



**PERFORMANCE AUDIT REPORT  
ON  
ROLE OF TMA IN PROVISION OF  
MUNICIPAL SERVICES IN  
DISTRICT DERA ISMAIL KHAN**

**AUDITYEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**

## **PREFACE**

The Auditor General of Pakistan conducts audit in accordance with Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 and Section-36 of the Khyber Pakhtunkhwa Local Government Act 2013. The Performance Audit on "Role of TMAs in provision of Municipal Services D.I.Khan" was carried out accordingly.

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted performance audit of "role of TMA D.I.Khan in provision of Municipal Services" in February, 2020 for the financial year 2018-19 with a view to report significant findings to the stakeholders. Audit examined the efficiency and effectiveness aspects of the role of Tehsil Municipal Administration Mardan in provision of municipal services in Tehsil D.I.Khan. Audit also assessed, on test check basis, whether the management complied with the applicable laws, rules and regulations. The Audit report indicates specific actions that, if taken, will help the management to realize the objectives of the role of TMA in provision of municipal services.

Most of the observations included in this report have been finalized in the light of written responses and discussions with the management. DAC meeting could not be arranged despite repeated reminder.

The Audit Report is submitted to the Governor Khyber Pakhtunkhwa, in pursuance of Section-37 of the Local Government Act, 2013 for causing it to be laid before the Tehsil Accounts Committee.

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

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## ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
ADEO	Assistant District Education Officer
ADP	Annual Development Programme
ASDEO	Assistant Sub-Divisional Education Officer
CT	Certified Teacher
DAC	Departmental Accounts Committee
DEO	District Education Officer
DM	Drawing Master
D.I.Khan	Dera Ismail Khan
E&SE	Elementary & Secondary Education
FTR	Federal Treasury Rules
GAAS	Generally Accepted Auditing Standards
GFR	General Financial Rules
GPS	Government Primary School
GGPS	Government Girls Primary School
INTOSAI	International Organization of Supreme Audit Institutions
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Procurement and Regulatory Authority
LGA	Local Government Act
NAB	National Accountability Bureau
NTS	National Testing Service
NGO	Non-government Organization
P&D	Planning & Development
PC-I	Planning Commission-I
PET	Physical Education Teacher
PITE	Provincial Institute of Teachers Education
PST	Primary School Teacher
RITE	Regional Institute of Teachers Education
S&GAD	Services & General Administration Department
TOI	Tehsil Officer Infrastructure
TORs	Terms of Reference
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
UC	Union Council
WSSC	Water Supply and Sanitation Company

## **EXECUTIVE SUMMARY**

The Director General Audit, District Governments, Khyber Pakhtunkhwa conducted Performance Audit titled “Role of TMAs in provision of Municipal Services” during January 2020. The main objectives of audit were to evaluate (a) performance of TMAs in providing clean drinking water facility (b) effectiveness of sanitation system and (c) provision of solid waste management and street lights etc to the residents of D.I.Khan. The audit was conducted in accordance with INTOSAI Auditing Standards as adopted by the Department of the Auditor General of Pakistan.

The Tehsil Municipal Administrations (TMAs) in Khyber Pakhtunkhwa have been mandated to provide Municipal Services under their jurisdiction. Local Government Department has made a mechanism for provision of different Municipal Services efficiently. The performance of TMAs in provision of Municipal Services including water supply facility, sanitation system, solid waste management and street lights etc was not according to the expectations of people. Keeping in view the issue of failure of TMAs in provision of Municipal Services, the Auditor General of Pakistan decided to conduct Performance Audit to assess the role of TMAs in provision of Municipal Services to the community.

The audit particularly focused on the issues that how effectively TMAs managed their resources in provision of Municipal Services and the procedures used to provide basic services to the citizens.

### **KEY AUDIT FINDINGS:**

The key audit findings are as under.

- (i) Non-utilization of ADP funds for Municipal Services-Rs.22.539 million
- (ii) Doubtful expenