring of expenditure under self-control	-
14	29	Non-obtaining of additional performance securities	-
15	30	Non-deduction of Punjab Sales Tax and Income Tax	-

(Rupees in million)

Lodhran				
Sr. No.	Name of Formation	Para No.	Subject of Para	Amount
1	District Council Lodhran	22	Loss to Government due to non-auction and misappropriation of Advertisement Fee	0.637
2		24	Non-collection of revenue and arrears share from municipal committees by availing the succession rights of revenue	0.626
3		26	Irregular procurement of Rikshaws	0.294
4		27	Recovery of Below Specification Sub-Base against the Standard Specification	0.180
5		28	Unauthorized expenditure on repair of vehicle	0.168
6		29	Non-utilization of notice book bearing registered serial numbers of each notice in triplicate by building inspectors	-
7		30	Non reconciliation of receipts and expenditures and non-maintenance of separate books of accounts	-

(Rupees in million)

Multan				
Sr No.	Name of Formation	Para No.	Subject of Para	Amount
1	District Council Multan	10	Unjustified expenditure on salary and non slary expenditure of CO units and loss to District council.	237.568
2		24	Blockage of fund due to non execution/abnormal delay in development project	116.929
3		25	Non enforcement of the contract and non forfeited of securities of contractor for non completion of works.	17.189
4		23	Non Credit of Unclaimed Security into District Council fund.	8.499
5		26	Non payment of liabilities	8.459
6		11	Irregular execution of works due to non obtaining of additional performance security.	3.679
7		30	Non deduction of earth work and old material cost and recovery thereof.	0.785

8		18	Loss due to non auction of unserviceable machinery.	0.650
9		14	Irregular payment of T.A to district council member .	0.429
10		29	Non Deduction of Professional tax	0.235
11		13	Loss to Distrcit Council fund due to non recovery of rent of house / panel rent.	0.227
12		12	Drawl of SSB allowance after regularization resulting overpayment of Rs. .	0.099
13		6	Less assessment and collection of conversion Fee recovery thereof .	0.115

(Rupees in million)

Pakpattan			
Sr No.	Para No.	Subject of Para	Amount
1	2	Blockage of Funds and Non-recovery of Water Rates Charges	0.347
2	6	Un-authorized Repair of Machinery and Equipment	0.160
3	10	Loss to Government due to Non-auctioning of Sullage water	0.400
4	12	Non-obtaining of original Sales Tax invoices & Non-Collection of Proof of Deposit of Sales Tax	1.252
5	14	Doubtful consumption of POL in Generator	0.482
6	15	Doubtful Expenditure on Repair of generator	0.238
7	16	Loss to government due to self-collection of Advertisement Tax	0.294
8	18	Defective detailed estimates of scheme providing and laying of tuff tile Ward No. 11 Qaboola and recovery	0.500
9	19	Overpayment due to Non-deduction of Shrinkage in the Earth Work for Bank Measurements	0.451
10	20	Loss to Government due to Non-Recovery of Tender Fee	0
11	21	Collection of tax on transfer of immovable property without any backup record / reconciliations	173.433
12	22	Excess payment due to recording of excess thickness of bricks	0.255
13	26	Loss to Government due to Non-Recovery of Professional Tax	0.188

(Rupees in million)

Sahiwal				
Sr. No.	Name of Formation	Para No.	Subject of Para	Amount
1	District Council,	5	Excess payment to contractor by charging excess lead for carriage of crush for Base, DST and TST	0.103

2	Sahiwal	15	Non-finalization of the Inquiry for large Scale tampering in the tree registers of Tree Branch and suspected theft of trees	0
3		16	Irregular Drawl of Funds without Making entry in Measurement Book	0.534
4		17	Bogus consumption of POL in sucker and sewer jetting machines	0.174
5		18	Execution of works without agreement	9.7
6		22	Unjustified retention of securities outside the treasury	0.2
7		24	Unauthorized sub-letting of tehbazari Shops	0
8		25	Non-Recovery of Income Tax on Auction of Canteen	0.126

(Rupees in million)

Vehari		
Para No.	Subject	Rs in million
4	Unauthorized purchase of computers and loss to government	0.68
6	Non reconciliation of receipts and expenditures	0
10	Irregular withdrawal of funds without budget allocation	0.025
11	Irregular withdrawal of house rent allowance and non deduction of maintenance charge	0.041
12	Non-reconciliation of mutation & registration fee with revenue department	177.849
13	Irregular repair of vehicle by splitting	0.153
15	Loss to government due to non-deduction of taxes	1.218
17	Non-Recovery of Rent of Shops	0.055
23	Loss to government due to less charging of design & specification fee	0.425
24	Loss to government due to sanction of MAPs without registration of Architects	0.36
30	Execution of works without agreement	35.4
31	Irregular delay in acceptance of tenders	19.6
34	Unauthorized occupant of residences and recovery of house rent	0.376
35	Irregular withdrawal of excess increment and recovery thereof	0.092

Annexure-B

Summary of final accounts for the Financial Years 2016-18

(Rupees in million)

District Council, Bahawalnagar				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	191.743	112.438	-79.305	-41.36%
Non-Salary	491.040	143.223	-347.817	-70.83%
Development	450.000	273.665	-176.335	-39.19%
Total Expenditure	1132.783	529.326	-603.457	-53.27%
Receipts	1118.293	786.501	-331.792	-29.67%
Total Outlay		1315.827		
District Council, Bahawalpur				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	278.392	95.100	-183.292	-65.84%
Non-Salary	196.495	116.894	-79.601	-40.51%
Development	614.090	449.276	-164.814	-26.84%
Total Expenditure	1088.977	661.270	-427.707	-39.28%
Receipts	284.840	317.598	32.758	11.50%
Total Outlay		978.868		
District Council, Rahim Yar Khan				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	161.852	144.823	-17.029	-10.52%
Non-Salary	209.270	28.818	-180.452	-86.23%
Development	1134.321	461.302	-673.019	-59.33%
Total Expenditure	1505.443	634.943	-870.500	-57.82%
Receipts	489.965	451.205	-38.76	-7.91%
Total Outlay		1,086.15		

(Rupees in million)

District Council D.G.Khan				
2016-17	Budget	Actual	Excess / Savings	%
Salary	42.73	34.895	7.835	18
Non-Salary	93.745	35.953	57.792	62
Development	78.921	7.141	71.78	91
Total	215.396	77.989	137.407	64
Receipts	243.339	314.597	-71.258	-29
2017-18	Budget	Actual	Excess / Savings	%
Salary	132.95	131.194	1.756	1
Non-Salary	305.57	260.007	45.563	15
Development	397.457	310.502	86.955	22
Total	835.977	701.703	134.274	16
Receipts	604.905	513.907	90.998	15
District Council Layyah				
2016-17	Budget	Actual	Excess / Savings	%
Salary	28.999	8.962	20.037	69
Non-Salary	40.291	29.168	11.123	28
Development	0	0	0	0
Total	69.29	38.13	31.16	45
Receipts	176.699	186.76	-10.061	-6
2017-18	Budget	Actual	Excess / Savings	%
Salary	56.143	43.567	12.576	22
Non-Salary	89.911	27.199	62.712	70
Development	293.182	2.948	290.234	99
Total	439.236	73.714	365.522	83
Receipts	330.77	282.275	48.495	15
District Council Muzaffargarh				
2016-17	Budget	Actual	Excess / Savings	%
Salary	18.844	17.672	1.172	6
Non-Salary	28.192	23.491	4.701	17
Development	165	6.11	158.89	96
Total	212.036	47.273	164.763	78
Receipts	403.482	493.067	-89.585	-22
2017-18	Budget	Actual	Excess / Savings	%
Salary	104.211	103.778	0.433	0
Non-Salary	67.612	67.046	0.566	1
Development	784.3	784.3	0	0
Total	956.123	955.124	0.999	0
Receipts	999.23	1179.848	-180.62	-18
District Council Rajanpur				
2016-17	Budget	Actual	Excess / Savings	%
Salary	19.734	19.411	0.323	2

Non-Salary	30.26	7.893	22.367	74
Development	122.5	0	122.5	100
Total	172.494	27.304	145.19	84
Receipts	193.255	295.466	-102.21	-53
2017-18	Budget	Actual	Excess / Savings	%
Salary	171.629	64.151	107.478	63
Non-Salary	130.54	64.259	66.281	51
Development	458.787	308.599	150.188	33
Total	760.956	437.009	323.947	43
Receipts	929.32	474.086	455.234	49

(Rupees in million)

District Council, Chiniot				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	130.12	85.252	(44.868)	-34.48%
Non-Salary	88.903	15.278	(73.625)	-82.81%
Development	204.803	139.222	(65.581)	-32.02%
Total Expenditure	423.826	239.752	(184.074)	-43.43%
Receipts	121.967	136.42	14.453	11.85%
Total Outlay	545.793	376.172	(169.621)	-31.08%
District Council, Faisalabad				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	428.285	352.117	(76.168)	-17.78%
Non-Salary	285.261	147.835	(137.426)	-48.18%
Development	830.200	747.094	(83.106)	-10.01%
Total Expenditure	1,543.746	1,247.046	(296.700)	-19.22%
Receipts	798.279	1430.882	632.603	79.25%
Total Outlay	2,342.025	2,677.928	335.903	14.34%
District Council, Jhang				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	312.822	231.488	(81.334)	-26.00%
Non-Salary	132.362	59.703	(72.659)	-54.89%
Development	343.024	286.093	(56.931)	-16.60%
Total Expenditure	788.208	577.284	(210.924)	-26.76%
Receipts	515.151	442.342	(72.809)	-14.13%
Total Outlay	1,303.359	1,019.626	(283.733)	-21.77%
District Council, Toba Tek Singh				
2016-18	Budget	Actual	Excess / (Saving)	% (Saving)
Salary	107.866	92.946	(14.920)	-13.83%
Non-Salary	90.673	36.767	(53.906)	-59.45%
Development	620.337	588.482	(31.855)	-5.14%

Total Expenditure	818.876	718.195	(100.681)	-12.30%
Receipts	351.763	328.780	(22.983)	-6.53%
Total Outlay	1,170.639	1,046.975	(123.664)	-10.56%

District Council Khanewal				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	214.863	157.809	(57.054)	-27%
Non-salary	91.100	39.573	(51.527)	-57%
Development	599.394	423.986	(175.408)	-29%
Sub Total	905.357	621.368	(283.989)	-31%
Receipts	5.500	3.516	(1.984)	-36%
District Council Lodhran				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	104.389	98.504	(5.885)	-6%
Non-salary	114.589	172.495	57.906	51%
Development	524.069	363.421	(160.648)	-31%
Sub Total	743.047	634.420	(108.627)	-15%
Receipts	677.531	741.763	64.232	9%
District Council Multan				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	286.901	196.270	(90.631)	-32%
Non-salary	192.588	114.814	(77.774)	-40%
Development	1,132.618	704.252	(428.366)	-38%
Sub Total	1,612.107	1,015.336	(596.771)	-37%
Receipts	1,720.212	1,705.317	(14.895)	-1%
District Council Pakpattan				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	121.601	50.573	(71.028)	-58%
Non-salary	286.751	58.076	(228.675)	-80%
Development	649.100	348.456	(300.644)	-46%
Sub Total	1,057.452	457.105	(600.347)	-57%
Receipts	1,084.307	903.589	(180.718)	-17%
District Council Sahiwal				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	138.279	89.861	(48.418)	-35%
Non-salary	388.018	96.006	(292.012)	-75%

Development	1,133.000	613.012	(519.988)	-46%
Sub Total	1,659.297	798.879	(860.418)	-52%
Receipts	1,458.987	1,278.116	(180.871)	
District Council Vehari				
2016-18	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	168.945	107.993	(60.952)	-36%
Non-salary	167.620	66.907	(100.713)	-60%
Development	1,046.711	434.454	(612.257)	-58%
Sub Total	1,383.276	609.354	(773.922)	-56%
Receipts	1,089.881	941.493	(148.388)	-14%

Annexure-C/BWN

[Para 1.2.2.9]

Irregular expenditure on holding of sessions – Rs 2.336 million

(Amount in rupees)

Bill No	Date	Supplier	Gross Amount	Item	Quantity	Rate	PST
3821	25.02.17	Anjum Traders	98,050	Catering	16%		15,688
3840	08.05.17	Anjum Traders	99,500	Catering			15,920
3840	08.05.17	Anjum Traders	92,750	Catering			14,840
3820	25.02.17	Anjum Traders	92,750	Catering			14,840
3842	08.05.17	Anjum Traders	96,000	Catering			15,360
3841	08.05.17	Anjum Traders	99,900	Catering			15,984
10	03.07.17	Al Sana Traders	95,355		100	815	15,257
11	03.07.17	Al Sana Traders	95,000		100	815	15,200
311	25.11.2017	Waheed & Sons	81,900	Bill for Dinner etc	200	350	13,104
313	10.1.2018	Waheed & Sons	81,900	Dinner for Ijlas	200	350	13,104
312	25-11-2017	Waheed & Sons	81,900	Dinner for Ijlas	200	350	13,104
314	18-11-2017	Waheed & Sons	81,900	Dinner for Ijlas	200	350	13,104
305	18-11-2017	Waheed & Sons	40,000	Rent of Genertor	One day	25000	6,400
333	1/12/2017	Waheed & Sons	99,450	Dinner for Ijlas	170	500	15,912
242	20-12-2017	Waheed & Sons	99,450	Dinner for Ijlas	170	500	15,912
332	9.1.2018	Waheed & Sons	99,450	Refreshment	170	500	15,912
604	19.1.2018	M/S CH Builders	99,450	Refreshment	170	500	15,912
310	25.11.2017	Waheed & Sons	75,000	Katering with Wearing	1	75000	12,000
317	nil	Waheed & Sons	75,000	Wearing Service	1	75000	12,000
243	20-12-2017	Waheed & Sons	99,900	Rent of Catering, Tenting	2	13980	15,984
324	18.11.2017	Waheed & Sons	24,920	Bal Point	400	10	3,987
602	nil	M/S CH Builders	99,900	Rent Hall Catering, T	1	99900	15,984
611	19.1.2018	M/S CH Builders	94,114	Green Tea	3	13980	15,058
240	1/12/2017	Waheed & Sons	65,000	Generator Rent	1	65000	10,400
239	20-12-2017	Waheed & Sons	65,000	Generator Rent/Sound System/Green Tea	1	65000	10,400
nil	25.11.2017	Waheed & Sons	40,000	Bill for Payment of Rent of Generator Sound System for meeting 25.11.2017	1	25000	6,400
236	9.1.2018	Waheed & Sons	97,713	Sound System	1	65000	15,634
601	19.1.2018	M/S CH Builders	65,000	Rent Sound System	1	65000	10,400
			2,336,252				373,800

Annexure-D/BWN

[Para 1.2.2.10]

Non accountal into stock – Rs 2.042 million

(Amount in Rupees)

Cheque #	Date	Bill No	Date	Supplier	Gross Amount	Item
806190605	11.5.2017	598	Nil	Supplier	10,516	Energy saver 45W
806190605	11.5.2017	598	Nil	Supplier	-	Energy Saver 23W
806190605	11.5.2017	598	Nil	Supplier	-	Electric Bell
806190605	11.5.2017	598	Nil	Supplier	-	Head Switch
806190605	11.5.2017	598	Nil	Supplier	-	Copper Conductor
806190626	24.5.2017	696	Nil	Al Sana Traders	12,964	Phenyl Bottle
806190626	24.5.2017	696	Nil	Al Sana Traders	-	Al Kohl Big Bottle
806190626	24.5.2017	696	Nil	Al Sana Traders	-	Wiper
806190626	24.5.2017	696	Nil	Al Sana Traders	-	Wiper Simple
806190626	24.5.2017	696	Nil	Al Sana Traders	-	Surf
806190626	24.5.2017	696	Nil	Al Sana Traders	-	Brush Bath Room
806190633	30.5.2017	205	Nil	CH Builders	14,500	Purchase Lime Stone
806190633	30.5.2017	205	Nil	CH Builders	-	Brush Huge
806190633	30.5.2017	205	Nil	CH Builders	-	Balti
806706818	7.9.2017	247	Nil	Ch. Builders	30,491	Tar 7/52
806706818	7.9.2017	247	Nil	Ch. Builders	-	Tar 3/29 Double
806706818	7.9.2017	247	Nil	Ch. Builders	-	Tar 3/29 Single
806706818	7.9.2017	247	Nil	Ch. Builders	-	Circuit
806706818	7.9.2017	247	Nil	Ch. Builders	-	Door Bell
806706818	7.9.2017	247	Nil	Ch. Builders	-	Wood Board
806706818	7.9.2017	247	Nil	Ch. Builders	-	Energy saver 23 w
806706818	7.9.2017	247	Nil	Ch. Builders	-	Katter Fan
806706818	7.9.2017	247	Nil	Ch. Builders	-	Power Plug
806706818	7.9.2017	247	Nil	Ch. Builders	-	Show
806706818	7.9.2017	247	Nil	Ch. Builders	-	Telephone Tar
806706818	7.9.2017	247	Nil	Ch. Builders	-	Switch
		5011	nil	Kurhsheed Traders	14,625	
		5004	nil	Kurhsheed Traders	30,420	
		5002	nil	Kurhsheed Traders	49,842	
		5007	nil	Kurhsheed Traders	30,420	
807197997	15.01.2018	336		Al-Sana traders	88,000	Flex Board
807197907	22.12.2017	340	8.7.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	367	16.8.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	339	8.9.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	338	8.9.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	365	8.9.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	365	8.9.2017	Al Sana Traders	99,450	Flex banners
807197907	22.12.2017	334	8.9.2017	Al Sana Traders	90,675	Flex banners
807197907	22.12.2017	335	8.9.2017	Al Sana Traders	82,500	Flex board
807197907	22.12.2017	337	8.9.2017	Al Sana Traders	99,333	Flex 20x60
807197907	22.12.2017	341	8.9.2017	Al Sana Traders	30,000	Flex Laying
807197915	29.12.2017	342	7.10.2017	Al Sana Traders	99,450	Flex paper
807197915	29.12.2017	343	7.10.2017	Al Sana Traders	99,450	Flex paper
807197915	29.12.2017	368	7.10.2017	Al Sana Traders	99,450	Flex paper

Cheque #	Date	Bill No	Date	Supplier	Gross Amount	Item
807197915	29.12.2017	346	7.10.2017	Al Sana Traders	66,222	Flex paper
807197915	29.12.2017	348	7.10.2017	Al Sana Traders	77,000	Flex Laying
807197915	29.12.2017	347	7.10.2017	Al Sana Traders	33,820	Flex Laying
807197915	29.12.2017	347	7.10.2017	Al Sana Traders	-	dari
807197915	29.12.2017	345	7.10.2017	Al Sana Traders	40,950	Flex paper
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	49,959	Legal Rim
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Legal Rim A4
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Pencil dollar
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	File Cover
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Calulator
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Lead Pencil
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Ball Point
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Stapler Machine
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Flood
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	File Board
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Flipper
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Pin Machine
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Pin Debi
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Attendance Register
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Dispatch Register
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	High Lighter
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Pointer
806904817	16.10.2017	229	11.9.2017	Waheed & Sons	-	Damper
		659	18.02.17	M/S Salman Traders	71,428	
		202	Nil	Chaudhary Builders	27,027	
		948	25.03.17	Al-Sana Traders	99,801	
807807373	30.6.2018	252	28.6.2018	Asad Traders	47,075	Register
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	Lead Pencil
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	Ball Point
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	File Cover
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	File Board
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	File floper
807807373	30.6.2018	252	28.6.2018	Asad Traders	-	Legal Rim
807807374	30.6.2018	63	7.8.2017	Salman Traders	49,761	Register
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	Lead Pencil
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	Ball Point
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	File Cover
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	File Board
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	File flopper
807807374	30.6.2018	63	7.8.2017	Salman Traders	-	Legal Rim
Total					2,042,379	

Annexure-E/BWN

[Para 1.2.4.7]

Non-recovery of permit / license fee – Rs 5.124 million

(Amount in Rupees)

Sub office	Description	Demand	Recovery	Balance
Urban Union Council Daharan wala				
	01.01.2017 to 30.06.17			
	License fee (Dangerous and Offensive Trade) etc.	0	0	0
	01.07.2017 to 30.06.18			
	License fee (Dangerous and Offensive Trade) etc.	248,000	49,000	199,000
Urban Union Council Mandi Sadiq Gunj				
	01.01.2017 to 30.06.17			
	License fee (Dangerous and Offensive Trade) etc.	25,000	0	25,000
	01.07.2017 to 30.06.18			
	License fee (Dangerous and Offensive Trade) etc.	142,750	55,250	87,500
Urban Union Council Fair Wali				
	01.01.2017 to 30.06.17			
	License fee (Dangerous and Offensive Trade) etc.	20,000	275	19,725
	01.07.2017 to 30.06.18			
	License fee (Dangerous and Offensive Trade) etc.	529,000	67,300	461,700
		964,750	171,825	792,925

Sub office	Description	Demand	Recovery	Balance
Tehsil Minchinabad	01.01.2017 to 30.06.17	100,000	52,500	47,500
	01.07.2017 to 30.06.18	1,142,500	372,700	769,800
	Arrears from January 2017 to June 2018	47,500	185,000	0
Tehsil Chishtian	01.01.2017 to 30.06.17	100000	26000	74,000
	01.07.2017 to 30.06.18	1670000	308500	1,361,500
	Arrears from January 2017 to June 2018	74,000	139,000	0
Tehsil Bahawalnagar	01.01.2017 to 30.06.17	100000	57000	43,000
	01.07.2017 to 30.06.18	1589000	711500	877,500
	Arrears from January 2017 to June 2018	0	0	0
Tehsil Fortabbas	01.01.2017 to 30.06.17	100000	50000	50,000
	01.07.2017 to 30.06.18	867000	388000	479,000
	Arrears from January 2017 to June 2018	0	0	0
Tehsil Haroonabad	01.01.2017 to 30.06.17	100000	22500	77,500
	01.07.2017 to 30.06.18	901700	349700	552,000
	Sub Total	0	0	4,331,800
	Sub Total			792,925
	G. Total			5,124,725

Annexure-F/BWN

[Para 1.2.4.8]

Loss to government due to non-recovery of rent of shops / plots – Rs 5.122 million

(Amount in Rupees)

Sub Office	Description	Period	Demand	Recovery	Balance
Urban Union Council Mandi Sadiq Gunj					
	Rent of Shops	01.01.2017 to 30.06.17	862,699	328,824	533,875
	Rent of Shops Arrear	01.01.2017 to 30.06.17	131,096	63,533	67,563
	Rent of Plots	01.01.2017 to 30.06.17	205,107	148,925	56,182
	Rent of Plots Arrear	01.01.2017 to 30.06.17	413,847	34,898	378,949
	Rent of Residence Plots	01.01.2017 to 30.06.17	139,789	66,903	72,886
	Rent of Residence Plots Arrear	01.01.2017 to 30.06.17	255,916	76,299	179,617
	Sub Total		2,008,454	719,382	1,289,072
	Rent of Shops	01.07.2017 to 30.06.18	977,544	853,006	124,538
	Rent of Shops Arrear	01.07.2017 to 30.06.18	601,438	144,040	457,398
	Rent of Plots	01.07.2017 to 30.06.18	639,924	449,912	190,012
	Rent of Plots Arrear	01.07.2017 to 30.06.18	435,131	162,092	273,039
	Rent of Residence Plots	01.07.2017 to 30.06.18	460,772	48,175	412,597
	Rent of Residence Plots Arrear	01.07.2017 to 30.06.18	252,503	68,710	183,793
	Sub Total		3,367,312	1,725,935	1,641,377
Urban Union Council Fair Wali					
	Cabins	01.01.2017 to 30.06.17	1,375,000	480,066	894,934
	Cabins Arrear	01.01.2017 to 30.06.17	285,065	197,218	87,847
	Octori Buildings	01.01.2017 to 30.06.17	115,800	80,585	35,215
	Octori Buildings Arrear	01.01.2017 to 30.06.17	45,050	-	45,050
	Sub Total		1,820,915	757,869	1,063,046
	Cabins	01.07.2017 to 30.06.18	3,025,000	2,039,935	985,065
	Cabins Arrear	01.07.2017 to 30.06.18	969,637	865,118	104,519
	Octori Buildings	01.07.2017 to 30.06.18	254,775	235,049	19,726
	Octori Buildings Arrear	01.07.2017 to 30.06.18	80,265	60,585	19,680
	Sub Total		4,329,677	3,200,687	1,128,990
	G.Total				5,122,485

Annexure-G/BWN

[Para 1.2.4.11]

Doubtful expenditure on National days / events – Rs 3.218 million

(Amount in Rupees)

Event	Bill No	Date	Supplier	Gross Amount
Bill 14 August 17 ZC BWN	226	15.8.2017	Waheed & Sons	609,639
Bill Pana Flex 14 August Unit Mandi Sadiq Gunj	365	8.9.2017	Al Sana Traders	99,450
Bill Pana Flex 14 August Unit Dahranwala	365	8.9.2017	Al Sana Traders	99,450
Purchase Sweets 14 August Mandi Sadiq Gunj	232	nil	Waheed & Sons	93,249
Bill Photo State August to Sept 17 ZC BWN	148	31.8.2017	Rehman Traders	32,022
Bill Pana Flex Eid Ul Azha Unit Faqir Wali	340	8.7.2017	Al Sana Traders	99,450
Bill Pana Flex Eid Ul Azha Unit Dahranwala	367	16.8.2017	Al Sana Traders	99,450
Bill Pana Flex Eid Ul Azha Unit Dahranwala	339	8.9.2017	Al Sana Traders	99,450
Bill Pana Flex Eid Ul Azha Unit Mandi Sadiq Gunj	338	8.9.2017	Al Sana Traders	99,450
Bill Flex Board Eid Ul Azha ZC BWN	337	8.9.2017	Al Sana Traders	99,333
Lighting etc regarding Eid-Ul- Mailad Nabi	531	2.12.2017	Al Sana Traders	95,000
Lighting etc regarding Eid-Ul- Mailad Nabi	529	2.12.2017	Al Sana Traders	95,000
Bill Flex Board Eid Ul Azha All unit ZC BWN	334	8.9.2017	Al Sana Traders	90,675
Lighting etc regarding Eid-Ul- Mailad Nabi	nil	2.12.2017	Al Sana Traders	90,000
Bill Flex board Eid Ul Azha	336		Al-Sana traders	88,000
Rent Board Eid Ul Azha All unit ZC BWN	335	8.9.2017	Al Sana Traders	82,500
Purchase Choonaa Pana Flex Eid Ul Azha Unit faqir Wali	908	18.9.2017	M/S CH Builders	78,975
Rent Exivator rent riksha Eid Ul Azha unit Faqir Wali	909	14.9.2017	M/S CH Builders	39,200
Flex Board Laying Eid Ul Azha ZC BWN	341	8.9.2017	Al Sana Traders	30,000
Instalment of Flex Moharam Ul harram Daharanwala	342	7.10.2017	Al Sana Traders	99,450
Instalment of Flex Moharam Ul harram Mandi Sadiq Gunj	343	7.10.2017	Al Sana Traders	99,450
Instalment of Flex Moharam Ul harram Faqir Wali	368	7.10.2017	Al Sana Traders	99,450
Rent CCTV Camera Moharm Ula harram ZC BWN	268	25.10.2017	CH builders	96,000
Rent Tractor Hussain kot Solid Waste Moharram Ul Harram	233	nil	Waheed & Sons	90,000
Rent Flex Moharam Ul harramAll unit ZC BWN	348	7.10.2017	Al Sana Traders	77,000
Instalment of Flex Moharam Ul harramAll unit ZC BWN	346	7.10.2017	Al Sana Traders	66,222
Instalment of Flex Moharam Ul harram unit Dahranwala	345	7.10.2017	Al Sana Traders	40,950
Purchase Ligthing Moharam Ul Harram UC 108,109 Faqir Wali	918	3.11.2017	M/S Ch .Builders	34,610
Labour Flex Moharam Ul harramAll unit ZC BWN	347	7.10.2017	Al Sana Traders	33,820
Rent CCTV Camera Qasim Road BWN Moharam Ul Haram	986	nil	Real World Computer System	33,462
Rent Rehri and Light 40 day Moharam ul Harram	270	6.11.2017	Ch.Builders	20,500
Rent CCTV Camera Basti Hussain Coat Moharam Ul Haram	987	nil	Real World Computer System	18,000
Rent CCTV Camera Basti haider Shah Moharam Ul harram	988	nil	Real World Computer System	9,000
Lighting etc regarding Eid-Ul- Mailad Nabi	531	2.12.2017	Al Sana Traders	95,000
Lighting etc regarding Eid-Ul- Mailad Nabi	529	2.12.2017	Al Sana Traders	95,000
Lighting etc regarding Eid-Ul- Mailad Nabi	nil	2.12.2017	Al Sana Traders	90,000
Total				3,218,207

Annexure-H/BWP

[Para 2.2.2.3]

**Loss due to non-imposition of penalty for late completion of works –
Rs 7.157 million**

(Amount in rupees)

Sr. No	Name of Schemes	Agreement Cost	Work Order Date	Completion Date	Actually Completed on	Penalty 10%
1	Construction of Metalled Road from Panjoo Wala Khoo to RD-13000 road Tehsil Bahawalpur	11,155,117	13-05-2017	13-08-2017	20-11-2017	1,115,512
2	Construction of Culverts area UC No.34	425,987	25-10-2017	25-12-2017	12.07.18	42,599
3	Laying of Pipe Line 15" Chak No.71/F , Soling UC No.27	738,056	24-10-2017	24-01-2018	5/2/2018	73,806
4	Construction of Soling & Re sloing , Tuff Tile Basti rajan Abad	1,357,868	26-09-2017	25.01.18	10.08.18	135,787
5	Construction of Soling Basti Girja to Basti Mithan Khan Mouza Wah Hussain	454,472	26-09-2018	26-11-2017	15-05-2018	45,447
6	Construction of Soling Basti Naiyan District Council Bahawalpur	572,657	20-6-2017	20-8-2017	14-12-2017	57,266
7	Laying of Luff Tile Bank Bazar Jamal Pur Remaining Work UC No.20 Qaim Pur	1,757,751	26-09-2017	26-12-2017	22-01-2018	175,775
8	Construction of Boundarywall & Repair of Quarters Main Disposal Work Sama Satta	1,500,000	26-09-2017	26-12-2017	25-5-2018	150,000
9	Construction of Pull Canal Haleem Wah near Basti Mali Bashir Mouza Haidar Pur UC No.53	720,170	26-09-2017	26-11-2017	16-02-2018	72,017
10	Construction of Metalled Road from Pakka Bara Road to Mari Sheikh Shajra	5,854,000	20-09-2017	20-05-2018	Not completed till dates	585,400
11	Construction of Soling Katchi Wah to Graveyard Muhalla Islam Pura, Basti Haji Bad Ali Basti Haji Ghulam Muhammad Kulyar, Basti Jagiri Wala UC No.09	892,500	3/5/2017	18-06-2017	15-10-2017	89,250
12	Construction of Soling Katchi Wah to Graveyard Muhalla Islam Pura, Basti Haji Bad Ali Basti Haji Ghulam Muhammad Kulyar, Basti Jagiri Wala UC No.09	892,500	3/5/2017	18-06-2017	15-10-2017	89,250
13	Construction of Boundarywall Janaza Gah Basti Awan Mouza Tibbi Dhakwan UC No.44 Tibbi Izat	860,000	26-4-2017	11/6/2017	21-7-2017	86,000
14	Construction of Boundary Wall, Soling Janaza Gah Basti Malik Faiz Ullah Rohanja Khair Pur Jadeed UC no.52 Khair Pur daha	1,395,750	3/5/2017	3/7/2017	18-8-2017	139,575
15	Construction of Culverts Arch Jurisdiction UC No.57 Ghous Pur	934,231	26-4-2017	26-7-2017	8/12/2017	93,423
16	Construction of Soling & Culverts Basti Balochan Mouza Uch Gilani UC No.59 Uch Gilani	849,900	26-4-2017	11/6/2017	9/7/2017	84,990
17	Construction of Soling from Khuram Pur Pul to Basti Qazi Wala Khoo alongwith canal Sultan Wah UC no.60 Khuram Pur	899,900	26-4-2017	11/6/2017	10/7/2017	89,990
18	Construction of Arch Culverts area UC no.71 Cahk No.44/DB	820,000	3/5/2017	18-6-2017	12/7/2017	82,000
19	Construction of Boundaiwall & Earth Filling , Tuff Tile Park Chak No.62/DB UC No.76 Chak No.117/DB	918,304	5/5/2017	5/7/2017	15-9-2017	91,830
20	Construction of Soling M/R tyo Chak No.143/DB to Graveyard 143/DB UC no.77 Chak No.67/DB	769,991	3/5/2017	18-06-2017	16-12-2017	76,999
21	Construction of Boundary wall Graveyard Chak No.116/DNB UC No.78	1,800,000	3/5/2017	18-06-2017	20-9-2017	180,000

Sr. No	Name of Schemes	Agreement Cost	Work Order Date	Completion Date	Actually Completed on	Penalty 10%
22	Construction of Boundary Wall Graveyard Chak No. 8/DNB UC no.79	932,140	3/5/2017	18-6-2017	19-8-2017	93,214
23	Construction of Arch Culverts UC no.84 Chak no.98/DNB	953,996	26-4-2017	11/6/2017	20-8-2017	95,400
24	Construction of Soling From Petrol Pump Mirani road to Basti Yahya Khan Chak No.132/DNB UC No. 87	921,638	3/5/2017	18-06-2017	11/10/2017	92,164
25	Construction of Soling Chak Garara Mouza Khan Wah , Soling Basti Maoon Mouza Lal Bhatti , Soling Basti Mahar Zafar, Ameer Divan Mouza Bagh Ali Arain UC No.36 Khairpur	797,871	22-06-2017	22-08-2017	29-04-2018	79,787
26	Construction of Bridge Canal Azeem near Basti Gharib Abad UC No.22 Hasilpur	1,060,987	22-06-2017	22-08-2017	22-01-2018	106,099
27	laying of Tyf Tile Chak No.12/BC UC No.5	1,739,256	9/10/2017	9/2/2018	25-05-2018	173,926
28	Construction of Soling Chak No.14/BC, 24/BC Colony Sharqi , Chak No.24/BC,18/BC Basti Mahar Mushtaq UC No.6	1,845,903	9/10/2017	9/2/2018	15-07-2018	184,590
29	Construction of Soling Mouza Miani UC No.12	1,555,840	9/10/2018	9/2/2018	25-06-2018	155,584
30	Construction of Soling from Soling Naseer Wala Kho, Remaining Work Basti Majeed Malka Kulyar, Basti Tahir Wali Mouza Sajawal Wala UC No.13 Jamrani	1,615,623	25-09-2017	25-12-2017	20-05-2018	161,562
31	Construction of Soling Chak no.165/M , Culverts area UC No.29	862,137	26-09-2017	26-11-2017	23-1-2018	86,214
32	Construction of Water Diggi Chak No.160/M pipe line Water Diggi 194/M , Soling Chak No.164/M UC No.30	1,268,956	9/10/2017	9/1/2018	2/6/2018	126,896
33	Construction of Boundary Wall Graveyard UC No.34 Peer Bahadur Shah	869,968	21-10-2017	21-01-2018	8/6/2018	86,997
34	Construction of Culverts Arch Area UC No.46 Sukhail	1,861,588	9/10/2017	9/1/2018	7/3/2018	186,159
35	Construction of Boundarywall Eid Gah Janaza Gah Basti Bhinda Awais UC No.50 Bhawalpur Ghalwan	920,078	21-10-2017	9/12/2017	15-02-2018	92,008
36	Construction of Soling from Mahanwah canal to Basti Voice Chairman Malik Abdul Qadir Naich Mouza Mahand Waha Muza Tahir Wali UC No.64	886,899	9/10/2017	9/1/2018	30-03-2018	88,690
37	Construction of Soling & Culverts area UC No.65	870,072	26-09-2017	26-12-2017	21-02-2018	87,007
38	Construction of Soling & Culverts Moouza Sheikh Shajra	1,000,000	26-09-2017	26-12-2017	15-12-2017	100,000
39	Construction of Soling & Culverts Mouza Derawar Wah	778,000	26-09-2018	26-12-2017	15-02-2018	77,800
40	Const. of Arch culverts UC 34	450,000	25.10.17	25.12.17	12.07.18	45,000
41	Construction of Metalled Road from Metalled Road to Tube Well Ch. Munir	9,125,600	22-05-2018	22-01-2019	Not completed till Une,18	912,560
42	Laying of Tuff Tile and Sullage Carrier Basti mulani Mouza Karani	1,000,000	9/10/2017	9/1/2018	Not completed till Une,18	100,000
43	Construction of Soling & Sullane Carrier & Culvert Mari Sheikh Shajra	1,450,000	26-09-2017	26-12-2017	28-02-2018	145,000
44	Construction of Soling Basti Shamshad Hussain Shah Mouza Hazari Wala UC No.10	700,000	9/10/2017	9/1/2018	Not completed till Une,18	70,000
45	Construction of Soling Basti Ray Sharif Numberdar Chak No.9/DRB UC No.86 Derawar	629,498	9/10/2017	9/1/2018	Not completed till Une,18	62,950
46	Construction of Soling Basti Malik Shoket Lodhra Mouza Rukrani	484,891	9/10/2017	29-12-2017	Not completed till	48,489

Sr. No	Name of Schemes	Agreement Cost	Work Order Date	Completion Date	Actually Completed on	Penalty 10%
					Une,18	
47	Construction of Soling Basti Jhook Mouza Jamrani Kohna	424,651	9/10/2017	29-12-2017	Not completed till Une,18	42,465
48	Construction of Soling Basti Sadaat Mouza Hazari Wala UC No.10	574,000	26-04-2017	15-07-2017	Not completed till Une,18	57,400
49	Construction of Soling Basti Malikm Zulifqar Khand UC no.12	425,000	26-04-17	15-07-2017	Not completed till Une,18	42,500
Total						7,157,375

Annexure- I/RVK

[Para 3.2.2.1]

Discrimination in utilization of development funds – Rs 413.016 million

(Amount in rupees)

Sr. No.	Scheme No.	Finacial Year	Union Council	Name of Scheme	Estimated Cost
53	132	2016-17	Dhand Gagri	Const. of Boundary Wall of Graveyard Mouza Ghulam Nabi Lar & Sulladge Carrier Mouza Kotla Khan Lar Basti Tarkan are U/C Dhand Gagri KPR	1,500,000
59	163	2016-17	Dhand Gagri	Const. of Soling from Morr Basti Jam Jan muhammad Lar to Basti Jam Allah bakhsh Lar Mouza Ghulam Nabi Lar, area U/C Dhand Gagri KPR	600,000
60	164	2016-17	Dhand Gagri	Const. of Soling from Morr Jam Muhammad Rafiq Lar to Basti Jam Habib Ullah Lar , Jam Muhammad Sadiq Lar, Mouza Ghulam Nabi Lar, area U/C Dhand Gagri KPR	500,000
58	165	2016-17	Dhand Gagri	Const. of Soling from Basti Jam Yar Muhammad Lar Numberdar to Basti Jam Muhammad Ibrahim Lar , Hafiz Muhammad Ranjha Lar Mouza Ghulam Nabi Lar, Area U/C Dhand Gagri KPR	400,000
57	230	2016-17	Dhand Gagri	Const. of Soling Culvert Area u/C Dhand Gagri KPR	500,000
67	81	2017-18	Dhand Gagri	Const. of Soling, Culverts, Sullage Carrier, Bridge Minor Mauza Dhand Gagri, Mauza Kotla Khan Lar, Gullu Wali Area U/C Dhand Gagri KPR	1,500,000
66	82	2017-18	Dhand Gagri	Const. of Soling, Culverts, Bridge Minor Graveyard Boundary Wall Mauza Ghulam Nabi Lar, Peera Baloch, Dhand Gaagri Area U/C Dhand Gagri KPR	1,500,000
69	137	2017-18	Dhand Gagri	Const. of Soling/Culverts, Water Course Mauza Dhand Gaagri, Mauza Peera Baloch Khan Pur, Mauza Gullu Wali, Mauza Ghulam Nabi Lar and Mauza Kotla Khan Lar and area U/C Dhand Gaagri KPR	1,500,000
61	155	2017-18	Dhand Gagri	Const. of Boundary Wall Khanqah Sharif Graveyard Shah Abad Sharif Mauza Ghulam Nabi Lar, Const. of Culverts, Water Course Area U/C Dhand Gaagri KPR	1,000,000
68	157	2017-18	Dhand Gagri	Const. Of Soling, Tuff Tile Mauza Ghulam Nabi Lar U/C Dhand Gaagri Sardar Nabi Bakhsh Pararah, Soling Muhammad Asif Khan Jatoi, Jam Hazoor Bakhsh Arain, Jam Muhammad Rafiq Lar, Jam Manzoor Ahmed Mungria Counsler, Soling Mauza Kotla Khan lar Basti Jam Khandoo, Jam Iqbal Lar, Basti Dr. Gul Muhammad Tark U/C Dhand Gaagri Mauza Peera Baloch, Soling Jam Shaamon Katt, Jam Alif Deen Katt Mauza Ghulam Nabi Lar U/C Dhand Gaagri KPR	1,700,000
65	497	2017-18	Dhand Gagri	Const. Of Soling, Culverts Mauza Peeran Baloch, Mauza Gullu Wali (Irshad Khan) KPR	1,000,000
64	498	2017-18	Dhand Gagri	Const. Of Soling, Culverts Mauza Kotla Khan Lar	1,500,000

Sr. No.	Scheme No.	Financial Year	Union Council	Name of Scheme	Estimated Cost
				Gullu Wali, Ghulam Nabi Lar KPR	
324	173	2016-17	Pacca Laran	Const. of Culverts , Soling Mouza Pacca Laran, Mouza Gul Muhammad Area U.C Pacca Laran LQP	1,500,000
330	165	2017-18	Pacca Laran	Const. Of Soling, Culverts Mauza Pacca Laran Area U.C Pacca Laran LQP	1,500,000
331	281	2017-18	Pacca Laran	Const. of Soling, Culverts Pacca Laran Mauza Gul Muhammad Lar (Jam Moeen ud Din) LQP	1,500,000

Annexure-J/RVK

[Para 3.2.3.1]

Loss due to non achievement of revenue targets – Rs 87.888 million

(Amount in rupees)

Sr. No.	Financial Year	Receipt Head	Target	Actual Receipt	Diff.	Loss (%)
4	2017-18	C0388026 - Fee for approval of Housing Colony	25,000,000	8,983,370	16,016,630	64.07
5	2017-18	C0388030 - Fine for construction without approval of building plan	200,000	85,000	115,000	57.50
6	2017-18	C0388034 - Fine for Encroachments	200,000	-	200,000	100.00
7	2017-18	C0388035 - Enforcement	100,000	-	100,000	100.00
8	2017-18	C0388052 - Fines for water supply (unauthorized water connection, etc)	912,658	-	912,658	100.00
11	2017-18	C0388074 - Contractor Advances/Deposits	60,000,000	-	60,000,000	100.00
12	2017-18	C0388076 - Advertisement Fee on billboards/ hoardings	1,000,000	-	1,000,000	100.00
13	2017-18	C0388077 - Advertisement Fee on sign boards of shops/ commercial places	4,000,000	1,275,500	2,724,500	68.11
14	2017-18	C0388085 - Other rents	10,000	-	10,000	100.00
15	2017-18	C0388086 - Road cutting charges	5,000	-	5,000	100.00
16	2017-18	Local Rate	650,000	-	650,000	100.00
17	2016-17	C0388016 - General Bus Stand fee	50,000	-	50,000	100.00
18	2016-17	C0388026 - Fee for approval of Housing Colony	1,500,000	-	1,500,000	100.00
19	2016-17	C0388030 - Fine for construction without approval of building plan	200,000	5,000	195,000	97.50
20	2016-17	C0388031 - Fine for building violations (irregular land use/ building use)	300,000	-	300,000	100.00
21	2016-17	C0388034 - Fine for Encroachments	100,000	500	99,500	99.50
22	2016-17	C0388035 - Enforcement	500,000	-	500,000	100.00
23	2016-17	C0388054 - Sewerage Fee/ Charges/ Nali Tax	92,814	56,600	36,214	39.02
24	2016-17	C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	50,000	-	50,000	100.00
25	2016-17	C0388073 - Tender Fee	50,000	3,500	46,500	93.00
26	2016-17	C0388076 - Advertisement Fee on billboards/ hoardings	500,000	-	500,000	100.00
27	2016-17	C0388077 - Advertisement Fee on sign boards of shops/ commercial places	100,000	-	100,000	100.00
28	2016-17	C0388086 - Road cutting charges	100,000	-	100,000	100.00
29	2016-17	C0388087 - Copying fee	9,500	590	8,910	93.79
30	2016-17	C0388089 - Sale of trees and plants	100,000	-	100,000	100.00
31	2016-17	C0388090 - Sale of stocks and stores	100,000	-	100,000	100.00
32	2016-17	C0388091 - Others Miscellaneous Fee	931,834	8,840	922,994	99.05
Total			308,236,806	220,348,413	87,888,393	28.51

Annexure-K/RYPK

[Para 3.2.4.4]

Loss due to non collection of pension contribution funds from TMA Rahim Yar Khan – Rs 44.311 million

(Amount in Rupees)

Sr. No.	Name of Employee	Designation	Remained Adjusted in (Name of TMA)	Total P.C 08/02 to 12/16	Calculation of Pension Contribution
1	Masood Ahmad Rehmani	Assistant	Rahim Yar Khan	798,776	Actual
2	Jam Bashir Ahmad	Assistant	Rahim Yar Khan	798,776	approximate
3	Shafquat Parveen	Senior Clerk	Rahim Yar Khan	798,776	approximate
4	Qazi Muzzfar Iqbal	Tax Inspector	Rahim Yar Khan	798,776	approximate
5	Mian Asif Mehmood	Tax Inspector	Rahim Yar Khan	798,776	approximate
6	Sami Ullah	Chowkidar	Rahim Yar Khan	484,002	approximate
7	Zulfiqar Ali	Naib Qasid	Rahim Yar Khan	484,002	approximate
8	Muhammad Ramzan	Naib Qasid	Rahim Yar Khan	484,002	approximate
9	Muhammad Boota	Chowkidar	Rahim Yar Khan	484,002	approximate
10	Abdul Sattar	Naib Qasid	Rahim Yar Khan	484,002	approximate
11	Syed Muhammad Nawaz Safdar	Naib Qasid	Rahim Yar Khan	484,002	approximate
12	Munawar Hussain	Driver W/S Scheme	Rahim Yar Khan	484,002	approximate
13	Abdul Majeed	Driver W/S Scheme	Rahim Yar Khan	484,002	approximate
14	Ghulam Sarwar	Chowkidar	Rahim Yar Khan	484,002	approximate
15	Fiaz Ahmad	Beldar	Rahim Yar Khan	484,002	approximate
16	Abid Hussain	Beldar	Rahim Yar Khan	484,002	approximate
17	Ghulam Abbas	Beldar	Rahim Yar Khan	484,002	approximate
18	Talib Hussain	Beldar	Rahim Yar Khan	484,002	approximate
19	Muhammad Shafi	Beldar	Rahim Yar Khan	484,002	approximate
20	Muhammad Nawaz	Beldar	Rahim Yar Khan	484,002	approximate
21	Sajid Hussain	Beldar	Rahim Yar Khan	484,002	approximate
22	Nabi Bukhsh	Bildar	Rahim Yar Khan	484,002	approximate
23	Muhammad Rafique	Beldar	Rahim Yar Khan	484,002	approximate
24	Jam Meeran	Beldar	Rahim Yar Khan	484,002	approximate
25	Jug Jewan Ram	Quali W/S Scheme	Rahim Yar Khan	484,002	approximate
26	Javed Ahmad	Driver W/S Scheme	Rahim Yar Khan	484,002	approximate
27	Haq Nawaz	Beldar	Rahim Yar Khan	484,002	approximate
28	Khair Muhammad Khan Juna	Assistant	Sadiqabad	798,776	approximate
29	Slamat Ali	Patwari	Sadiqabad	484,002	approximate

Sr. No.	Name of Employee	Designation	Remained Adjusted in (Name of TMA)	Total P.C 08/02 to 12/16	Calculation of Pension Contribution
30	Abdul Majeed	Driver	Sadiqabad	484,002	approximate
31	Muhammad Ayyaz	Driver W/S Scheme	Sadiqabad	484,002	Actual
32	Ahmad Din	Beldar	Sadiqabad	484,002	approximate
33	Ahmad Ali	Beldar	Sadiqabad	484,002	approximate
34	Muhammad Hayat	Beldar	Sadiqabad	484,002	approximate
35	Muhammad Saddique	Naib Qasid	Sadiqabad	484,002	approximate
36	Abdul Hafeez	Beldar	Sadiqabad	484,002	approximate
37	Doddah	Beldar	Sadiqabad	484,002	approximate
38	Mehmood-ul-Hassan	Oil Man	Sadiqabad	484,002	approximate
39	Abdul Khaliq	Chowkidar	Sadiqabad	484,002	approximate
40	Shahid Mehmood	Oil Man	Sadiqabad	484,002	approximate
41	Faqir Muhammad	Watch Man	Sadiqabad	484,002	approximate
42	Allah Jawaya	Beldar	Sadiqabad	484,002	approximate
43	Jam Nawab Ali	Mate	Sadiqabad	484,002	approximate
44	Muhammad Ismail	Mate	Sadiqabad	484,002	approximate
45	Habib Ullah	Beldar	Sadiqabad	484,002	approximate
46	Khuda Bukhsh	Beldar	Sadiqabad	484,002	approximate
47	Wazir Ahmad	Beldar	Sadiqabad	484,002	approximate
48	Jan Muhammad	Beldar	Sadiqabad	484,002	approximate
49	Nasir Ahmad	Beldar	Sadiqabad	484,002	approximate
50	Hussain Bukhsh	Beldar	Sadiqabad	484,002	approximate
51	Muhammad Sadiq	Beldar	Sadiqabad	484,002	approximate
52	Ghulam Hussain	Beldar	Sadiqabad	484,002	approximate
53	Muhammad Hanif	Beldar	Sadiqabad	484,002	approximate
54	Abdul Malik	Beldar	Sadiqabad	484,002	approximate
55	Kabir Ahmad	Beldar	Sadiqabad	484,002	approximate
56	Shabbir Hussain	Beldar	Sadiqabad	484,002	approximate
57	Allah Dawaya	Beldar	Sadiqabad	484,002	approximate
58	Muhammad Shafique	Beldar	Sadiqabad	484,002	approximate
59	Shamas Din	Beldar	Sadiqabad	484,002	approximate
60	Allah Ditta	Beldar	Sadiqabad	484,002	approximate
61	Wasim Afzal	Beldar	Sadiqabad	484,002	approximate
62	Jan Muhammad S/O Allah Dawaya	Beldar	Sadiqabad	484,002	approximate
63	Ghulam Fareed	Beldar	Sadiqabad	484,002	approximate
64	Muhammad Jahangir	Beldar	Sadiqabad	484,002	approximate
65	Syed Sajjad Hussain Shah	Patwari	Khan Pur	484,002	approximate

Sr. No.	Name of Employee	Designation	Remained Adjusted in (Name of TMA)	Total P.C 08/02 to 12/16	Calculation of Pension Contribution
66	Muhammad Saddique	Chowkidar	Khan Pur	484,002	approximate
67	Abdul Hameed	Driver W/S Scheme	Khan Pur	484,002	approximate
68	Rasheed Ahmad	Supervisor	Khan Pur	798,776	approximate
69	Irshad Ahmad	Beldar	Khan Pur	484,002	approximate
70	Sabir Hussain	Driver W/S Scheme	Khan Pur	484,002	approximate
71	Syed Shahzad-ul-Hassan	Naib Qasid	Liaquatpur	484,002	approximate
72	Gul Hassan	Naib Qasid	Liaquatpur	484,002	approximate
73	Kaleem Abbas	Naib Qasid	Liaquatpur	484,002	approximate
74	Abdul Rasheed	Naib Qasid	Liaquatpur	484,002	approximate
75	Nazir Ahmad	Driver W/S Scheme	Liaquatpur	484,002	approximate
76	Ishfaq Ahmad	Mate	Liaquatpur	484,002	approximate
77	Mukhtar Ahmad	Beldar	Liaquatpur	484,002	approximate
78	Talib Hussain	Beldar	Liaquatpur	484,002	approximate
79	Muhammad Rafique	Beldar	Liaquatpur	484,002	approximate
80	Muhammad Mussa	Beldar	Liaquatpur	484,002	approximate
81	Muhammad Saddique	Beldar	Liaquatpur	484,002	approximate
82	Rafique Ahmad	Beldar	Liaquatpur	484,002	approximate
83	Rasool Bukhsh	Beldar	Liaquatpur	484,002	approximate
84	Muhammad Yar	Beldar	Liaquatpur	484,002	approximate
85	Zulfiqar Ali.	Beldar	Liaquatpur	484,002	approximate
86	Hafiz Khalil Ahmad	Beldar	Liaquatpur	484,002	approximate
87	Ghulam Sarwar	Chowkidar	Liaquatpur	484,002	approximate
Total				44,311,592	

Annexure-C/LYH

[Para 5.2.2.1]

Non recovery of arrears – Rs 12.749 million

(Amount in rupees)

Sr. No.	Leases	Year	Contractors	Auctioned Amount	I.Tax	less Stamp Duty	Total	Recovered Amount	outstanding Amount
1	Patton Khojay Wala	2013-14	Sajaad Hussain	950,000	95,000	800	1,045,800	400,000	645,800
2	Patton Wara Sehran wala	2014-15	Ghulam Nabi	550,000	55,000	800	605,800	309,000	296,800
3	Patton Chandia Wala	2014-15	Muhammed Umer	2,210,000	221,000	1300	2,432,300	1,770,000	662,300
4	Patton Saho Wala	2014-15	Malik M. Ashraf	600,000	60,000	800	660,800	543,500	117,300
5	Patton Shah Wala	2014-15	Syed Qasir Sajaad Sherazi	1,650,000	165,000	800	1,815,800	1,450,000	365,800
6	Patton Saho Wala	2014-15	Allah Wasyya	900,000	90,000	1000	991,000	282,000	709,000
7	Patton Khojay Wala	2015-16	Allah Ditta	2,200,000	220,000	1300	2,421,300	1,113,000	1,308,300
8	Patton Chandia Wala	2015-16	Saeed Ahmad	5,000,000	500,000	1800	5,501,800	1,457,550	4,044,250
9	Patton Chandia Wala	2016-17	Mahar Javaid Iqbal	4,950,000	495,000	1800	5,446,800	2,391,000	3,055,800
10	Patton Chandia Wala	2010-11	Abdul Ghafoor	1,870,000	93,500	550	1,964,050	1,785,000	179,050
11	Patton Chandia Wala	2011-12	Manzoor Hussain	2,150,000	107,500	550	2,258,050	1,000,000	1,258,050
12	Patton Bekhari Ahmad Khan	2011-12	Noor Muhammed	805,000	40,250	300	845,550	739,000	106,550
Total									12,749,000

Annexure-D/LYH

[Para 5.2.2.5]

**Loss of revenue due to un-approved residential housing schemes -
Rs 5.816 million**

(Amount in rupees)

Sr. No.	Name of Colony/ Owner	Location	Preliminary Planning Permission fee Rs 5,000 upto 2000 kanal and Rs 10,000 for > 2000 kanal	Sanction of Scheme Rs 1,000 / kanal	Approval of Design for water Supply, Sewerage & Drainage Rs.500/kanal	Approval of design and specification for road, Bridge and foot path Rs. 500/kanal	NOC Fee	Amount	Total
1	Qureshi Housing Scheme	148-B/TDA	5000	80000	40000	40000	20,000	186,560	291,560
2	Al-Qamar Colony	By Pass Near Bismillah Hotel	5000	80000	40000	40000	20,000	186,560	291,560
3	Lala Rukh Colony	Near Rizvi Cattle Farm	5000	40000	20000	20000	20,000	93,280	158,280
4	Ideal City	Near Gilani Manzil Road	5000	40000	20000	20000	20,000	93,280	158,280
5	Taimoor Town	Near Gilani Manzil Road	5000	17000	8500	8500	20,000	39,644	81,644
6	New Colony/Lucky Town	Kids University	5000	20000	10000	10000	20,000	43,725	88,725
7	New Colony/Ibrahim Town	Kids University	5000	20000	10000	10000	20,000	43,725	88,725
8	Nanha City	Layyah Road City	5000	36000	18000	18000	20,000	45,000	106,000
9	Rehan City	Mousa Minor	5000	25750	12875	12875	20,000	32,188	82,938
10	Nanha Housing Scheme	Chak No.353/TDA LY	5000	80000	40000	40000	20,000	142,510	247,510
11	G.H. Town	Fatehpur Road	5000	5000	2500	2500	20,000	6,250	36,250
12	Rahim Town	Faislabad road	5000	24000	12000	12000	20,000	42,771	91,771
13	Nanha City	Fatehpur Road	5000	24350	12175	12175	20,000	33,716	83,066
14	Al Noor Town	Near Basti Chandia	5000	40000	20000	20000	20,000	80,190	145,190
15	Jaman Shah Colony	Jaman Shah	5000	76000	38000	38000	20,000	83,132	184,132
16	Subhan City	Near Tibba Mochi Wala	5000	17050	8525	8525	20,000	39,644	81,694
17	Bilal City	Tibba Mochi Wala	5000	40000	20000	20000	20,000	93,280	158,280
18	Faizan City	Tibba Mochi Wala	5000	40000	20000	20000	20,000	93,280	158,280
19	Nishat Town	Near Mian Bahadur more	5000	5000	2500	2500	20,000	10,931	40,931
20	Barket Valley	Chank No. 336/TDA Fatehpur Road Chowakazam	5000	192000	96000	96000	20,000	265,848	482,848
21	Inman Houssing	chank	5000	88000	44000	44000	20,000	129,470	242,470

Sr. No.	Name of Colony/ Owner	Location	Preliminary Planning Permission fee Rs 5,000 upto 2000 kanal and Rs 10,000 for > 2000 kanal	Sanction of Scheme Rs 1,000 / kanal	Approval of Design for water Supply, Sewerage & Drainage Rs.500/kanal	Approval of design and specification for road, Bridge and foot path Rs. 500/kanal	NOC Fee	Amount	Total
	Scheme	No.335/TDA Chowakazam							
22	Palm City Phase-1	Layyah Ladhana Road	5000	10000	5000	5000	20,000	16,033	51,033
23	Palm City Phase-2	Phase 2 Layyah Ladhana Road	5000	13000	6500	6500	20,000	20,842	58,842
24	Mandi Town	Gillani Manzil Road	5000	8000	4000	4000	20,000	18,656	51,656
25	Ali Shan Housing	123/TDA	5000	196000	98000	98000	20,000	314,237	535,237
26	Usman Garden	Near New subzi Mandi	5000	24000	12000	12000	20,000	38,478	87,478
27	New Colony	Near Sheikh Tahir petroleum	5000	20000	10000	10000	20,000	32,065	77,065
28	Ali Town	Near Sheikh Tahir petroleum	5000	19000	9500	9500	20,000	30,462	74,462
29	Sheikh Sikandar Town	Near sabzi Mandi Layyah	5000	40000	20000	20000	20,000	93,280	158,280
30	Taqbeer Town	Kids University	5000	20000	10000	10000	20,000	46,640	91,640
31	Satelight Town	Chak No. 125-B/TDA Mandi Town Layyah	5000	20000	10000	10000	20,000	36,225	81,225
32	Professor Town	Chak No. 125-B/TDA Mandi Town Layyah	5000	32000	16000	16000	20,000	57,960	114,960
33	Gulsha Ameen Town	Tail Indus road near Lahore University	5000	45000	22500	22500	20,000	72,146	142,146
34	Moneeb Town	Chak No.143/TDA Ladhana Road, Layyah	5000	24000	12000	12000	20,000	20,988	69,988
35	Anayat Green Town	Chak No.270/TDA Tail induss Road Layyah	5000	40000	20000	20000	20,000	23,205	88,205
36	New Colony by Nasrullah Jat	Chak No.251/TDA East Side MM Road(Land Faqeer Hussain)	5000	120000	60000	60000	20,000	349,920	494,920
37	New Colony by Nasrullah Jat	Chak No.251/TDA West Side MM Road , Near Daso Canal (Land Shafiq ur Rehman)	5000	80000	40000	40000	20,000	233,280	338,280
		Total							5,815,551

Annexure-E/MGH**[Para 6.2.2.6]****Doubtful purchase of store and sports material-Rs 12.544 million**

(Amount in rupees)

Drawl Date	Supplier	Description	Amount
18.03.17	Syed traders	stationery , Almira wo stock entry	69,389
29.05.17	Malik Akhtar & Comp	Stationery wo stock entry	63,452
13.09.17	Waqar Enterprises	Electric goods	303,065
04.10.17	Rajpoot Developers	Water tanks for Moharram	221,527
07.10.17	Zia Muhamad	Wire Moharrum ul Haraam	142,870
07.10.17	Rauf-e-Azam	Wire Moharrum ul Haraam	142,529
07.10.17	Malik Akhtar & Comp	Electric Items Moharrum ul Haraam	1,785,954
10.10.17	Malik Akhtar & Comp	Electric cables Moharrum ul Haraam	961,500
10.10.17	Rajpoot Developers	Misc. items for Moharrum	382,150
01.11.17	Rauf-e-Azam	White sticks for blinds	196,800
02.11.17	Rauf-e-Azam	Barrears for Moharrum	195,000
16.12.17	Umer Traders	Stationery	433,950
17-Jul	Malik Akhtar & Comp	Parda jaat	95,000
17-Jul	Malik Akhtar & Comp	Parda Jaat	76,000
11.12.17	Sunny & Com	Plastic wall paper	164,835
14.02.18	Rajpoot Developers	Panaflex	840,000
16.03.18	Naqash graphics	Panaflex eye camp Jadday wala	289,200
16.04.18	Naqash graphics	Panaflex	695,100
08.06.18	Z.A. Khan	Panaflex	592,900
29.05.17	Malik Akhtar & Comp	sports cricket match shah jamal	52,987
02.11.17	Rauf-e-Azam	sports mella Thatha siyalan	98,000
31.01.18	AR Associations	sports mella Alipur	389,909
27.02.18	Z.A. Khan	Sports material	198,800
27.02.18	Rajpoot Developers	Sports material	98,520
19.03.18	Z.A. Khan	Sports Jhugi wala	49,900
19.03.18	Z.A. Khan	Sports 06 various tournaments	298,000
19.03.18	Borana Construction	Sports deaf association	107,500
19.03.18	Borana Construction	Sports 03 various tournaments	287,500
11.04.18	Z.A. Khan	Sports bills	284,900
16.04.18	Z.A. Khan	sports, events 23rd March	641,700
23.04.18	Borana Construction	sports, events 23rd March	496,800
08.06.18	Z.A. Khan	Sports festival	496,900
08.06.18	Z.A. Khan	Sports festival	632,628
29.06.18	Saddat Eng	Sports festival	77,323
29.06.18	Z.A. Khan	Sports festival	681,800
Total			12,544,388

Annexure-F/MGH

[Para 6.2.2.14]

**Loss of revenue due to un-approved residential housing schemes -
Rs 2.925 million**

(Amount in rupees)

Sr. No.	Name of Colony	Location	Area in Acre (expectedly)	Rate per Acre (Aprox.)	Total amount	Total Recovery
1	Al Hamd Mughal Housing	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
2	Al Rahim Housing	Mauza Kotla, Kot Addu M. Garh	5	2,000,000	10,000,000	100,000
3	Al Rehman Housing	Mauza Kohawar, Kot Addu M.Grah	5	2,000,000	10,000,000	100,000
4	Abdullah city	Khargarh M.Garh	5	2,000,000	10,000,000	100,000
5	Bismillah Land Sub Division	Sinawan , The. Kot Addu M.Garh	5	2,000,000	10,000,000	100,000
6	Sulaman Colony	Ghalwan Road Alipur M. Garh	5	2,000,000	10,000,000	100,000
7	Baghdad City	Ali pur by pass Rohilanwali	5	2,000,000	10,000,000	100,000
8	Bismillah City	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
9	China Town	Mouza Gasial Vain, Jhang road near bi-pass M. Garh	5	2,000,000	10,000,000	100,000
10	Defense city	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
11	Dream Garden	Makwal Chowk Ali Pur M.Garh	5	1,200,000	6,000,000	60,000
12	Green city Executive -1	Jatoi Road Ali Pur M.Garh	5	1,200,000	6,000,000	60,000
13	Green city Executive -11	Jatoi Road Ali Pur M.Garh	5	1,200,000	6,000,000	60,000
14	Green Villas	Jatoi Road Ali Pur M.Garh	5	1,200,000	6,000,000	60,000
15	Gulburg City	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
16	Gulshan e Sikandar	Sanima Road Kot Addu M.Garh	5	2,000,000	10,000,000	100,000
17	Gulshan e Aziz	Bilal Road Kot Addu M.Garh	5	2,000,000	10,000,000	100,000
18	Gulshan e Noor	By Pass Road Ali Pur M. Garh	5	2,000,000	10,000,000	100,000
19	Ghulshan Town	Ali Pur Road, Rohalian Wali , M. Garh	5	1,200,000	6,000,000	60,000
20	Indus Valley	518 TDA, Kot Addu	5	1,200,000	6,000,000	60,000

Sr. No.	Name of Colony	Location	Area in Acre (expectedly)	Rate per Acre (Aprox.)	Total amount	Total Recovery
		M.Garh				
21	Khawja colony	Rohalian Wali , M. Garh	5	1,500,000	7,500,000	75,000
22	Land Star Garden	By Pass Road Ali Pur M. Garh	5	1,800,000	9,000,000	90,000
23	Madina Town	Near Basti Chaman, Ali pur road M. Garh	5	1,800,000	9,000,000	90,000
24	Madina Garden	Jatoi Road Ali Pur M.Garh	5	1,800,000	9,000,000	90,000
25	Model City	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
26	New Garden Town	Rohalian Wali , M. Garh	6	2,000,000	12,000,000	120,000
27	Royal Garden	518 TDA, Kot Addu M.Garh	5	2,000,000	10,000,000	100,000
28	Zakrya Town	Near Zeshan colony, Saim nala, Rohallian wali	5	2,000,000	10,000,000	100,000
29	Zakrya Town	Mauza Gujrat, Kot Addu M.Garh	5	2,000,000	10,000,000	100,000
30	Zam Zam Society	Rohalian Wali , M. Garh	5	2,000,000	10,000,000	100,000
31	Jewan City	Mouza Basira near tayyip Eridgon School M. Garh	5	2,000,000	10,000,000	100,000
32	Pak Gareen	Mouza Qureshi near POLICE Choki, D.G.Khan road M. Garh	5	2,000,000	10,000,000	100,000
Total					292,500,000	2,925,000

Annexure-G/RP

[Para 7.2.2.3]

Irregular payment of work charged establishment – Rs 23.744 million

(Amount in rupees)

Voucher No.	Date	Amount	W.Supply
2	04.08.2017	36,141	M.Pur Gam Wala M-6 M.Irafan
5	04.08.2017	36,141	W.Supply Scheem Qasim Pur
10	04.08.2017	66,688	W.SS Miranpur
11	08.08.2017	867,384	WSS Misc.
12	08.08.2017	1,084,230	WSS Misc.
13	08.08.2017	252,987	WSS Misc.
24	11.08.2017	1,228,794	WSS Misc.
30	12.08.2017	76,559	Electricity Charges against WSS
32	18.08.2017	168,658	WSS Misc.
		168,658	WSS Misc.
		157,416	WSS Misc.
		161,664	WSS Misc.
		60,235	WSS Misc.
		60,235	WSS Misc.
		56,220	WSS Misc.
43	28.08.2017	35,141	Allah Wasaya
71	30.08.2017	168,658	Sanitation Branch
		60,235	WSS Misc.
73	30.08.2017	527,344	WSS Misc.
98	31.08.2017	795,102	WSS Misc.
		433,692	WSS Misc.
103	31.08.2017	722,820	WSS Misc.
0806662097-99	06.10.2017	163,836	WSS Misc.
		60,235	WSS Misc.
806758524	13.10.2017	289,128	WSS Misc.
806758525	13.10.2017	314,418	WSS Misc.
806758571	28.10.2017	48,188	WSS Misc.
806758535	13.10.2017	1,152,888	WSS Misc.
806758576	01.11.2017	159,327	WSS Misc.
		60,235	WSS Misc.
806758582	01.11.2017	289,128	WSS Misc.
807026113	11.11.2017	1,938,296	WSS Misc.
807026114	11.11.2017	116,852	WSS Misc.
807026115	11.11.2017	116,852	WSS Misc.

Voucher No.	Date	Amount	W.Supply
807026164	30.11.2017	163,838	WSS Misc.
807026177	05.12.2017	281,100	WSS Misc.
807026185	07.12.2017	60,235	WSS Misc.
8	04.01.2018	301,175	WSS Misc.
15	09.01.2018	32,640	WSS Misc.
16	09.01.2018	15,393	contigent paid staff
16	09.01.2018	15,393	contigent paid staff
17	09.1.2018	698,726	WSS Rojhan
28/0807166569	12.01.2018	2,576,372	WSS
49	30.01.2018	1,224,125	WSS jampur
8073132248	03.02.2018	46,179	contigent paid staff
807452245	27.02.2018	613,972	WSS Misc.
807452257	01.03.2013	1,135,071	WSS Daja
807452278	03.03.2018	15,393	contigent paid staff
807452279	03.03.2018	15,393	contigent paid staff
807452280	03.03.2018	15,393	contigent paid staff
807452281	03.03.2018	301,175	WSS misc.
807500624	15.03.2018	915,572	WSS jampur
807663826	10.04.2018	156,608	WSS Daja
807663827	10.04.2018	60,235	WSS jampur
807663850	11.04.2018	15,393	contigent paid staff
807663851	11.04.2018	15,393	contigent paid staff
807663852	11.04.2018	15,393	contigent paid staff
807663859	11.04.2018	301,175	WSS Rajanpur
807663860	11.04.2018	298,063	WSS Rojhan
807663861	11.04.2018	457,786	WSS jampur
807691601	03.05.2018	161,835	Sanitation staff
	03.05.2018	60,235	WSS Dajal
0807691698-700	25.05.2018	46,179	contigent paid staff
807752004	29.05.2018	783,055	WSS
807752038	01.06.2018	46,179	contigent paid staff
807802316	13.06.2018	546,070	WSS jampur
807802317	13.06.2018	156,020	WSS Rajanpur
807802319	13.06.2018	202,826	WSS Rojhan
Total		23,744,210	

Annexure-H/RP

[Para 7.2.2.5]

Unjustified lead for transportation of earthwork-Rs 15.059 million

(Amount in rupees)

Vr No./ Cheque No.	Date	Name of Work	E/W Q	Rate	Amount
19	11.08.2017	Construction of earth filling kachi road fateh pur road to sadiq distari u/c fateh pur	137156	5600	768,074
60	29.08.2017	Construction of earth filling kachi road fateh pur road to sadiq distari u/c fateh pur	172948	5638	975,080
86758507	10.10.2017	Construction of drain, soling, earth filling etc qasba bakhir pur sharif	35166	6325.8	222,453
806758517	13.10.2017	Construction of drain, soling, syed abdul samad shah u/c kotla khan Muhammad	36651.9	6325.8	231,853
806758523	13.10.2017	Construction of drain, soling, earth filling muhammad pur city, chuk godha, chuk cheena,etc u/c muhammad pur No 1	41182	6325.8	260,509
806758558	26.10.2017	Construction of drain, soling, 10 culverts mango machi u/c umar kot	41480	6325.8	262,394
806758553	26.10.2017	Construction of drain, soling, earth filling etc mouza brosabab u/c wang	42903	6325.8	271,396
87166505	14.12.2017	Construction of drain, soling, earth filling other allied works qasba bukhra U.C Bukhara	32806.31	6325.8	207,526
468/1-2		Construction of Matel road basti Ghulam Hussain Maral UC sahan wala	140226	6510.5	913,169
33	20.01.2018	Construction of drain, soling, meeran pur road to basti kachi chandir, 1 culverts u/c dera dildar	59531	4829.1	287,481
59	30.01.2018	Construction of drain soling Basi Bhag & UC Bhag and Dehngan	53588	6698.9	358,978
3	01.02.2018	Construction of drain, soling, culvert basti fazal kareem lalani mouza wah machka u/c kotla deewan	32683	6698.9	213,936
72	14.02.2018	Construction of drain, soling, culverts kajo dalwani road to dera bux dalwani u/c soon miani		6698.9	280,871
72	14.02.2018	Construction of drain, soling, culverts basti yar muhammad umrani sugar mill road to masjid yar muhammad umrani u/c soon miani		6698.9	220,162
8.074E+09	02.03.2018	Construction of matel road noor pur malkani u/c noor pur malkani	56224	6396	359,605
807691640-51	12.05.2017		277320	3746.3	1,038,935
807452272	02.03.2018	Construction of drain, soling, culverts bakhir pur u/c bakhir pur	32270	6698.9	216,172
807500609	14.03.2018	Construcion of Drain Solling Culverts Basti Tanwari UC Wang	75335	6698.9	504,657

Vr No./ Cheque No.	Date	Name of Work	E/W Q	Rate	Amount
807500615	14.03.2018	Construction of drain, soling, earth mazari road to basti nawaz malik , culvert u/c chuk chuhan	43200	6325.8	273,274
807500617	14.03.2018	Construction of earth filling kachi road fateh pur road to sadiq distari u/c fateh pur	216888	5638.5	1,222,912
MB #425 page 30/31		Construction of matel raod chowk bridge talok to rajanpur chuk shaheed road UC fateh pur	170100	6026.6	1,025,116
807500629	15.03.2018	Construction of matel road talai wala to basti abdul kareem railway line u/c kot janoon	241-49/DO(I&S)	4936.7	588,038
807500631	15.03.2018	Construction of drain, soling, earth filling and culvert dera zahid mehmoood khan mazari to basti nabi bux u/c gianmal	20.12.2017	6325.8	392,043
807663817	10.04.2018	Construction of drain, soling, culverts u/c kacha razi	59292.7	6698.9	397,192
807663828	10.04.2018	Construction of Drain Solling Shir Nindo Khan UC Dheengan	51549.59	6698.9	345,323
807663839	11.04.2018	Construction of drain, soling, culverts basti ratan ther u/c peer bux sharqi	34817.12	6698.9	233,235
807663856	11.04.2018	Construction of Drain Solling Tuff Tile Kotla Dad UC Kotla Khan Muhammad	52355.25	6698.9	350,720
807663863	30.04.2018	Construction of drain, soling, link road basti shah nawaz malkani to basti jeewan khan jamkani u/c sonmiani	37439.94	6325.6	236,830
8077752014-26	01.06.2018	Construction of drain, soling, culverts basti arif wala u/c kacha chohan	34448.14	6698.9	230,762
8.078E+10	04.06.2018	Construction of drain, soling, culverts qasba bukhara u/c Bukhara		6698.9	225,149
8.078E+10	04.06.2018	Construction of matel road talai wala to basti abdul kareem railway line u/c kot janoon	122342	4963.6	607,260
807752074	06.06.2018	Construction of drain, soling, culverts etc. basti Dr. khalid mehmoood pitafi mouza chuk shah wala u/c peero wala	30353	6698.9	203,002
137/13-18		Construction of Tuff Tiles Tibbi Solgi	54529	6698.9	365,281
139/16		Construction of Tuff tiles Hajipur Shareef Jampur	46991	6698.9	314,785
138/13		Construction of Tuff Tiles Lundi Saydan	67841	6698.9	454,456
Total					15,058,630

Annexure-I/RP

[Para 7.2.2.8]

Unjustified drawl on account of drains – Rs 7.807 million

(Amount in rupees)

Scheme	MB/Page	Item	Quantity	Rate charged	Amount
Const. of Tuff Tile Lundi Saidan	138/4	PCC 1:6:12	1955 cft	10255.85 %cft	200,502
	138/5	Pacca Brick work	3393 cft	16765.50 %cft	568,863
	138/5	Reimbursement in ratio 1:5	7822 sft	10255 %sft	802,212
	138/6	Const. of P/S drain	5215 rft	101.45 /rft	529,062
Provision of tuff tile tibbi solgi	137/5	PCC 1:6:12	682 cft	10255.85 %cft	69,944
	137/6	Pacca Brick work	1450 CFT	16765.50 %cft	243,100
	137/6	Reimbursement in ratio 1:5	2991 SFT	7467.60 %sft	223,356
	137/7	Const. of P/S drain	1994 RFT	101.45 /rft	202,291
	137/18	PCC 1:6:12	502 CFT	10255.85 %cft	50,484
		Pacca Brick work	4106 CFT	16765.50 %cft	688,391
	137/21	Reimbursement in ratio 1:5	2991 cft	7467.60 %sft	223,355
137/21	Const. of P/S drain	1686	101.45 /rft	171,045	
Const. of Tuff Tiles at Noshehra Gharbi	140/5	PCC 1:6:12	1289 cft	10255.85 %cft	132,197
	140/6	Pacca Brick work	1939 CFT	16765.50 %cft	325,083
	140/6	Reimbursement in ratio 1:5	SFT	7467.60 %sft	386,672
	140/7	Const. of P/S drain	3452 RFT	101.45 /rft	350,205
	140/14	PCC 1:6:12	635 cft	10255.85 %cft	65,124
	140/15	Pacca Brick work	1950 CFT	16765.50 %cft	326,927
	140/16	Reimbursement in ratio 1:5	3192 SFT	7467.60 %sft	238,367
	140/16	Const. of P/S drain	2048 RFT	101.45 /rft	207,770

Scheme	MB/Page	Item	Quantity	Rate charged	Amount
	140/24	PCC 1:6:12	48 cft	10255.85 %cft	4,922
	140/24	Pacca Brick work	127 CFT	16765.50 %cft	21,292
	140/25	Reimbursement in ratio 1:5	324 SFT	7467.60 %sft	24,195
	140/25	Const. of P/S drain	130 RFT	101.45 /rft	13,188
Const. of Tuff Tile Hajipur sharif	139/4	PCC 1:6:12	561 cft	10255.85 %cft	57,535
	139/6	Pacca Brick work	2465 CFT	16765.50 %cft	413,270
	139/7	Reimbursement in ratio 1:5	3166 SFT	7467.60 %sft	236,424
	139/7	Const. of P/S drain	2111 RFT	101.45 /rft	214,160
	139/16	PCC 1:6:12	247 cft	10255.85 %cft	25,331
	139/18	Pacca Brick work	2296 CFT	16765.50 %cft	384,924
	139/18	Reimbursement in ratio 1:5	2826 SFT	7467.60 %sft	211,034
	139/	Const. of P/S drain	1934 RFT	101.45 /rft	196,204
Total					7,807,429

Annexure-J/RP

[Para 7.2.2.11]

Irregular expenditure without advertisement – Rs 1.970 million

(Amount in rupees)

Voucher No.	Date	Amount	Bill Date	Supplier
31	12.08.2017	49,000	dateless bill	Ibraheem Machnical Works
-do-	-do-	49,000	dateless bill	Ibraheem Machnical Works
806662096	04.10.2017	44,570	dateless bill	Sheraz Ibraheem Govt. Contractor
806662091	04.10.2017	49,700	dateless bill	Sheraz Ibraheem Govt. Contractor
-do-	-do-	49,800	dateless bill	Sheraz Ibraheem Govt. Contractor
806758503	06.10.2017	49,650	04.10.2017	Sheraz Ibraheem Govt. Contractor
-do-	-do-	49,400	04.10.2017	Sheraz Ibraheem Govt. Contractor
806758547	-do-	9,140	dateless bill	Goraia
806758544	24.10.2017	45,000	33000	Sheraz Ibraheem Govt. Contractor
806758542	24.10.2017	40,500	30577	Indus Batry
806758543	24.10.2017	40,500	30577	Indus Batry
806758541	24.10.2017	36,000	27180	Indus Batry
806758538	24.10.2017	7,500	6700	Goraya Copy
806758589	06.11.2017	65,500	48470	Mola Bux
806758590	06.11.2017	70,041	27.10.2017	Abdullah Contractor
807026103	-do-	19,320	01.11.2017	M.Nasrullah J/C
87166508	14.12.2017	36,375	dateless bill	Al-Madina Trade
807166534	03.01.2018	99,000	dateless bill	M.Farooq
-do-	-do-	99,000	dateless bill	M.Farooq
42	23.01.2018	98,500	05.01.2018	Ghulam Abbas
807500612	14.08.2018	92,200	dateless bill	Ghulam Abbas
-do-	-do-	96,500	dateless bill	Ghulam Abbas
807500655	19.03.2018	28,500	12.01.2018	Qayom Electric Store
807500659	19.03.2018	97,200	dateless bill	Ghulam Abbas
807500676	19.03.2018	45,200	dateless bill	Qasim pur electric store
807500678	22.03.2018	34,380	12.01.2018	Sharafat Santary store
807663835	11.04.2018	99,500	12.03.2018	Al-Jant Refregeration & Electric Works
807691674	17.05.2018	33,300	14.05.2018	Gurmani Hardwear
-do-	-do-	33,300	14.05.2018	Jam contruction
807752027	01.06.2018	97,220	dateless bill	MS Inayat Ullah
807752064	06.06.2018	48,500	dateless bill	
807802321	13.06.2018	97,450	dateless bill	
-do-	-do-	20,800	dateless bill	
-do-	-do-	45,000	dateless bill	

Voucher No.	Date	Amount	Bill Date	Supplier
806662050	20.09.2017	45,000	06.09.2017	
-do-	-do-	49,000	06.09.2017	
Total		1,970,546		

Annexure-K/RP**[Para 7.2.2.12]****Loss of profit due to non-deposit of CDRs in bank account - Rs 1.436 million**

(Amount in rupees)

Date of Advertisement	No. of Schemes	TS Amount	E. Money 5%	Tender Opening Date	Profit Approx. @ 10% per Annum	Profit for six months
04.06.2017	140	85,260,000	4,263,000	20.06.2017	426,300	213,150
04.06.2017	81	34,529,000	1,726,450	22.06.2017	172,645	86,322.5
22.11.2017	369	179,040,000	8,952,000	12.12.2017	895,200	447,600
06.01.2018	55	37,350,000	1,867,500	24.01.2018	186,750	93,375
15.11.2017	7	1,950,000	97,500	05.12.2017	9,750	4,875
08.11.2017	4	1,940,000	97,000	28.11.2017	9,700	4,850
05.12.2017	3	1,960,000	98,000	23.12.2017	9,800	4,900
18.12.2017	2	1,980,000	99,000	08.01.2018	9,900	4,950
10.01.2018	1	1,950,000	97,500	29.01.2018	9,750	4,875
15.01.2018	3	1,960,000	98,000	31.01.2018	9,800	4,900
17.01.2018	3	1,900,000	95,000	02.02.2018	9,500	4,750
01.02.2018	3	1,940,000	97,000	20.02.2018	9,700	4,850
09.02.2018	3	1,900,000	95,000	27.02.2018	9,500	4,750
05.03.2018	3	1,990,000	99,500	25.03.2018	9,950	4,975
14.03.2018	5	1,950,000	97,500	30.03.2018	9,750	4,875
21.03.2018	3	1,975,000	98,750	10.04.2018	9,875	4,937.5
13.12.2017	54	135,000,000	6,750,000	28.12.2017	675,000	337,500
06.11.2017	4	80,000,000	4,000,000	21.11.2017	400,000	200,000
Total						1,436,435

Annexure-C/CHN

[Para: 8.2.1.1]

Unauthorized execution of development works without entering into formal agreements – Rs 12.350 million

(Amount in Rupees)

Sr. No.	Name of Development Scheme	Funds of Scheme	Tendered Cost	Name of Contractor	Work Order No./Date	Date of Completion	Actual Date of Completion
1	Construction of drain, soling Mouza Kandiwal	400,000	400,000	M/s Rai Ejaz Ahmad	2/31.05.2017	30.06.2017	30.06.2017
2	Construction of soling Mouza Kaloor	800,000	796,000	-do-	3/31.05.2017	-do-	-do-
3	Construction of drain, soling main Ahmed Nagar Sial More to Abadi Muhammad Wala	400,000	400,000	M/s Ehsanullah	4/31.05.2017	-do-	28.07.2017
4	Construction of drain, soling Tibba Harlan Thattu Alam Mouza Glotran	400,000	398,000	M/s Umar Hayat	5/31.05.2017	-do-	28.06.2017
5	Construction of soling, Pullies Jakkuwala Jodhi Sultan	200,000	199,000	M/s Rai Ejaz Ahmad	6/31.05.2017	-do-	30.06.2017
6	Construction of drain, soling Ahmad Nagar	400,000	398,000	M/s Sarfraz & Co.	7/31.05.2017	-do-	-do-
7	Construction of drain, soling/resoling Ismail colony Mouza Jabana	200,000	200,000	M/s Rai Ejaz Ahmad	8/31.05.2017	-do-	-do-
8	Construction of soling Mouza Dawar	200,000	199,000	M/s Bashir Ahmad	9/31.05.2017	-do-	-do-
9	Construction of drain, soling Mouza Wallah Rai	400,000	398,000	-do-	10/31.05.2017	-do-	-do-
10	Construction of drain, soling Mouza Sanghra	200,000	200,000	M/s Ehsanullah	11/31.05.2017	-do-	-do-
11	Construction of drain, soling Sarwar Wala	200,000	200,000	M/s Atta Muhammad	12/31.05.2017	-do-	-do-
12	Construction of drain, soling Sarwar Mouza Peer Panja	200,000	199,000	M/s Umar Hayat	13/31.05.2017	-do-	-do-
13	Construction of drain, soling Pulley Adda Hasham Nagar to Abadi Shamal Abad	200,000	200,000	M/s M. Jafar Kazmi	14/31.05.2017	-do-	-do-
14	Construction of drain, soling, culverts Inayat Pur Bhattian and Mehran Baqar	400,000	400,000	M/s Atta Muhammad	15/31.05.2017	-do-	-do-
15	Construction of drain, soling, Dera Ghulam Murtaza Nekokara Hersa Sheikh	400,000	399,000	M/s Shah Din Traders	16/31.05.2017	-do-	-do-

Sr. No.	Name of Development Scheme	Funds of Scheme	Tendered Cost	Name of Contractor	Work Order No./Date	Date of Completion	Actual Date of Completion
16	Construction of drain, soling link road to link road agriculture farm Sar Murad Wala	200,000	199,500	-do-	17/31.05.2017	-do-	-do-
17	Construction of drain, soling Fayyaz Colony Lahore Road	200,000	199,500	M/s Syed Zafar Abbas Shah	18/31.05.2017	-do-	-do-
18	Construction of drain, soling Street Yousaf S/o Sardar to boundary wall Boys Primary School Ahmad Abad	400,000	400,000	M/s M. Jafar Kazmi	20/31.05.2017	-do-	-do-
19	Construction of soling Near Dera Gohar Ghazi Pull from Rasool Nagar to Iqbal Nagar	400,000	399,000	M/s Mohsin Khan	21/31.05.2017	-do-	-do-
20	Construction of soling Wainsan Wala	200,000	199,500	M/s Haider Ali	22/31.05.2017	-do-	-do-
21	Construction of drain Street Slab Sadar Ashraf Qureshi	400,000	399,000	M/s Mohsin Khan	23/31.05.2017	-do-	-do-
22	Construction of drain, soling Slab Chak Nos.134 & 131	400,000	398,000	M/s Sarfraz & Co.	24/31.05.2017	-do-	-do-
23	Construction of Pullies Chak No.135/JB	300,000	298,500	-do-	25/31.05.2017	-do-	-do-
24	Construction of drain, soling Gatti Syedan	600,000	600,000	M/s Muhammad Mohsin	26/31.05.2017	-do-	-do-
25	Construction of drain, soling Gatti Syedan	600,000	588,000	-do-	27/31.05.2017	-do-	-do-
26	Construction of drain, sludge Adda Jamia Abad	400,000	400,000	M/s Syed Zafar Abbas Shah	28/31.05.2017	-do-	-do-
27	Construction of Pullies Chak Nos.150, 155 & 156/JB	200,000	199,000	M/s Imdad Ali	29/31.05.2017	-do-	-do-
28	Construction of drain Chak 237/JB Langar Ana 206/JB	200,000	197,000	M/s Haider Ali	30/31.05.2017	-do-	-do-
29	Construction of drain, sludge carrier 186/JB Chak Kalyar	500,000	497,500	M/s Imdad Ali	31/31.05.2017	-do-	-do-
30	Construction of soling, pullies Chak 211/JB	400,000	398,000	-do-	32/31.05.2017	-do-	-do-
31	Construction of drain, soling Chak 225/JB	400,000	398,000	M/s M. Javed	33/31.05.2017	-do-	-do-
32	Construction of drain, soling Chak 223/JB	300,000	299,700	M/s Haider Ali	34/31.05.2017	-do-	-do-
33	Construction of drain, soling, pullies Mouza Nitharka	400,000	398,000	M/s Imdad Ali	35/31.05.2017	-do-	-do-
34	Construction of drain, soling Mouza Kalar Wala	300,000	299,250	M/s M. Khan Javed	36/31.05.2017	-do-	-do-

Sr. No.	Name of Development Scheme	Funds of Scheme	Tendered Cost	Name of Contractor	Work Order No./Date	Date of Completion	Actual Date of Completion
35	Construction of soling, Mouza Talab Wala	150,000	149,700	M/s Haider Ali	37/31.05.2017	-do-	-do-
Total		11,950,000	11,903,150		-		

Annexure-D/CHN

[Para: 8.2.2.1]

Non-imposition of penalty for non-completion of schemes – Rs 1.043 million

(Amount in Rupees)

Name of Scheme	Funds of Scheme	Tendered Cost	Work Order No./ Date	Date of Completion	Actual Date of Completion/ Status	Amount of Penalty
Construction of drain, soling main Ahmed Nagar Sial More to Abadi Muhammad Wala	400,000	400,000	4/31.05.2017	30.06.2017	28.07.2017	40,000
Construction of drain, soling Mouza Kandiwal	400,000	400,000	2/31.05.2017	-do-	Incomplete	40,000
Construction of drain, soling/resoling Ismail colony Mouza Jabana	200,000	200,000	8/31.05.2017	-do-	-do-	20,000
Construction of drain, soling Mouza Wallah Rai	400,000	398,000	10/31.05.2017	-do-	-do-	40,000
Construction of drain, soling, culverts Inayat Pur Bhattian and Mehran Baqar	400,000	400,000	15/31.05.2017	-do-	-do-	40,000
Construction of drain, soling Gatti Syedan	600,000	600,000	26/31.05.2017	-do-	-do-	60,000
Construction of drain, soling Loyal Sharif Kandiwal	1,000,000	999,200	2/01.12.2017	01.02.2018	-do-	100,000
Construction of drain, soling Mouza Kaloor	1,000,000	999,200	4/01.12.2017	-do-	-do-	100,000
Construction of drain, soling Changranwala Gali Taliwali	1,000,000	999,960	6/01.12.2017	-do-	-do-	100,000
Construction of soling, slab drain Haidri Mohallah Rajoya Sadat	825,000	820,000	61/09.01.2018	09.02.2018	-do-	82,500
Construction of drain, Nallah and sewerage Kot Ismail	700,000	700,000	63/09.01.2018	-do-	-do-	70,000
Construction of drain, soling Chak No.189 Barian Wala	1,000,000	997,500	97/09.01.2018	-do-	-do-	100,000
Construction of drain, soling, pullies Chak 245/JB	700,000	698,250	117/09.01.2018	-do-	-do-	70,000
Construction of drain, soling, pullies Chak 247/JB	600,000	598,500	115/09.01.2018	-do-	-do-	60,000

Name of Scheme	Funds of Scheme	Tendered Cost	Work Order No./ Date	Date of Completion	Actual Date of Completion/ Status	Amount of Penalty
Construction of boundary wall of Qabrastan Janazgah Chak 249/JB	600,000	598,500	116/09.01.2018	-do-	-do-	60,000
Construction of waiting shed/place shoo More Chak 247/JB	600,000	598,500	118/09.01.2018	-do-	-do-	60,000
Total	10,425,000		-			1,042,500

Annexure-E/FSD

[Para: 9.2.2.3]

Irregular payment of bituminous items – Rs 13.407 million

(Amount in Rupees)

Sr. No.	Name of Works	Name of Item	Quantity (sft)	Amount
1	Road from GBPS 1 to GBSSS chak no 132	TST to Road 67 Bitumen	18,400	583,177
2	Construction of road 153 RB	TST 79 lbs bitumen	6,988	361,264
3	Improvement of road 104 JB to 112 JB	TST 67 lbs bitumen and 7.5% CFT	9,517	799,770
4	Construction of road Chak 102 JB	TST 67 lbs bitumen	37,658	1,183,418
5	Construction of road from Bilal Masjid to GHS Chak 157 Gojra	TST 79 lbs bitumen	24,480	916,881
6	Construction of road from Ada Jhol along seem nalah to jinnah abadi	TST 79 lbs bitumen	20,340	766,448
7	Construction of road from Darbar Sharif 53/3 Tukkra Darbar Salah-Ud-Din	TST 67 lbs bitumen	6,900	2,275,336
8	Repair of Road from 58JB Lehal to 52 JB Mullah Pur	TST 79 lbs bitumen	27,423	1,019,211
9	Construction and improvement from Faryad house to Darbaba Baba Boots Shah Chak No.201 RB	TST 79 lbs bitumen	22,878	857,822
10	Improvement of road Main bazar and cross Chak 165 RB Jandwali	TST to Road 67 Bitumen	17,640	560,481
11	Construction and repair of road Chak 22 RB to 23 RB	TST 67 lbs bitumen	33,198	1,073,205
12	Repair of road bypass to Chak No.6 JB	TST 67 lbs bitumen	2,620	71,343
13	Repair of road bypass to Chak No.6 JB	DST 32 LBS BITUMEN	14,846	226,853
14	Construction road block F millat town kilash par via ps millat town 71f to graveyard	2" INCH THICK carpet with 4% bitumen	13,305	775,429
15	Construction of road 113 JB to 104 JB to new bypass	TST 67 lbs bitumen	16,480	519,450
17	Repair and construction of road	TST to Road 67 Bitumen	8,469	269,358
18	Construction of Road Mohallah Usman Town Chak 215 RB Kakuana	2" carpeting with 4% bitumen	21,567	148,704
19	Construction of Road from Chak No.411/GB Janubi to Abadi Pir Shafiq Shah Chisti	tst 67 lbs bitumen and 7.5% CFT	16,525	538,133
20	Construction of Road Chak No 196 RB Ghona Gharbi	TST 67 lbs bitumen	12,320	460,424
Total				13,406,707

Annexure-F/FSD

[Para: 9.2.2.9]

Irregular provision of non-schedule items – Rs 2.528 million

(Amount in Rupees)

Name of Scheme	Item	Unit	Quantity	Rate	Amount
Construction and repair of office building	P/F shoe bolt Rod to door in 10" bras fancy	Nos	57	468	26,676
	P/Fhandle Lock best Quality	Nos	5	1668	8,340
	P/Fhandle dasti to door	Nos	125	500	62,500
	P/F Door closer	Nos	17	3816	64,872
	P/F 18 watt SMD cealing light	Nos	113	1259	142,267
	P/F Gypsum Cealing	Sft	899.8	82	73,784
	P/L Bin board cabinet 3/4" thick with draz	Sft	186.7	386	72,066
	P/F wall panelling PCV 8mm Thick double ply	Sft	2090.3	105	219,482
	P/F glazed tile 9/26	Sft	220.25	245.25	54,016
	P/F designed glazed in grooving & colored 10mm thcik	Sft	106	557	59,042
	P/F kail wood boarder 5" wide 6/8" thick	Rft	120	250	30,000
	P/F kail wood boarder 3" wide 6/8" thick	Rft	597	188	112,236
	P/F wood boarder 4" wide 6/8" thick	Rft	263	223	58,649
	P/F 7/8" thick marble sunny grey	Sft	162.5	224	36,400
	P/F 7/8" thick marble black grey night	Sft	90.44	646	58,424
	P/L first class deodar wood road joinery work	Sft	652	162.9	106,211
	P/L repairing of Door and bottom rails, glass and gola	Sft	736	144	105,984
	P/F ash wood vin board ply 3/16" thick	Sft	545.58	173	94,385
	P/L ashwood 3/4" thick leminated MDF sheet	Sft	419	323	135,337
	P/L mercyury glass 6mm thick	Sft	48.25	254	12,256
	P/L tile 16x16 master	Sft	1116	220	245,520
Purchase of water tanker	No.	1	750,000	750,000	
Total					2,528,446

Annexure-G/FSD

[Para: 9.2.2.13]

**Unauthorized payment of General Sales Tax on exempted supplies and
overpayment of labor charges – Rs 1.041 million**

(Amount in Rupees)

Sr. No.	Item	Tehsil	Rate (ST in Analysis)	Quantity Paid	Sales Tax	
1	Bajri	Jaranwala	5.44	16,128	87,736	
2	Bajri	Faisalabad Sadar	5.44	19,872	108,104	
3	Bajjar	Jaranwala	2.125	84,380	179,308	
4	Bajjar	Faisalabad Sadar	2.125	150,605	320,036	
5	Khaka	Jaranwala	0.289	3,360	971	
6	Khaka	Faisalabad Sadar	0.289	4,140	1,196	
Total					697,351	
Sr. No.	Description	Estimated Rate	Actual Rate (6.86% below)	Difference	Quantity (Sft)	Amount
1	Laborfor base course	5.000	4.657	0.343	307,701	105,541
2	Laborfor carpeting	11.250	10.478	0.772	307,701	237,545
Total						343,086

Annexure-H/JHG**[Para: 10.2.2.9]****Irregular expenditure without open competition – Rs 2.934 million**

(Amount in Rupees)

Sr. No.	Name of Contractor	Work Name	Work Order./ Voucher No.	Date	Amount	Remarks
1	M/s M. Jamil	Repair of chairman residence / camp office	4	05.04.17	92,269	Splitting
2	M/s M. Jamil	Repair of chairman residence / camp office	3	05.04.17	94,340	Splitting
3	M/s M. Jamil	Repair of chairman residence / camp office	2	03.04.17	93,220	Splitting
4	M/s M. Jamil	Repair of chairman residence / camp office	1	02.04.17	95,174	Splitting
5	MA Builders	Lighting arrangement at Eid ul Azha	94	21.08.17	95,200	Splitting
6	MA Builders	Flexes at Eid ul Azha	95	21.08.17	93,000	Splitting
7	MA Builders	Lighting arrangement at Eid ul Azha (Majeed Park)	39	Oct-17	48,000	Splitting
8	MA Builders	Lighting arrangement at Eid ul Azha (Jinnah Hall)	40	Oct-17	45,840	Splitting
9	Ghulam Raza	Purchase of CCTV cameras (Chairman residence)	35	Nov-17	87,900	Splitting
10	Ghulam Raza	Purchase of CCTV cameras (Majeed Park)	36	Nov-17	78,700	Splitting
11	Ghulam Raza	Purchase of CCTV cameras (DC Jhang office)	37	Nov-17	76,300	Splitting
12	Ghulam Raza	Purchase of CCTV cameras (land record center)	38	Nov-17	97,100	Splitting
13	MA Builders	P/F LED lights Majeed Park	19	Jan-18	96,970	Splitting
14	MA Builders	R&M Liquors Majeed Park	20	Jan-18	96,500	Splitting
15	AYS	Lighting on Eid Milad ul Nabi SAW (DC office)	104	Jan-18	99,000	Splitting
16	AYS	Lighting on Eid Milad ul Nabi SAW (Majeed Park)	105	Jan-18	99,000	Splitting
17	AYS	Flexes on Eid Milad ul Nabi SAW	107	Jan-18	97,500	Splitting
18	AYS	Flexes on Eid Milad ul Nabi SAW	108	Jan-18	96,000	Splitting
19	AYS	Flexes on Eid Milad ul Nabi SAW	109	Jan-18	99,300	Splitting

Sr. No.	Name of Contractor	Work Name	Work Order./ Voucher No.	Date	Amount	Remarks
20	AYS	Flexes on Eid Milad ul Nabi SAW	110	Jan-18	93,000	Splitting
21	AYS	Flexes for Saaf Dehat Program	111	Jan-18	97,500	Splitting
22	AYS	Flexes for Saaf Dehat Program	112	Jan-18	78,000	Splitting
23	Ghulam Raza	Earth filling Mohram ul Haram routs Qaim Barwana	36	Mar-18	90,478	Splitting
24	Ghulam Raza	Earth filling Mohram ul Haram routs Qaim Barwana	37	Mar-18	95,800	Splitting
25	M. Yawar Abbas	Earth filling Mohram ul Haram routs Mouza Bagh	38	Mar-18	95,800	Splitting
26	M. Yawar Abbas	Earth filling Mohram ul Haram routs Mouza Bagh	39	Mar-18	98,700	Splitting
27	M. Yawar Abbas	Supply of MS pipe for water turbine Chenab Park	340	Jun-18	98,400	Splitting
28	M. Yawar Abbas	Repair of water turbine Chenab Park	341	Jun-18	67,200	Splitting
29	M. Yawar Abbas	Lying PVC copper conductor for water turbine Chenab Park	342	Jun-18	67,979	Splitting
30	M. Yawar Abbas	Supply and erection 7/64 four core cable for turbine Chenab Park	343	Jun-18	99,765	Splitting
31	Ghulam Raza	Lighting on Eid ul Fiter, 2018	462	Jun-18	90,000	Splitting
32	Ghulam Raza	Lighting on Eid ul Fiter, 2018 in parks	463	Jun-18	90,000	Splitting
33	Tariq Mehmood	Lighting on Eid ul Fiter, 2018 in parks	464	Jun-18	90,000	Splitting
Total					2,933,935	

Annexure-I/JHG

[Para: 10.2.2.16]

Non-recovery of Penal Rent – Rs 1.140 million

(Amount in Rupees)

Name of Building	Name of Occupant	Designation	Status	Initial of BPS	Penal Rent Per Month	From	To	Months	Amount
Mouza Civil Station Old Rest House	AC, Jhang	AC, Jhang, (BS-17)	Illegal Occupant	25,440	15,264	01.01.2017	30.06.2017	6	91,584
Mouza Civil Station Old Rest House	AC, Jhang	AC, Jhang (BS-17)	Illegal Occupant	30,370	18,222	01.07.2017	30.06.2018	12	218,664
Mouza Civil Station Quarter SDO	ADC (Revenue), Jhang	ADC (Revenue), Jhang (BS-18)	Illegal Occupant	31,890	19,134	01.01.2017	30.06.2017	6	114,804
Mouza Civil Station Quarter SDO	ADC (Revenue), Jhang	ADC (Revenue), Jhang (BS-18)	Illegal Occupant	38,350	23,010	01.07.2017	30.06.2018	12	276,120
Mouza Civil Station Quarter OS	Javed Anjum	Vetnerary Assistant (BS-11)	Illegal Occupant	10,510	6,306	01.01.2017	30.06.2017	6	37,836
Mouza Civil Station Quarter OS	Javed Anjum	Vetnerary Assistant (BS-11)	Illegal Occupant	12,570	7,542	01.07.2017	30.06.2018	12	90,504
Rest House Garh Maharaja	AC, Ahmad Pur Sial	AC, Ahmad Pur Sial (BS-17)	Illegal Occupant	25,440	15,264	01.01.2017	30.06.2017	6	91,584
Rest House Garh Maharaja	AC, Ahmad Pur Sial	AC, Ahmad Pur Sial (BS-17)	Illegal Occupant	30,370	18,222	01.07.2017	30.06.2018	12	218,664
TOTAL									1,139,760
Note: The amount has been calculated on the basis of initial of relevant basic pay scales for financial year 2016-18. Recovery be made on the basis of actual date of unauthorized occupation and Basic Pay.									

Annexure-J/JHG

[Para: 10.2.3.3]

Non-recovery of local Government dues – Rs 4.204 million

(Amount in Rupees)

Sr. No	Description of Lease	Location	Contract Amount	Advance Income Tax	Total Amount	Recovered	Recoverable Amount
1	River Crossing	Chor Gali	726,025	72,603	798,628	370,000	428,628
2	River Crossing	Sadha Chontra	1,336,400	133,640	1,470,040	1,180,950	289,090
3	River Crossing	Shaheedanwala	128,500	12,850	141,350	105,000	36,350
4	River Crossing	Kot Khan	1,290,140	129,014	1,419,154	1,039,600	379,554
5	River Crossing	Kalaira	818,545	81,855	900,400	527,836	372,564
6	River Crossing	Kot Esa Shah	1,355,675	135,568	1,491,243	1,248,500	242,743
7	River Crossing	Kot Rustam	526,850	52,685	579,535	194,900	384,635
8	River Crossing	Islam Pur	276,275	27,628	303,903	176,403	127,500
9	River Crossing	Hassu Wali	258,285	25,829	284,114	161,000	123,114
10	Parking Stand	Katchery Road, Yousaf Shah Road	2,158,000	215,800	2,373,800	1,625,390	748,410
11	Parking Stand	Opposite Land Record Office	900,000	90,000	990,000	390,470	599,530
12	Parking Stand	Zail Ghar	430,000	43,000	473,000	298,610	174,390
13	Parking Stand	Chenab Park	121,000	12,100	133,100	37,155	95,945
14	Canteen	Chenab Park	45,000	4,500	49,500	14,500	35,000
15	Land	Chak Madrassa	93,000	9,300	102,300	33,250	69,050
16	Land	Yaray Wala	40,700	4,070	44,770	30,000	14,770
17	Land	Moonda	250,000	25,000	275,000	230,000	45,000
18	Land	Bhagri	113,000	11,300	124,300	95,917	28,383
19	Land	Moza Sabhaga	37,000	3,700	40,700	31,449	9,251
Total			10,904,395	1,090,442	11,994,837	7,790,930	4,203,907

Annexure-K/TTS

[Para: 11.2.3.2]

Non-auction of dried trees and dismantled material – Rs 14.198 million

(Amount in Rupees)

Sr.No.	Lot Number	Location	Units	Value/Unit	Amount
1	4	Gojra	534.69	595	318,141
2	5		763.46	595	454,259
3	6		534.96	590	315,626
4	7		535.38	595	318,551
5	8		1073.1	600	643,860
6	9		1690.8	610	1,031,388
7	11		1930.47	610	1,177,587
8	12		1239.09	605	749,649
9	13		1222.78	610	745,896
10	14		730.51	605	441,959
11	15		897.55	595	534,042
12	16		1317.97	605	797,372
13	17		1192.05	595	709,270
14	18		1211.18	595	720,652
15	19		904.47	590	533,637
16	20		757.88	600	454,728
17	21		184.59	590	108,908
18	22		1300.43	610	793,262
19	23		1505.69	610	918,471
20	24		995.71	605	602,405
21	25		690.57	605	417,795
22	26		801.08	600	480,648
Total			22014		13,268,105

Non-Auction of Diamanteled Material by District Council

Sr. No.	Tehsil	Bricks	Guarder/TR	Doors	Almira	Wood Pieces	Grand Tortal
1	Gojra	324,450	85,000	30,000	21,000	36,300	
2	Kamalia Pir Mahal	16,500	119,800	204,000	54,000	39,400	
Total		340,950	204,800	234,000	75,000	75,700	930,450

Annexure-C/KWL

[Para: 12.2.1.1]

Non-maintenance of cash book for expenditure and receipt- Rs 620.230 million

Non maintenance of cash book for expenditure and receipt- Rs 620.230 million									
Financial Year	Name of Branch	Budget Allocation				Expenditure			
		Salary	Non Salary	Dev.	Total	Salary	Non Salary	Dev.	Total
2016-17	Chairman	2.601	9.155	-	11.756	1.058	5.497	-	6.555
	Chief Officer	8.028	13.160	-	21.188	4.925	2.840	-	7.765
	District Officer Regulation	3.743	6.255	-	9.998	1.282	0.064	-	1.345
	District Officer Planning	3.747	1.105	-	4.852	2.004	0.214	-	2.218
	District Officer (I & S)	23.254	6.020	287.041	316.315	18.362	0.273	2.021	20.655
	UC 88 Makhdoompur	10.009	2.065	-	12.074	7.175	0.795	-	7.969
	UC 32 Sarai Sidhu	6.197	1.360	-	7.557	5.767	0.401	-	6.169
Total		57.580	39.120	287.041	383.741	40.573	10.082	2.021	52.676
2017-18	Chairman	7.878	3.755	-	11.633	5.763	1.989	-	7.752
	Chief Officer	40.227	55.515	-	95.742	8.831	17.307	-	26.138
	District Officer Regulation	7.336	1.405	-	8.741	4.850	0.169	-	5.018
	District Officer Planning	8.146	1.905	-	10.051	4.108	1.365	-	5.473
	District Officer (I & S)	59.571	12.515	599.394	671.481	51.788	6.569	423.986	482.344

	UC 88 Makhdoompur	23.059	3.605	-	26.664	18.861	3.003	-	21.864
	UC 32 Sarai Sidhu	15.813	2.890	-	18.703	13.447	2.002	-	15.449
Total		162.030	81.590	599.394	843.015	107.648	32.404	423.986	564.038
Grand Total		219.610	120.710	886.435	1,226.755	148.220	42.486	426.007	616.714

Non maintenance of cash book for expenditure and receipt- Rs 620.230 million				
Name of Tehsil	Head of Income	Period	Budgeted / Targeted Receipt	Actual Recovered
Khanewal	Licence Fee	01-01-2017 to 30-06-2017	0.150	0.193
Mianchannu			0.150	0.241
Kabirwala			0.150	0.445
Jahanian			0.050	0.064
Total			0.500	0.943
Khanewal	Licence Fee	01-07-2017 to 30-06-2018	0.800	1.311
Mianchannu			0.400	0.416
Kabirwala			0.500	0.485
Jahanian			0.300	0.222
Total			2.000	2.433
Khanewal	Advertisement Fee	01-01-2017 to 30-06-2017	2.000	-
Khanewal	Advertisement Fee	01-07-2017 to 30-06-2018	1.000	0.141
Total			3.000	0.141
Total Receipt During 01/2017 to 6/2018			5.500	3.516
Total Expenditure During 01/2017 to 6/2018			1,226.755	616.714
Grand Total			1,232.255	620.230

Annexure-D/KWL

[Para: 12.2.1.2]

Non-forfeiture of security deposits Rs 3.267 million

Sr No.	Sch No.	Name of Scheme	Estimated Cost	Agreement Amount	Physical Progress %	Financial Progress%	Remarks
1	15	Const. of Boundary wall Graveyard in UC # 89	1.000	0.998	0%	0	Not Started
2	20	Const. of Boundary wall Graveyard Basti Naikokara	0.500	0.640	0%	0	Not Started
3	21	Const. of Boundary Wall Graveyard Basti Sidhu Kawan.	0.500	0.500	0%	0	Not Started
4	34	Const. of Boundary wall Graveyard Mouza Jamas abad	1.000	1.000	0%	0	Not Started
5	38	Const. of Boundary wall Graveyard UC # 90	1.000	0.998	0%	0	Not Started
6	39	Const. of Boundary wall Graveyard UC # 91	1.000	1.000	0%	0	Not Started
7	45	Const. of Boundary wall of Graveyard Chak # 28/10R	1.000	1.000	0%	0	Not Started
8	49	Const. of Boundary wall of Graveyard Mouza Kot Bahadur (Remaining Portion)	1.000	1.000	0%	0	Not Started
9	51	Const. of Boundary wall of Graveyard shah Dara Chak # 58/10R	1.000	1.000	0%	0	Not Started
10	64	Const. of Metalled Road in Chak No. 171/10R	0.900	0.900	0%	0	Not Started
11	74	Const. of Soling & Drain Basti Chuni pur	0.500	0.433	0%	0	Not Started
12	78	Const. of Soling & Drain Basti Malook Sajjad Ali Shami	0.200	0.200	0%	0	Not Started
13	80	Const. of soling & Drain basti Muhammad Pur Nasheeb UC # 5	1.000	0.878	0%	0	Not Started
14	84	Const. of soling & Drain Chak # 104/10-R (Old) UC # 119	1.500	1.218	0%	0	Not Started
15	85	Const. of Soling & Drain chak # 107/10R	1.000	0.822	0%	0	Not Started
16	121	const. of soling and drain street rana Shabir chak # 88A/10R	0.300	0.300	0%	0	Not Started
17	128	Const. of Soling Basti Mubark pur, Ali pur and Baary wala	1.000	0.848	0%	0	Not Started
18	129	Const. of Soling Basti Odaan wali saleem abad Choperhatta (Remaining Portion)	0.500	0.500	0%	0	Not Started
19	134	Const. of Soling Chah Jalal	1.000	0.888	0%	0	Not Started

		wala, Badhwal wali and kho Shekho wala					
20	153	Const. of soling Drain, Sewerage and P/L Tuff tile in St. Usman wali, National Bank wali, Sabz Mandi St.Qurban wali & House Sobidar Mumtaz Sarai Sidhu	1.000	1.000	0%	0	Not Started
21	158	Const. of soling from chak joiya wala to abadi Matloob Missing Links towards Bulhar	1.442	3.003	0%	0	Not Started
22	171	Const. of Soling Khu Bahawal Chadar wala Mouza Fareed Pur	0.500	0.500	0%	0	Not Started
23	178	Const. of Soling Saraye sidhu road to kho mian usman sargana	0.500	0.500	0%	0	Not Started
24	184	Const. of Soling, Drain & slab in Rukan Wala, Near Basti Salam pur Jahranwala	1.000	1.000	0%	0	Not Started
25	186	Const. of Soling, drain & sullage carrier in UC-9	0.500	0.500	0%	0	Not Started
26	191	Const. of Sullage carrier Chak # 142/10R	1.000	0.860	0%	0	Not Started
27	193	Const. of Tuff Tile Basti Bilawalpur.	1.000	0.895	0%	0	Not Started
28	195	Const. of waiting shed chak # 129/10R	0.500	0.500	0%	0	Not Started
29	196	Const. of Waiting shed Chak # 41/10R	0.500	0.500	0%	0	Not Started
30	227	Const. of Drains & Soling Chak No. 111/15-L & 116/15-L (Sydan wali) U/C 80	1.000	0.819	0%	0	Not Started
31	229	Const. of Drains & Soling Chak No. 123/15-L U/C 72	1.500	1.198	0%	0	Not Started
32	232	Const. of Drains, Soling & Resoling Chak No. 129/15-L & Chak No. 128/15-L (small) U/C 57	1.500	1.198	0%	0	Not Started
33	241	Const. of Soling & Drain Chak No. 84/15-L, 86/15-L & 87/15-L U/C 63	1.000	1.000	0%	0	Not Started
34	244	Const. of Soling abadi Zafar Iqbal Pahor to Chak No. 85/15-L U/C (Remaining Portion)	0.500	0.475	0%	0	Not Started
35	253	Const. of Soling new abadi Bhatah Paka Haji Majeed U/C 50	1.000	0.789	0%	0	Not Started
36	254	Const. of Soling Street Haji Shakeel Arain Chak 125/15-L Jhandy wali & Sewer Line Mehar abad 125/15-L Jhandy wali	1.000	0.998	0%	0	Not Started
35	259	P/L Tuff Tile main Street in mouza Alabad	1.000	1.611	0%	0	Not Started
			32.342	32.466			

36	83	Const: of Soling Chah Nooray wala C/O Qaiser noor sahu	0.2	0.2	0%	0	Not Started
			2.000	2.000			
			32.542	32.666			
				3.267			

Annexure-E/KWL

[Para: 12.2.1.3]

Unauthorized Appointment of Contingent Paid Staff – Rs 3.042 million

Irregular appointment of daily wages staff–Rs 3.042 million		
Sr. No.	Name of Contract / Daily Wages Employees MakhdoomPur	Salary Per Month
1	Shahmoon S/o Anayat Mahse	0.130
2	vikram shahzad s/o jarag Mahse	0.130
3	Nadeem Samol s/o Samol Mahse	0.130
4	Haron Pitras s/o jarg Mahse	0.130
5	Joiial s/o imdad Mahse	0.130
6	Khaleel s/o jameel Mahse	0.130
7	Naseem w/o jamas Mahse	0.130
8	Yaseem w/o Munir Mahse	0.130
9	sumera Kanwal w/o joial Mahse	0.130
10	Laiqat s/o barkat Mahse	0.130
11	Billwal s/o Mukhtar Mahse	0.130
12	Imran s/o Lal Mahse	0.130
13	Shahbaz s/o Raiz Mahse	0.130
Total		1.690
Total Salary Drawn During 01/2017 to 06/2018		30.420

Annexure-F/KWL

[Para: 12.2.2.2]

Unauthorized sanction of land sub-division without obtaining bank guarantee/ mortgage Rs 61.850 million

Non execution of mortgage deed / non obtaining of bank guarantee Rs 61.850 million					
Sr. No.	Name of Owner	Town Name	Address	Area of Road in Marla	Cost of Development Approximately
1	Abdul Ghafoor S/o Ghulam Nabi	Ghulab City Land Sub-Division	88-A/10-R	207	10.350
2	Abdul Qauem S/o Abdul Latif	Defence View Land Sub-Division	Mouza Mola Pur	610	30.500
3	M.Imran S/o M. Iftkhar	Al-Raza Canal View Land Sub-Division	Kabirwala- Khanewal Road Kabirwala	180	9.000
4	Arshad Ali S/o M. Hussain	Land Sub-Division	130/15-L MianChannu	240	12.000
Total					61.850

Unauthorized construction of housing schemes and undue benefit to owners – Rs 42.631 million										
Sr. No.	Name of Owner	Town Name	Address	Area of Road in Marla	Area of Park in Marla	Area of Mosque in Marla	Area of Public Building in Marla	Area of Solid Waste Plot In Marla	Total Area in Marla	Value
1	Abdul Ghafoor S/o Ghulam Nabi	Ghulab City Land Sub-Division	88-A/10-R	207	43	10	8	10	278	3.841
2	Abdul Qauem S/o Abdul Latif	Defence View Land Sub-Division	Mouza Mola Pur	610	63	33	-	10	716	14.320
3	M.Imran S/o M. Iftkhar	Al-Raza Canal View Land Sub-Division	Kabirwala-Khanewal Road Kabirwala	180	52	10	14	10	266	5.320
4	Arshad Ali S/o M. Hussain	130/15-L MianChannu	Land Sub-Division	240	91	10	32	10	383	19.150
Total										42.631

Annexure-G/KWL

[Para: 12.2.2.5]

Non-collection of tax on immoveable property from the Municipalities of District Khanewal- Rs 4.659 million

Non-Collection of IP tax on immoveable properties from the Municipalities of Khanewal- Rs 4.659 million					
Date	Khanewal	Kabirwala	Jahanian	Mian Channu	Total
10-01-2017	0.000	0.000	0.061	0.000	0.061
11-01-2017	0.000	0.000	0.087	0.000	0.087
12-01-2017	0.000	0.200	0.000	0.000	0.200
13-01-2017	0.000	0.682	0.000	0.000	0.682
14-01-2017	0.000	0.000	0.000	0.325	0.325
16-01-2017	0.705	0.000	0.331	0.046	1.082
17-01-2017	0.293	0.537	0.674	0.000	1.504
18-01-2017	0.203	0.068	0.020	0.000	0.291
19-01-2017	0.185	0.200	0.021	0.093	0.498
20-01-2017	0.038	0.175	0.000	0.000	0.213
21-01-2017	0.057	0.000	0.000	0.000	0.057
23-01-2017	0.123	0.344	0.000	0.019	0.487
24-01-2017	0.171	0.376	0.416	0.000	0.964
25-01-2017	1.412	0.206	0.060	0.259	1.937
26-01-2017	0.052	0.106	0.028	0.140	0.325
27-01-2017	0.172	0.080	0.042	0.157	0.450
28-01-2017	0.040	0.000	0.000	0.000	0.040
30-01-2017	0.551	0.319	0.186	0.711	1.767
31-01-2017	0.096	0.245	0.342	0.963	1.647
Total Receipt of 19 Days During January 2017	4.097	3.538	2.268	2.713	12.617
Per Day Average Receipt	0.216	0.186	0.119	0.143	0.664
Short Recovery of 7 Days w.e.f 02.01.2017 to 09.01.2017	1.510	1.304	0.836	1.000	4.659

Annexure-H/KWL

[Para: 12.2.2.6]

Non recovery of commercialization fee for illegal construction of commercial buildings – Rs 1.966 million

Sr. No.	Name of Owner	Address	Catagry of Building	Total Area in Kanal / Marla	Total Value	Ratio of Conversion Fee	Conversion Fee	Fine	Total
7	Qadar Ahmad Khan S/o Mukhtar Ahmad Khan	167/10-R Khanewal	Hotel	5 K	1,206,494	10%	120,649	5,000	0.126
8	Sardar Muhammad Khalil S/o Haji Hassan Din	80/10-R Near Tool Palza Khanewal		8 K	6,769,720	10%	676,972	5,000	0.681
9	Jamsheed S/o	Chak No.167/10-R Khanewal		4 K	1,771,000	10%	177,100	5,000	0.182
10	M.Saeed S/o Noor M	Chak No. 114/10-R Jahanian	Commercial	3 K	37,500	5%	1,875	19,681	0.022
11	Mumtaz Ahmad S/o M. Nawaz Khan	Chak No.167/10-R Khanewal		7 K	1,689,091	10%	168,909	5,000	0.174
12	NoShar Khan S/o M. Sharef	Chak No.17 D Kabirwala		10 M	163,280	5%	8,164	5,000	0.013
13	Nazar M. S/o M Sharef	Chak No.17 D Kabirwala		10 M	163,780	5%	8,189	5,000	0.013
Total									1.211

Sr. No.	Name of Owner	Address	Catagry of Building	Total Area in Kanal / Marla	Total Coverad Area Salable in Marlas	Rate Per Marla / Sft	Map Fee
1	Qadar Ahmad Khan S/o Mukhtar Ahmad Khan	167/10-R Khanewal	Hotel	5K	0.005	12	0.066
2	Raja Khalil S/o Haji Hassan Din	80/10-R Near Tool Palza Khanewal		8K	0.040	12	0.474
3	Jamsheed S/o	Chak No.167/10-R Khanewal		4K	0.008	12	0.096

4	M.Saeed S/o Noor M	Chak No. 114/10-R Jahanian	Commercial	3K	0.001	12	0.009
5	Mumtaz Ahmad S/o M. Nawaz Khan	Chak No.167/10-R Khanewal		7K	0.002	12	0.024
6	NoShar Khan S/o M. Sharef	Chak No.17 D Kabirwala		10M	0.004	12	0.049
7	Nazar M. S/o M Sharef	Chak No.17 D Kabirwala		10M	0.003	12	0.035
Total							0.754
Grand Total							1.965

Annexure-I/LND

[Para: 13.2.1.8]

Irregular and un-economic procurement of furniture – Rs 4.654 million and recovery – Rs 1.063 million

(Rupees in million)

Sr. No	Item Name	Item Code of Interwood	Qty	Rate	GST @ 17%	Rate paid by District Coucil	Amount Paid	Rate of Inter wood	Difference	Overpayment
1	conte executive credenza	OF-21CR-CO-28157	1	0.181	0.031	0.212	0.212	0.166	0.046	0.046
2	Chair conte Exective		1	0.035	0.006	0.041	0.041	0.034	0.007	0.007
3	Coat hanger	OF -08-09CH-JA-2558	2	0.009	0.002	0.010	0.021	0.007	0.003	0.007
4	Table conte center	OF-21CN-CO-28211	1	0.033	0.006	0.038	0.038	0.028	0.010	0.010
5	Table conte Side	OF-21CN-CO-28212	2	0.024	0.004	0.028	0.056	0.025	0.003	0.006
6	Sofa Classic 1 Seator	OF-01SF1-21071	4	0.036	0.006	0.042	0.167	0.037	0.005	0.019
7	Sofa classic 2 seater	OF-01SF2-21072	8	0.054	0.009	0.064	0.510	0.057	0.007	0.054
8	Sofa classic 3 seater	OF-01SF3-21073	7	0.068	0.012	0.080	0.558	0.069	0.011	0.075
9	Desk classic		2	0.188	0.032	0.219	0.439	0.089	0.130	0.261
10	Side Rack classic		2	0.075	0.013	0.088	0.176	0.045	0.043	0.086
11	Credenza classic		2	0.117	0.020	0.137	0.274	0.117	0.020	0.040
12	Chair classic Exective	OF -01EC-RW-2388	2	0.028	0.005	0.033	0.066	0.032	0.001	0.003
13	Table classic center		6	0.019	0.003	0.023	0.137	0.016	0.007	0.044
14	Table classic Side		8	0.015	0.003	0.018	0.144	0.012	0.007	0.052
15	Chair Back Tapastry		10	0.015	0.003	0.018	0.179	0.017	0.001	0.009
16	Sofa Rio /Seater		1	0.064	0.011	0.075	0.075	0.038	0.037	0.037
17	Table Lution		3	0.021	0.004	0.025	0.074	0.017	0.008	0.023
18	Freigh & fixing charges chairman office		1	0.171	-	0.171	0.171	-	0.171	0.171
19	Freigh & fixing charges of vice chairman office		1	0.113	-	0.113	0.113	-	0.113	0.113
	Total			-	-	-	3.451	-	-	1.063

Annexure-J/LND

[Para: 13.2.2.1]

Non-achievement of budgeted targets of revenue – Rs 79.418 million

(Rupees in million)

District Council Lodhran Targets and Achievements of Revenue 2016-18				
Sr. No.	Account Head	Target 2017-18	Achievement 2017-18	Short Recovery
1	C03683 - Grant from Provincial Government PFC (Non Development)	179.226	138.195	41.031
2	C03805 - Rent ,Rates and Taxes	5.000	-	5.000
3	C0388002 - License fee (Dangerous/Tire and Junk Yard)	1.500	0.757	0.743
4	C0388042 - Fee for slaughtering of animals	0.050	0.026	0.024
5	C0388072 - Renewal of Registration	0.700	0.643	0.057
6	C0388076 - Advertisement Fee on billboards/ hoardings	0.500	0.157	0.343
7	C0388081 - Rent of municipal Property - Shops	7.000	4.905	2.095
8	C0388088 - Machinery charges	0.200	-	0.200
9	C0388090 - Sale of stocks and stores	0.100	-	0.100
	Sub-total	194.276	144.684	49.592
Sr. No.	Account Head	Target 2016-17	Achievement 2016-17	Short Recovery
1	C03683 - Grant from Provincial Government PFC (Non Development)	105.414	76.965	28.449
2	C0388028 - Fee for change in land use	0.400	0.365	0.035
3	C0388042 - Fee for slaughtering of animals	0.025	0.024	0.001
4	C0388047 - Receipts on account of sale of water - residential	0.090	0.088	0.002
5	C0388048 - Receipts on account of sale of water - commercial	0.010	-	0.010
6	C0388073 - Tender Fee	0.275	-	0.275
7	C0388081 - Rent of municipal Property - Shops	2.500	1.447	1.053
	Sub-total	108.714	78.888	29.826
	Grand Total	302.990	223.572	79.418

Annexure-K/LND

[Para: 13.2.2.4]

Non-Recovery/Less Recovery of Conversion Fee, Map Fee and design fee – Rs 6.107 million

(Rupees in million)

Sr. No .	Name of LSD	Location address of the scheme	Name of owner	Total area of land (kanals)	Date of submission of Map	Rate as per Valuation Table	Land Valuation	Conversion Fee	Map Fee 500 per kana l]	Design Fee @ 500 per Kana l per Design	Scrutiny Fee	Total Fee Due	Total Fee charged	Less Recovery of Fee
1	Ahmed Garden	Mouza Bahawal Garh tehsil Kehror pacca Distt. Lodhran	Attiqure Rehman / Attaur Rehman and Umar Farooq Etc.	42.35	04.11.18	19255 per Marla	16.309	0.163	0.021	0.042	0.001	0.228	0.005	0.223
2	Garden LSD	Mouza Sarai Shahpur road Tehsil Kehror Pacca	Ruqia Begum/ Rana Saleh Mohamad 0301-2941320	80.00	01.02.18	67980 per Marla	108.768	1.088	0.040	0.080	0.001	1.209	0.005	1.204
3	Gulshane Aysha	Mouza Desi Tehsil Duniapur	Saeed Ahmed Qammar	29.00	03.04.18	37132 per Marla	21.537	0.215	0.015	0.029	0.001	0.260	0.005	0.255
4	Land Subdivision	Mouza Sarai Shahpur road Tehsil Kehror Pacca	Muhammadiyah, Muhammad Afzaal	68.25	15.10.18	67980 per Marla	92.793	0.928	0.034	0.068	0.001	1.031	0.005	1.026
5	LSD	chak Sardar Tehsil Duniapur, Lodhran	Javed Iqbal Etc.	38.85	10.10.18	17251 per Marla	13.404	0.134	0.019	0.039	0.001	0.193	0.005	0.188
6	Pak Garden LSD	Mouza Lal Baghali, Ali Pur Kanjoro	Muhammad Yunis, Haider Ali Shugafta Saeed etc.	72.40	26.05.18	12837 per Marla	18.588	0.186	0.036	0.072	0.001	0.295	0.005	0.290
7	Safari	Mouza 100 M	Mauhammad	93.65	06.11.18	28183 per	52.78	0.528	0.04	0.094	0.001	0.66	0.00	0.664

	Green LSD		Ajmal Etc.			Marla	7		7			9	5	
8	Khadim Hussain's LSD	Mouza Lodhran ghair urban	Khadim Hussain . Bilal Developer	32.00	06.12.18	169000 per Marla	108.160	1.082	0.016	0.032	0.001	1.131	0.005	1.126
9	Ahmed Buksh LSD	Mouza Lodhran ghair urban	Sheikh Bilal	32.00	under const.	169000 per Marla	108.160	1.082	0.016	0.032	0.001	1.131	-	1.131
Total							-	-	-	-	-	-	-	6.107

Annexure-L/LND

[Para: 13.2.2.5]

Loss to Government due to non-recovery of dues from illegal establishment of commercial buildings – Rs 3.158 million

(Rupees in million)

Sr. No.	Name of housing scheme	Location address of the scheme	Name of owner	Total area of land (kanals)	Date of submission of Map	Rate as per Valuation Table	Land Valuation	Conversion Fee as per LUR, 2009 Rule 60	Map Fee Rs 5 per Sft/ Rs 10 per Sft	Total Fee Due	Total Fee charged	Less Recovery of Fee	Remarks
1	Nafees Eye Hospital	Khairpur Road Tehsil Kehrropana Distt. Lodhran	Dr. Naveeda Yaqin w/o Muhammad Yaqeen	2.00	observed under construction	24069 per Marla	0.963	0.096	0.054	0.151	-	0.151	running business without approval of map and payment of dues
2	Awan Talla Gang Hotel	Bahawalpur road lodhran chak No. 97/M	Muhammad Iqbal, Allah Bux s/on Allah Yar	7.30	Constructed	28183 per Marla	4.115	0.411	0.054	0.466	0.050	0.416	running business without approval of map and payment of dues
3	Malangi Hotel chak No. 97 Bahawalpur Road Lodhran	Bahawalpur road lodhran chak No. 97/M	M. Aslam s/o Yar Mohamad	12.50	Constructed	28183 per Marla	7.046	0.705	0.041	0.745	0.150	0.595	running business without approval of map and payment of dues
4	Zoom Petrol Pump	Sheikhu Pul to Murad Pul road Tehsil Lodhran	Abdul Jabbar s/o Fateh Mohamad	2.00	Under Construction	1281040 per Acre	0.320	0.016	0.040	0.056	-	0.056	under construction without payment of dues
5	Makki Hotel	Mouza Adam Wahin Bahawalpur Road Lodhran	Muhammad Makki Etc.	8.00	Constructed	14091 per Marla	2.255	0.225	0.218	0.443	0.100	0.343	running business without approval of map and payment of dues
6	Commercial Shops	Permit chowk Multan Road	Muhammad Asif	1.20	Under Construction	35228 per Marla	0.845	0.042	0.065	0.108	-	0.108	under construction without payment of dues
7	Commercial Shops	Permit chowk Multan Road	Muhammad Ilyas	1.55	Constructed	35228 per Marla	1.093	0.109	0.035	0.144	-	0.144	running business without approval of map and

													payment of dues
8	Khuda Buksh Hotel	Khanewal Road Rukanpur	Khuda Buksh	8.00	Construct ed	30000 per Marla	4.800	0.480	0.200	0.680	-	0.680	running business without approval of map and payment of dues
9	Jhoolay Laal Hotel	Rajapur Shumali Khanewal road Lodhran	Mian Mohamad	4.00	Construct ed	30000 per Marla	2.400	0.240	0.200	0.440	-	0.440	running business without approval of map and payment of dues
10	Taj Hotel Extension	Bahawalpur Road Lodhran	Sheikh Muhammad Aslam	8.00	Construct ed commercial	14091 per Marla	2.255	0.225	-	0.225	-	0.225	running business without approval of map and payment of dues
Total							-	-	-	-	-	3.158	

Annexure-M/LND

[Para: 13.2.3.1]

Non-mutation of public amenities besides no entry in property register – Rs 101.916 million

(Rupees in million)

Sr. No.	Name of Sceme / LSD	Road/ location	Total Area in Kan al	Date of Application	Map Approval No. & date	Area to be transferr ed of Open spaces and Public Buildings , roads	Rate as per Valuatio n table in PKR	Area as per Unit of Valuatio n Table	Amount	Status
1	Hussain Villas LSD	Bahawalpur Road Chak No. 97/M	40 Kana l	02.12.16	17.04.18	13.65	68405 per Marla	273.00	18.674	Area of public amanieties not recorded in property register
2	Tahir city	Khanewal Road Kot laal shah Lodhran	89.9	23.06.17	02.05.18	35.5	12595 per Marla	710.00	8.942	Area of public amanieties not recorded in property register
3	Al-Shamsh LSD	Dokota Road Adda Zakhira 233/WB	80.5	22.06.17	17.11.17	29.9	48300 per Marla	598.00	28.883	Area of public amanieties not recorded in property register
4	Muhammad an LSD	Mouza Sarye shah pur road Kahror Pacca	84	31.1.18	Not approved	31.37	1699500 per Acre	3.92	6.664	Area of public amanieties not transferred
5	New Madina Munawara LSD	Mouza Dasi Dunyapur	97.7	4.11.10	13.12.10	27.79	7700 per Marla	555.80	4.281	Area of public amanieties not recorded in property register
6	Rehman City	231/WB Dunyapur Dhotata road	92	4.2.11	Not approved	33.16	35000 per Marla	663.20	23.212	Area of public amannieties not transferred
7	Gulshane-Tayaba LSD	Mouza Desi Tehsil Dunyapur	37	3.1.18	14.1.18	13.6	7700 per Marla	272.00	2.094	Area of public amanieties not recorded in

										property register
9	New Qutab pur LSD	Tehsil Dunyapur	56	3.12.11	26.07.12	17.58	18000 per Marla	351.60	6.329	Area of public amanieties not recorded in property register
10	New Hashmi Garden LSD	Khair pur road Nawaz Khawar	96	2.7.10	6.9.10	34.25	662,635 per acre	4.28	2.837	Area of public amanieties not recorded in property register
	Total								101.916	

Annexure-N/MLN**[Para: 14.2.1.3]****Non surrendering of saving and profit portion on fund transferred for Local Government Package 2017-18 Rs 25.500 million**

(Rupees in million)

Detail of development schemes not executed		
Sr. No	Name of schem and UC No	Amount of fund
1	Cons of soling drain , sullage carrier and culters UC No. 84	2.500
2	Cons of soling drain , sullage carrier and culters UC No. 100	2.500
3	Cons of soling drain , sullage carrier and culters UC No. 103	2.500
4	Cons of soling drain , sullage carrier and culters UC No. 150	2.500
5	Cons of soling drain , sullage carrier and culters UC No. 151	2.500
6	Cons of soling drain , sullage carrier and culters UC No. 152	2.500
7	Cons of soling drain , sullage carrier and culters UC No. 156	2.500
8	Cons of soling UC No. 169	2.500
9	Cons of soling UC No. 179	2.500
10	Cons of soling UC No. 183	2.500
11	Cons of matted RoadUC No. 185	2.500
Total		27,500

Detail of bank profit		
Sr.No	Bank profit date	amount
1	01.06.18	0.449
2	01.07.18	0.321
3	01.08.18	0.248
4	01.09.18	0.293
5	01.10.18	0.273
6	01.11.18	0.316
7	01.12.18	0.274
Total		2.174

Annexure-O/MLN

[Para: 14.2.2.2]

Non recovery of Government fee from the illegal construction/addition of commercial buildings – Rs.39.227 million

(Rupees in million)

Sr No	Name of Owner/Lesse	Location	Type of Building	Area in Marla	Area /Sft	Rate/Sft/Rs.	Building fee	Batter ment fee	Rate per Marla	Value	Conversion	Total
1	Sheikh Tayyeb.Etc	NLC Bypass LMQ Road	Godown	80	0.022	10	0.216	0.160	0.039	3.150	0.315	0.497
2	M.Akram, Riaz Ahmed	Adda Laar	Shops	20	0.005	10	0.054	0.040	0.098	1.956	0.196	0.241
3	Owner/Developer	Adda Bosan	B.O.P Bank	10	0.003	10	0.027	0.020	0.099	0.990	0.050	0.072
4	Owner/Developer	Adda Bosan	N.B.P Bank	10	0.003	10	0.027	0.020	0.099	0.990	0.050	0.072
5	Owner/Developer	Adda Matital	Shops	15	0.004	10	0.041	0.030	0.275	4.125	0.413	0.447
6	Khursheed Ahmed	Near 9 Kassi Vehari Road	Market	160	0.043	10	0.432	0.320	0.016	2.495	0.249	0.613
7	Ghulam Abbas, Etc	Khan Baan Store B.Malook	Shops	20	0.005	10	0.054	0.040	0.033	0.660	0.033	0.078
8	Ahmed Hassan	Makhdoom Rasheed	Shops	15	0.004	10	0.041	0.030	0.034	0.516	0.026	0.06
9	Owner/Developer	Jalalpur Bahadur	Shops	20	0.005	10	0.054	0.040	0.008	0.163	0.008	0.054
10	M.Shahid, M.Iqbal	Industrial Estate Road	Factory	160	0.043	5	0.216	0.320	0.077	12.320	0.616	0.979
11	Ch Zulifqar, Etc	Volka food Bahawalpur Road	Factory	2.00	0.540	5	2.700	4.000	0.065	130.000	6.500	11.04
12	Ch Zulifqar, Etc	Konica Food Bahawalpur Road	Factory	2.00	0.540	5	2.700	4.000	0.065	130.000	6.500	11.04
13	Ch Zulifqar, Etc	Vission Food Bahawalpur Road	Factory	1.20	0.324	5	1.620	2.400	0.065	78.000	3.900	6.624
14	Ch Zulifqar, Etc	SM/SMC Food	Factory	1.20	0.324	5	1.620	2.400	0.066	79.200	3.960	6.684
15	Fazal ur Rehman, Etc	Fazal Rehman Textile Rawan Road	Factory	80	0.022	5	0.108	0.160	0.015	1.215	0.061	0.242
16	Owner/Developer	Masood Fabrics Rawan Road	Factory	80	0.022	5	0.108	0.160	0.015	1.215	0.061	0.242
17	Owner/Developer	Roomi Fabrics Rawan Road	Factory	80	0.022	5	0.108	0.160	0.015	1.215	0.061	0.242
Total												39.227

Annexure-P/MLN

[Para: 14.2.2.4]

Non-Recovery of Conversion Fee, Map Fee and design fee – Rs 6.627 million

(Rupees in million)

Sr. No.	Name of housing scheme/ LSD	Location address of the scheme	Total area of land in kanals	Rate as per Valuation Table per kanals	Land Valuation	Conversion Fee	Map Fee @ 1000 per kanal	Design Fee, Sewerage, Road, boundary wall @ 2000 per Kanal per Design	Total Fee Due
1	Nayab Garden Village UC-71	Budhla Road Multan Mouza Bhaini	82.7	0.713	58.924	0.589	0.083	0.165	0.837
2	Nayab Officer Town UC-71	Budhla Road Multan Mouza Bhaini	98	0.713	69.825	0.698	0.098	0.196	0.992
3	Haven City LSD UC-71	Budhla Sant Road, Multan Sq. No. 70,74,75 Mouza Nai Wla	98.5	0.325	32.013	0.320	0.099	0.197	0.616
4	Gulshane- Abbas LSD.	Link Khanewal, Kirpal Pour Minor Road	99	0.275	27.225	0.272	0.099	0.198	0.569
5	Rahat Garden	Mouza Qadar pur Ran Khanewal Road, Multan	99	0.438	43.313	0.433	0.099	0.198	0.730
6	Nayab town	Mouza Bhaini Bhudla road Muraba No. 12,13	98	0.713	69.825	0.698	0.098	0.196	0.992
7	Glaxy Garden	Mouza Muzafarabad Shershah Road sujabad Canal road	31	0.150	4.650	0.047	0.031	0.062	0.140
8	Bahuddin Zakaria LSD	Mouza Saleh mahey	60	0.495	29.700	0.297	0.060	0.120	0.477
9	Paradise City	Budhla Road Multan Mouza Bhaini	33	0.713	23.513	0.235	0.033	0.066	0.334
10	Marium City	Budhla Road Multan Mouza Bhaini	92.8	0.713	66.120	0.661	0.093	0.186	0.940
Total									6.627

Annexure-Q/MLN

[Para: 14.2.2.5]

Non-obtaining of Government Dues from the Illegal petrol pumps– Rs 6.398 Million

(Rupees in million)

S r N o	Name of Owner/Lesse	Location	Type of Building	Ar ea in M ar la	Ar ea /S ft	Rate/ Sft/Rs	Buil ding fee	Batte rmen t fee	Ra te pe r M ar la	Val ue	Co nve rsio n	Total
1	Shell Petroleum Shamim Akther	Khanewal Road	Petrol Pump	133	0.036	10	0.360	0.267	0.173	23.000	2.300	2.927
2	M.Shahbaz ,Etc	Bahawalpur Sukha Road	Petrol Pump	40	0.011	10	0.108	0.080	0.080	3.200	0.160	0.348
3	Munir Ahmed S/O M. Shafi	Bosan Road	Petrol Pump	36	0.010	10	0.098	0.073	0	0	0	0.171
4	Ghulam Abbas S/O Nadir Ali	Budhla Road	Petrol Pump	41	0.011	10	0.110	0.081	0	0	0	0.191
5	Pervaz Akthar	Vehari Road	Petrol Pump	44	0.012	10	0.120	0.089	0	0	0	0.209
6	Ghulam Mustifa	Tatay Pur	Petrol Pump	46	0.013	10	0.125	0.093	0	0	0	0.218
7	Chohdri Filing Astaion	Jungal Maryala	Petrol Pump	33	0.009	10	0.090	0.067	0	0	0	0.157
8	Javeed Iqbal	Mai di Khoi Vehari Road	LPG Storage	111	0.030	10	0.300	0.222	0	0	0	0.522
9	Waqar Ahmad Waqas Ahmad		Petrol Pump	37	0.010	10	0.100	0.074	0	0	0	0.174
10	Khizar Hayat S/O Ashiq Hussain	Tatay Pur Chapran Wala	Petrol Pump	30	0.008	10	0.080	0.059	0	0	0	0.139
11	Muhammad Yousif S/O Muhammad Shafi	Suraj Miani Road	Petrol Pump	26	0.007	10	0.070	0.052	0	0	0	0.122
12	Shad Petroleum Rao Muhammad Nadeem	Tudar	Petrol Pump	56	0.015	10	0.150	0.111	0	0	0	0.261
13	Muhammad Akram Kamal S/O Faker Ahmad	LPC Bukshis Garh	Petrol Pump	31	0.009	10	0.085	0.063	0	0	0	0.148
14	Sayed Mudasar Kazmi S/O Sayed Gulam Abbas	Jhok Lashker Pur	LPG Storage	93	0.025	10	0.250	0.185	0	0	0	0.435
15	Owner/Developer	Matital Road Dhool Chowk	Petrol Pump	40	0.011	10	0.108	0.080	0	0	0	0.188
16	Khawaja Sajid,Etc	Shujabad Jalalpur Road	Shell Pump	40	0.011	10	0.108	0.080	0	0	0	0.188
Total												6.398

Annexure-R/PPN

[Para: 15.2.2.2]

Irregular payment of surface treatment – Rs 6.701 million

(Amount in million)

Sr. No.	Name of Work	Description as per detail estimate	Quantity of TST/DST (Sft)	Rate of TST (Sft)	Expenditure
1	const of solid road chak Bbobhda	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.010	0.003	0.315
2	Widing, Improvement road from Pakpattan Qaboola Chowk to Bhawal Shah	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.032	0.003	1.066
3	Const of mettalled road abadi Mian Khalid Hottayana Bheeni Noor Jahaniyan	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.016	0.003	0.537
4	Repair of solid road and const of soling culverts and sludge carier etc Nanak pur	P/L surface treatment using 67 Lbs Bitumen & 7.50 & 1" Cft bajri for 100 Sft area complete in all respect	0.011	0.003	0.331
5	Const. of Mettled Road from Rajbah to Chak Kot Man Singh Dakhali Nanak Pur	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.019	0.003	0.598
6	Special repair of mettalled road Chak No. 149/EB	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.019	0.003	0.603
7	Special repair of mettalled road AZ Burewala road to Chak No. 211/EB	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.023	0.003	0.732
		P/L surface treatment using 32 Lbs Bitumen & 3.50 Cft bajri for 100 Sft area complete in all respect	0.033	0.002	0.500
8	Speical repair of road from Peer Ghani to Abadi Amjad Sukhera	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.039	0.003	1.305
9	Const of road from road Rajbah Chak Ghulam Fareed Malika	P/L surface treatment using 67 Lbs Bitumen & 7.50 Cft bajri for 100 Sft area complete in all respect	0.021	0.003	0.714
Total					6.701

(Source: Technically Sanctioned Estimates and bills of contractors)

Annexure-S/PPN

[Para: 15.2.2.4]

Irregular expenditure by splitting – Rs 3.248 million

(Amount in million)

Nature of Payment	Supplier Name	Bill No.	Date	Head of Account	DDO	Token No.	Amount
Purchase of UPS	M. Iqbal Baber	Nil	01-10-2018	A03970	Chief Officer	78/1	0.083
Purchase of UPS	Ahmad Traders	Nil	13-02-2018	A03942	Chief Officer	54/3	0.083
Purchase of UPS	Kanwer Brothers	88	Nil	A09601	DO (Finance)	58/10	0.067
Purchase of Batteries	Al- Rehman Construction	Nil	Nil	A13101	DO (I&S)	139/6	0.037
Purchase of UPS & Batteries	Feroze-ud-Din & CO	Nil	21-03-2017	A13302	DO (I&S)	48/4	0.081
Purchase of UPS	M. Iqbal Baber	Nil	19-03-2018	A03942	DO (Planning)	66/4	0.083
Purchase of UPS & Batteries	Ahmad Traders	Nil	05-02-2018	A03942	DO (Regulations)	133/5	0.083
Purchase of Batteries	Akash Jee & Co	Nil	25-03-2017	A03970	DO (Regulations)		0.040
Purchase of Computer with printer	Ahmad Traders	Nil	06-09-2018	A09201	Chief Officer	114/6	0.099
Purchase of Printer	TECHMEN	2164	28-04-2017	A09201	Chief Officer		0.022
Purchase of Computer	TECHMEN	2156	22-04-2017	A09201	DO (Finance)		0.100
Purchase of Printer	TECHMEN	2161	28-05-2017	A09201	DO (Finance)		0.022
Purchase of Computer	TECHMEN	Nil	13-04-2017	A09201	DO (I&S)		0.100
Purchase of Computer	TECHMEN	2154	04-02-2017	A09201	DO (I&S)		0.100
Purchase of Printer	TECHMEN	2162	28-04-2017	A09201	DO (I&S)		0.022
Purchase of Computer	Ahmad Traders	Nil	15-03-2018	A09201	DO (Planning)	01-Apr	0.099
Bill Purchase of Printer HP laser jet	TECHMEN	2163	Nil	A09201	DO (Regulations)		0.022
Purchase of Computer	TECHMEN	2155	22-04-2017	A09201	DO (Regulations)		0.100
Purchase of Dispenser for rest house	Umar Ramy	Nil	Nil	A03970	DO (I&S)		0.025
Purchase of Refrigerator & LED 32" for rest house	Ahmad Traders	Nil	11-03-2017	A13302	DO (I&S)	75/11	0.100
Purchase of Stabilizer for rest house	Ahmad Traders	Nil	14-11-2017	A13302	DO (I&S)	76/11	0.011
Purchase of UPS etc. for rest House	Umar Ramy	Nil	Nil	A13302	DO (I&S)		0.027
Purchase Hand Cart for Qaboola	Al-Rehman Construction Company	Nil	Nil	A13302	DO (I&S)		0.098
Purchase of Hand Cart	Umar Ramy	Nil	Nil	A09601	DO (I&S)		0.024
Purchase of Hand Cart	Al-Rehman Construction Company	Nil	Nil	A03970	DO (I&S)	74/11	0.059
Purchase of starter motor	Ahmad Traders	Nil	12/8/2017	A13101	DO (I&S)	133/8	0.045
Purchase of starter motor	Ahmad Traders	Nil	30-08-2017	A13101	DO (I&S)	09-Sep	0.066
Purchase of Grass Cutter	Ahmad Traders	Nil	21-06-2018	A13901	DO (I&S)	91/6	0.100
Bill for Purchase of Furniture	TEVETA	1993	04-05-2017	A09701	Vice Chairman		0.949
Purchase of Furniture	TEVETA	Nil	21-09-2017	A09701	Chief Officer	12-Feb	0.409
Purchase of Furniture	Ahmad Traders	Nil	05-11-2018	A03970	DO (Planning)	60/6	0.098
Total							3.248

Annexure-T/PPN

[Para: 15.2.3.1]

Non-recovery of fee from illegal housing colonies – Rs 13.463 million

(Rupees in million)

Sr. No.	Name of Scheme	Address	Status	Estimated Area	Detail of Fee (Estimated) Scrutiny fee	Land Sub Division + Approval of Services Fee @7000/Kanals	D.C. Rate per Marla	Conversion Fee @1% Residential Rate	Total
1	Rahim Town	Arifwala road Pakpattan	Un-Approved	32K	0.001	0.224	0.020	0.129	0.354
2	Al-Rahim Garden Housing Scheme	Bounga Hayat Pakpattan	Un-Approved	28K	0.001	0.196	0.024	0.133	0.330
3	Al-Madina Housing Scheme	Bounga Hayat Pakpattan	Un-Approved	40K	0.001	0.280	0.024	0.190	0.471
4	Al-Hamad City	Bounga Hayat Pakpattan	Un-Approved	22K	0.001	0.154	0.024	0.105	0.260
5	Rehman City	Havali Road Bounga Hayat Pakpattan.	Un-Approved	79K	0.001	0.553	0.024	0.376	0.930
6	Al-Fareed Block	Adda Pul Fareed Kot Pakpattan.	Un-Approved	32K	0.001	0.224	0.016	0.101	0.326
7	Al-Noor Block	Adda Noor Pur Pakpattan	Un-Approved	34K	0.001	0.238	0.018	0.122	0.361
8	Wahab Garden	Chowk 55/S.P Gogira Road Pakpattan	Un-Approved	24K	0.001	0.168	0.022	0.107	0.276
9	Madina Town	Chongi Baba Sheikh Jamal Pir Ghani Road Pakpattan	Un-Approved	73K	0.001	0.511	0.019	0.282	0.794
10	Makah Housing Scheme	Chak Bodla Pir Ghani Road Pakpattan	Un-Approved	72K	0.001	0.504	0.019	0.228	0.733
11	Zakriya Town	Chak no. 107/D, Pakpattan	Un-approved	176K	0.005	1.232	0.016	0.548	1.785
12	Mubarak Town	Chak No. 26/EB Reham Kot Arifwala	Un-Approved	104K	0.001	0.208	0.022	0.458	0.667
13	Gulshan Noor Housing	Chak No.21/KB Qaboola	Un-Approved	34K	0.001	0.238	0.069	0.468	0.707

	Scheme	Arifwala							
14	Al-Jannat Housing Scheme II	Qaboola Bye Pass Arifwala	Un-Approved	70K	0.001	0.490	0.028	0.385	0.876
15	Rehman City Housing Scheme	Qaboola Bye Pass Arifwala	Un-Approved	52K	0.001	0.364	0.027	0.286	0.651
16	Rehman City Executive Block	Chak No. 69/EB Qaboola road Arifwala	Un-Approved	32K	0.001	0.224	0.037	0.237	0.462
17	Al-Bashir Garden	Chak No. 351/EB Tarikhni road Arifwala	Un-Approved	40K	0.001	0.280	0.041	0.330	0.611
18	Al-Fareed Block	Chak No. 52/S.P Adda Rang Shah Arifwala	Un-Approved	40K	0.001	0.280	0.055	0.440	0.721
19	Nadeem Garden	Thana Ahmad Yar Arifwala	Un-Approved	37K	0.001	0.259	0.021	0.153	0.413
20	Al Kamal Housing Scheme	Adda Machi Sing	Un-Approved	55K	0.001	0.385	0.015	0.166	0.552
21	Mahnoor Housing Scheme	Chak No.26/E.B Arifwala	Un-Approved	115K	0.001	0.805	0.017	0.380	1.186
Total					0.025	7.817	0.186	5.621	13.463

Annexure-U/SWL

[Para: 16.2.1.1]

Estimated loss due to established misappropriation of trees - Rs 168.900 million

(Rupees in million)

Sr. No.	Register No.	Description	No. of Tampered Entries	Remarks
1	1	Harrapa Markaz	70	Register received
2	2	Harrapa Markaz	60	Register received
3	3	Noor Shah Markaz	287	Register received
4	4	Daira Raheem Markaz	104	Register received
5	5		185	Register received
6	6		340	Register received
7	7	Chichawatni Markaz	123	Register received
8	8		0	Register not received
9	9		171	Register received
10	10	Kassowal Markaz	104	Register received
11	11		0	Register not received
12	12		0	Register not received
13	13	Ghaziabad Markaz	346	Register received
14	14		366	Register received
15	15		327	Register received
16	16	Shahkot Markaz	79	Register received
17	17		470	Register received
18	18		133	Register received
19	19		213	Register received
Total number of trees			3,378	
Minimum estimated price per tree			0.050	
Value of trees			168.900	

Annexure-V/SWL

[Para: 16.2.2.3]

Unauthorized change of scope of the schemes by reducing items to be executed after advertisement - Rs 8.20 million

(Rupees in million)

Sr. No.	ADP No.	Name of Scheme	TS Amount	Tender Date	Contractor Name	Actual Date of Completion	MB No. / Page No.
1	5	Construction of Soling/Sewer/Drain/Culvert in Chak No.56/GD, Chak No.59/GD, Chak No.60-61/GD, Chak No.66/G.D and Azafi Abadi	1.200	23.12.17	Shiekh & Co	16-03-2018	21317 1 to 6
2	11	Construction of Soling/Sullage Carrier/Drain/Culvert in Chak No.54/4.R, Chak No.55/4.R,Chak No.56/4.R,Chak No.60/4.R, Chak No.61/4.R and Area UC-14	1.000	23.12.17	M.Fahad	19-03-2018	12520 87 to 89
3	35	Const. of Soling / Drain / Sewerage/ Tuff Tile in U.C No. 41	2.000	23-12-17	Ch. Javed	2/3/2018	14013 56 to 62
4	36	Const. of Soling / Drain / Sewerage/ Tuff Tile in Chak No. 89-94/6-RU.C No. 42	1.000	23-12-17	Amir Shehzad	7/2/2018	14014 86 to 90
5	77	Const. of Soling / Drain/Tiff Tile / Road in Chak No. 140/9-L, 89/6-R, 90/6-R	2.000	23-12-17	Umer & Amir Construction	10/5/2018	14012 36 to 39
6	54	Construction of Soling/Drain/Culverts in Chak No.119/7D.R Gali Union Council Wali	1.000	23-12-17	Hamza Traders	20-02-18	21320 79 to 80
Total			8.200				

Annexure-W/SWL**[Para: 16.2.2.4]****Irregular payment without obtaining evidence of legal purchase – Rs 3.817 million and non-obtaining evidence of deposit of GST Rs 0.555 million**

(Rupees in million)

Sr. No.	F.Y.	ADP No.	Name of Scheme	Description of Item	Qty	Rate	Amount	GST
1	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	Tile Work		0.000	0.702	0.102
2	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	PVC Wall Panelling	7784	0.000	1.051	0.153
3	2016-17	39	Improvement of Boundry Wall and Masjid of Distt. Council Office Sahiwal	PVC Wall Panelling	3079		0.416	0.060
4	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	False Ceiling Work			0.284	0.041
5	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	P / F Doors, Window and Almirahs		0.000	0.494	0.072
6	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	Plumbing Work		0.000	0.352	0.051
7	2016-17	40	Improvement and Renovation of District Council Office, Sahiwal	Electric Work		0.000	0.519	0.075
Total							3.817	0.555

Annexure-X/SWL

[Para: 16.2.2.7]

Unauthorized payment of store items through contractor Rs 1.836 million and recovery of contractor profit Rs 0.167 million

(Rupees in million)

Sr. No.	Description of Item	Specifications	Rate	IT	GST	Qty	Amount
1	Executive Desk interwood	H750*W2100*D1200	0.095	0.004	0.016	1	0.125
2	Executive Side Rack	H750*W1000*D525	0.041	0.002	0.007	1	0.053
3	Pospos Visitor Chair Interwood	Product Code 0F-80SCVA-JA-21081	0.012	0.001	0.002	16	0.259
4	Center Table Interwood	H460*W1200*D600	0.015	0.001	0.003	1	0.020
5	Side Table Interwood	H460*W600*D600	0.011	0.000	0.002	4	0.058
6	Marchetti Three Seater Sofa Interwood		0.059	0.003	0.010	2	0.154
7	Marchetti Single Seater Sofa Interwood		0.030	0.001	0.005	1	0.040
8	Executive Revolving Chair Interwood		0.028	0.001	0.005	1	0.037
9	Stainless Steel Pots for plants		0.006	0.000	0.000	8	0.044
10	Wooden Kitchen Carry Trolley with Steel Frame	600*600*450	0.005	0.000	0.000	1	0.006
11	Executive Table with Wooden fram and leather top	7*4*2.5'	0.059	0.003	0.010	1	0.078
12	Side Rack with drawers and shelves	3.5*1.5*2.5	0.022	0.001	0.004	1	0.029
13	Executive Revolving Chair with seat and back cushion		0.000	0.000	0.000	1	0.025
14	Office Visitor Chair		0.011	0.000	0.002	24	0.347
15	Side Table with solid wood with glass / sheet top 2'*2'	460*600*600	0.000	0.000	0.000	9	0.092
16	Side Table with solid wood with glass / sheet top 4'*2'	460*600*1200	0.000	0.000	0.000	5	0.094
17	Office double visitor chair with seat and back cushion	2'6"*3'4"*2'0'	0.000	0.000	0.000	7	0.108
18	Small Side Tables with solid wood		0.000	0.000	0.000	5	0.034
19	Quranic Ayat Art Work in wooden frame large size		0.000	0.000	0.000	3	0.015
20	Quranic Ayat Art Work in wooden frame large size		0.000	0.000	0.000	3	0.015
21	Incumbacy Board		0.000	0.000	0.000	2	0.019
22	Name Plates		0.000	0.000	0.000	6	0.021
23	Photo of Quaid e Azam in wooden frame		0.000	0.000	0.000	2	0.009

24	LED TV Screen 50" full HD-1080 with wifi, USB supported, audio feature 2*8 W, contrast ratio 3000:1 branded		0.050	0.002	0.008	1	0.065
25	Dawlance Refrigerator 135-Volt without stabilizer series, 225/8 size 23"*19"*56"		0.034	0.002	0.006	1	0.045
26	Dawlance Microwave Oven eneegy efficient 20 Liters		0.009	0.000	0.002	1	0.012
27	Water dispenser with refrigerator cabinet		0.015	0.001	0.003	1	0.020
28	Kentia indoor palm in 4' to 5' height		0.000	0.000	0.000	8	0.015
Total				0.022			1.836
			Contractor Profit @ 10%				0.167

Annexure-Y/SWL

[Para:16.2.3.4]

Non / Less execution of mortgage deed / non / less obtaining of bank guarantee Rs70.977 million

(Rupees in million)

Sr. No.	Name Of Housing Scheme	Address	Total Areal / Area Extended Illegally Approx.	Rate	Amount of Mortgage Due	Amount of Mortgage provided	Amount of Mortgage Deed not Executed	Remarks
1	South Block	chak No.91/9-L BY Pass Road Sahiwal	28 Kanal 11 Marlas	158400	11.75328	0	11.753	NEC , NOC Revnue not displayed in the file which are naccessery for scrutiny on the other hand ,Softcopy Layout Plan, Mortgage Deed not provided
2	Noor City	chak No.89 /6-R Muhammad Poor Road Sahiwal	72 Kanal 15 Marlas	217800	41.1642	10.89	30.274	NOC Envoinment, NOC Revnue not displayed in the file which are naccessery for scrutiny on the other hand ,Softcopy Layout Plan, not provided and Mortgage deed only 50 Marlas butt Mortgage Area to be required 9 Kanal 9 Marla , Area of Park Was not provided and as per Map Area of opne Space Shown in The Area of Road
3	Shalimar Town	Chak No.185/9-L Harrapa Sahiwal	151 Kanal	54136	21.253794	0	21.254	NOC Envoinment, NOC Revnue not displayed in the file which are naccessery for scrutiny on the other hand ,Softcopy Layout Plan, not provided and Mortgage deed not provided , Area of Park Was not provided and as per Map Area of opne Space Shown in The Area of Road
4	Al-Razzaq Villas	Madhai Road, Sahiwal	Area illegally extended 16 kanals	185000	7.696	0	7.696	Area illegally extended and mortgage deed not executed.
Total							70.977	

Annexure-Z/SWL

[Para:16.2.3.5]

Loss due to illegal extension in converted area of commercial buildings without payment of map fee and conversion fee – Rs27.564 million

(Rupees in million)

Sr. No.	Description of Building	Address	Area Approx. in Marlas	Rate	%age	Total Conver. Fee	Total Map Fee	Conver. Fee Recov.	Map Fee Recov.	Conver. not Recov.	Map Fee not Recov.	Total Amount
1	Commercial Building of Mr. Muhammad Ashraf , Mussarat Naheed Ashraf	chak No.135A /9-L G.T Road Sahiwal	75	731000	20%	10.965	0.163	0.990	0.000	9.975	0.163	10.138
2	Commercial Hall Hafiz Ghulam Mustifa S/oMuhammad Hanif	chak No.89 /9-L G.T Road Sahiwal	15	620400	10%	0.931	0.041	0.620	0.032	0.310	0.009	0.319
3	Data Morquee	Chak No.87A/6-R Midhali Sahiwal	90	132000	20%	2.376	0.297	0.924	0.103	1.452	0.194	1.646
4	MJK Morquee	Chak No.87A/6-R Midhali Sahiwal	180	132000	20%	4.752	0.407	2.640	0.120	2.112	0.287	2.399
5	Hussnain Morquee	Chak No.87A/6-R Midhali Sahiwal	160	158400	20%	5.069	0.297	2.640	0.000	2.429	0.297	2.726
6	Engro Food	Pakpattan Road	1360	121968		8.294	2.042	0.000	0.000	8.294	2.042	10.336
Grand Total												27.564

Annexure-AA/SWL

[Para:16.2.3.7]

Non / short collection of conversion fee and map fee - Rs 2.227 million

(Rupees in million)

Sr. No.	Name Of Building	Adress	Totla Areal Area / Extended Illegally Approx.	Rate	Total Conversion Fee @ 1%	Total Map Fee	Conversion Fee Recovered	Map Fee Recoverd	Conversion Fee To be Recoverd	Map Fee to be Recovered	Total
1	South Block	chak No.91 /9-L BY Pass Road Sahiwal	28 Kanal 11 Marlas	158400	0.904	0.114	0.343	0.000	0.562	0.114	0.676
2	Noor City	chak No.89 /6-R Muhammad Poor Road Sahiwal	72 Kanal 15 Marlas	217800	3.169	0.291	3.169	0.000	0.000	0.291	0.291
3	Shalimar Town	Chak No.185/9-L Harrapa Sahiwal	151 Kanal	54136	1.582	0.604	1.582	0.000	0.000	0.604	0.604
4	Al-Razzaq Villas	Madhai Road, Sahiwal	Area illegally extended 16 kanals	185000	0.592	0.064	0.000	0.000	0.592	0.064	0.656
Total											2.227

Annexure-AB/SWL**[Para:16.2.3.8]****Low recovery due to non-auctioning of Pattans Rs 1.759 million**

(Rupees in million)

Sr. No.	Name of Pattan	Preceding Three years average as advetised on 25.05.16	Self Collection during 2017-18
1	Mullah Hamza	0.078	0.142
2	Alam Shah	0.160	0.085
3	Mehr Shahana	0.015	0.020
4	Jalli Malloana	0.121	0.000
5	Ara Tullah	1.000	0.295
6	Hakeem Ke Kathia	0.089	0.220
7	Dadra Bala	0.246	0.259
8	Mouza Jund	0.112	0.176
9	Muhammad Shah	0.141	0.195
10	Haveli Tara	0.026	0.020
11	Do Charkha Kania Lal	0.025	0.020
12	Choki Choput Rai	0.006	0.000
13	Jhalar Fareed	0.005	0.006
14	Kotla Janda Raam	0.014	0.000
15	Nawab ke Kathia	0.092	0.098
16	Jhalar Deena Tullah	0.019	0.019
17	Dadooana	0.025	0.020
18	Bhoosi	0.104	0.139
19	Mehram K Kathia	0.006	0.012
20	Kikree Sher Shah	0.029	0.034
Total			1.759

Annexure-AC/SWL

[Para:16.2.3.9]

Poor Performance due to low recovery and non-taking of actions against defaulters of license / permit fee - Rs 1.548 Million

(Rupees in million)

Sr. No.	Description of Item	Tehsil	Schedule Fee	No. of Units as per Demand Register 2017-18	No. of Units for which Fee Recovered	Amount Recovered	Difference	Amount not recovered
1	Petrol Pum	Chichawatni	0.006	46	14	0.084	32	0.192
2	Brick Killn	Chichawatni	0.006	47	1	0.006	46	0.276
3	Marbel Factory	Chichawatni	0.006	14	0	0.000	14	0.084
4	Cotton Factory	Chichawatni	0.01	2	0	0.000	2	0.020
5	Soda Water	Chichawatni	0.002	15	1	0.002	14	0.028
6	Petrol Agency	Chichawatni	0.002	68	2	0.004	66	0.132
7	Coal / Wood Bathi	Chichawatni	0.003	21	0	0.000	21	0.063
8	Ice Factories	Chichawatni	0.005	8	4	0.020	4	0.020
9	Paint Store	Chichawatni	0.001	23	0	0.000	23	0.023
10	Timber Taal	Chichawatni	0.003	0	0	0.000	0	0.000
11	Timber Vendor	Chichawatni	0.005	0	0	0.000	0	0.000
12	Factory of Precast Cement Items	Chichawatni	0.005	16	0	0.000	16	0.080
13	Tyre Service	Chichawatni	0.0015	0	0	0.000	0	0.000
14	Auto Service	Chichawatni	0.0015	0	0	0.000	0	0.000
15	Kabaar Khana	Chichawatni	0.0005	0	0	0.000	0	0.000
16	Mobil Oil Shop	Chichawatni	0.001	0	0	0.000	0	0.000
17	Rice Mills	Chichawatni	0.006	0	0	0.000	0	0.000
18	Iron Moulding	Chichawatni	0.005	0	0	0.000	0	0.000
19	Gas Agency	Chichawatni	0.01	0	0	0.000	0	0.000

		i						
20	CNG Pump	Chichawatn i	0.006	0	0	0.000	0	0.000
Sub-Total								0.116
1	Petrol Pum	Sahiwal	0.006	75	51	0.306	24	0.144
2	Brick Killn	Sahiwal	0.006	77	57	0.342	20	0.120
3	Marbel Factory	Sahiwal	0.006	7	2	0.012	5	0.030
4	Cotton Factory	Sahiwal	0.010	8	2	0.020	6	0.060
5	Soda Water	Sahiwal	0.002	0		0.000	0	0.000
6	Petrol Agency	Sahiwal	0.002	12	12	0.024	0	0.000
7	Coal / Wood Bhati	Sahiwal	0.003	2		0.000	2	0.006
8	Ice Factories	Sahiwal	0.005	14	11	0.055	3	0.015
9	Paint Store	Sahiwal	0.001	12	12	0.012	0	0.000
10	Timber Taal	Sahiwal	0.003	8	6	0.018	2	0.006
11	Timber Vendor	Sahiwal	0.005	0	0	0.000	0	0.000
12	Factory of Precast Cement Items	Sahiwal	0.005	8	3	0.015	5	0.025
13	Oil Depot	Sahiwal	0.050	2	1	0.050	1	0.050
14	Tyre Service	Sahiwal	0.002	34	34	0.051	0	0.000
15	Auto Service	Sahiwal	0.002	53	53	0.080	0	0.000
16	Kabaar Khana	Sahiwal	0.001	8	8	0.004	0	0.000
17	Mobil Oil Shop	Sahiwal	0.001	6	6	0.006	0	0.000
18	Rice Mills	Sahiwal	0.006	10	7	0.042	3	0.018
19	Iron Moulding	Sahiwal	0.005	5	1	0.005	4	0.020
20	Gas Agency	Sahiwal	0.010	10	0	0.000	10	0.100
21	CNG Pump	Sahiwal	0.006	11	5	0.030	6	0.036
Sub-Total						1.072		0.630
Total								1.548

Annexure-AD/VR

[Para: 17.2.1.9]

Uneconomical expenditure on purchase of furniture - Rs 1.051 million

(Rupees in million)

Name of firms	Bill No.	Date	Particulars of bill	Brach Name	Amount excluding GST
Muhammad Ayub Butt	396	17.4.18	Chairs steel leadher poshis	DO (I&S)	0.034
Al-Khair Enterprises	4064	19.3.18	Steel Almirah	DO (I&S)	0.038
Shakeel Traders	17	13.10.17	Chairs cane and foam	DO (I&S)	0.094
Saim Enterprises	69	4.10.17	office table and safe almirah	DO (I&S)	0.080
Al-Khair Enterprises	2998	Nil	Steel Almirah	DO (F)	0.027
Al-Khair Enterprises	4446	30.10.17	Almirah computer table	Chairman	0.002
Al-Khair Enterprises	4476	5.12.17	Chairs and tables	DO (F)	0.039
Al-Khair Enterprises	4489	18.12.17	Tables and rack	Audit Branch	0.027
Al-Khair Enterprises	4955	12.2.18	Steel Almirah	DO (P&C)	0.038
Muhammad Ayub Butt	395	20.3.18	Sofa and bed frame	DO (I&S)	0.085
Al-Khair Enterprises	4071	29.3.18	Steel Almirah rewaling chairs		0.028
Al-Khair Enterprises	5220	1.5.18	Glass for tables	Chief Officer	0.033
Al-Khair Enterprises	4097	2.5.18	Computer tables	Chief Officer	0.012
Al-Khair Enterprises	4466	25.10.17	Chairs	DO (F)	0.042
Al-Khair Enterprises	4055	12.2.18	Steel Almirah	DO (P&C)	0.038
Al-Khair Enterprises	3933	4.8.17	Water ditemper	Audit Branch	0.019
Vehari Enterprises	463	13.7.17	Stablizer	Chairman	0.019
Al-Khair Enterprises	4322	22.7.17	Water ditemper	Chief Officer	0.019
Vehari Enterprises	739	24.8.17	Stablizer	District Council	0.014
Al-Khair Enterprises	4291	22.7.17	Stablizer	Chairman	0.019
Al-Khair Enterprises	4373	12.8.17	Stablizer	Chief Officer	0.022
OMI Engineers	2	Nil	UPS	District (F)	0.032
OMI Engineers	3	Nil	Water ditemper	District (F)	0.030
OMI Engineers	4	Nil	Water ditemper	Chief Officer	0.030
Vehari Enterprises	1364	30.11.17	Excuat Fans	District Council	0.011
Al-Khair Enterprises	4338	20.7.17	Air Cooler	District (F)	0.017
Muhammad Saleem Govt Contractor	Nil	18.12.17	Water Pupm in driver quarter	Driver residence	0.035
AAA Company	Nil	19.9.17	Filters	Chief Officer	0.039
Vehari Enterprises	2050	24.3.18	Excuat Fans	District Council	0.007
Muhammad Saleem Govt Contractor	Nil	9.4.18	water pump for Masjid	Al-Qadar Masjid	0.037
Muhammad Saleem Govt Contractor	Nil	Nil	Brecket fans	Chairman	0.034
Al-Khair Enterprises	4078	Nil	Tyres	District (F)	0.029
Al-Khair Enterprises	5204	23.5.18	Stablizer	Vice Chairman	0.022
Total					1.051

Annexure-AE/VR

[Para: 17.2.2.1]

Unauthorized sanction of land sub-division without obtaining bank guarantee Rs 290.448 million

(Rupees in million)

Sr. No.	Name of housing scheme/ LSD	Location address of the scheme	Total area of land purchased / in possession (kanals)	Date of submission of Map	Rate as per Valuation Table	Total land mortgage	Amount	Approx. amount
1	Mailsi Garden	Kechery Road Mailsi	80k	25.10.17	60500/M	8K11M2S	10.346	10.350
2	Asif Block	45WB Vehari	91k 13M	2.10.13	30000/M	12k11m	75.300	75.300
6	Burewala Garden	Chak No.519/EB	82K18M	18.5.17	38500/M	11k1m	85.085	85.090
7	Madina Garden	Chak 215/EB	39k10m	22.5.18	21962/M	4K5M4S	1.867	1.870
8	Sardar Garden	Chak No. 505/EB	87K10M	19.6.14	25000/M	11K12M8S	5.800	5.800
9	Bilal Block	Chak No. 41/wb	83K7M	18.4.18	25788/M	11K3M	5.751	5.750
11	Gagoo Garden	Chak No.187/EB	98K11M	28.12.17	36300	12K16M4S	9.293	9.290
12	Bismillah Block	Chak No. 183EB	24k	16.11.15	50000/M	63m20s	63.000	63.000
13	Dauood Garden	Chak No. 435/EB	59k3m4s	16.10.17	232925	7K6M8S	34.007	34.010
Total							290.448	290.450

Annexure-AF/VR

[Para: 17.2.3.1]

Non-transfer of area of public buildings, open spaces, parks, roads and graveyards in the name of concerned TMAs/DCs – Rs 271.601 million

Sr. No.	Name of housing scheme/ LSD	Location address of the scheme	Total area of land purchased / in possession (kanals)	Date of submission of Map	Rate as per Valuation Table	Total Land transfer required	Amount of land transfer to DC	Total amount
1	Mailsi Garden	Kechery Road Mailsi	80k	25.10.17	60500/M	36k16m7s	44.575	44.575
2	Asif Block	45WB Vehari	91k 13M	2.10.13	30000/M	29k1m	17.430	17.430
5	Abdullah Garden	Chak No. 509/EB	51K8M	4.6.16	38500	22K7M9S	17.248	17.248
6	Burewala Garden	Chak No.519/EB	82K18M	18.5.17	38500/M	29K6M	22.561	22.561
7	Madina Garden	Chak 215/EB	39k10m	22.5.18	21962/M	17K14M6S	7.774	7.775
9	Bilal Block	Chak No. 41/wb	83K7M	18.4.18	25788/M	27K5S	13.925	13.926
10	Kamran Block	Chak No. 431/EB	21K16M	29.8.16	38500		-	0.000
11	Gagoo Garden	Chak No.187/EB	98K11M	28.12.17	36300	48K19M3S	35.537	35.538
12	Bismillah Block	Chak No. 183EB	24k	16.11.15	50000/M	7k10m	7.500	7.500
13	Dauood Garden	Chak No. 435/EB	59k3m4s	16.10.17	232925	22K11M6S	105.049	105.049
Total							271.601	271.601

Annexure-AG/VR

[Para: 17.2.3.4]

Irregular expenditure without stock entries – Rs 1.731 million

Name of firms	Bill No.	Date	Particulars of bill	Brach Name	Amount
Muhammad Ayub Butt	396	17.4.18	Chairs steel leadher poshis	DO (I&S)	0.034
Al-Khair Enterprises	4064	19.3.18	Steel Almirah	DO (I&S)	0.038
Shakeel Traders	17	13.10.17	Chairs cane and foam	DO (I&S)	0.094
Saim Enterprises	69	4.10.17	office table and safe almirah	DO (I&S)	0.080
Al-Khair Enterprises	2998	Nil	Steel Almirah	DO (F)	0.027
Al-Khair Enterprises	4446	30.10.17	Almirah computer table	Chairman	0.002
Al-Khair Enterprises	4476	5.12.17	Chairs and tables	DO (F)	0.039
Al-Khair Enterprises	4489	18.12.17	Tables and rack	Audit Branch	0.027
Al-Khair Enterprises	4955	12.2.18	Steel Almirah	DO (P&C)	0.038
Muhammad Ayub Butt	395	20.3.18	Sofa and bed frame	DO (I&S)	0.085
Al-Khair Enterprises	4071	29.3.18	Steel Almirah rewaling chairs		0.028
Al-Khair Enterprises	5220	1.5.18	Glass for tables	Chief Officer	0.033
Al-Khair Enterprises	4097	2.5.18	Computer tables	Chief Officer	0.012
Al-Khair Enterprises	4466	25.10.17	Chairs	DO (F)	0.042
Al-Khair Enterprises	4055	12.2.18	Steel Almirah	DO (P&C)	0.038
Al-Khair Enterprises	3933	4.8.17	Water ditemper	Audit Branch	0.019
Vehari Enterprises	463	13.7.17	Stablizer	Chairman	0.019
Al-Khair Enterprises	4322	22.7.17	Water ditemper	Chief Officer	0.019
Vehari Enterprises	739	24.8.17	Stablizer	District Council	0.014
Al-Khair Enterprises	4291	22.7.17	Stablizer	Chairman	0.019
Al-Khair Enterprises	4373	12.8.17	Stablizer	Chief Officer	0.022
OMI Engineers	2	Nil	UPS	District (F)	0.032
OMI Engineers	3	Nil	Water ditemper	District (F)	0.030
OMI Engineers	4	Nil	Water ditemper	Chief Officer	0.030
Vehari Enterprises	1364	30.11.17	Excuat Fans	District Council	0.011

Al-Khair Enterprises	4338	20.7.17	Air Cooler	District (F)	0.017
Muhammad Saleem Govt Contractor	Nil	18.12.17	Water Pupm in driver quarter	Driver residence	0.035
AAA Company	Nil	19.9.17	Filters	Chief Officer	0.039
Vehari Enterprises	2050	24.3.18	Excuat Fans	District Council	0.007
Muhammad Saleem Govt Contractor	Nil	9.4.18	water pump for Masjid	Al-Qadar Masjid	0.037
Muhammad Saleem Govt Contractor	Nil	Nil	Brecket fans	Chairman	0.034
Al-Khair Enterprises	4078	Nil	Tyres	District (F)	0.029
Al-Khair Enterprises	5204	23.5.18	Stablizer	Vice Chairman	0.022
Al-Khair Enterprises	4454	4.10.17	Computer with printers	DO (I&S)	0.510
Al-Khair Enterprises	4483	Nil	Computer with printers	DO (I&S)	0.170
Total					1.731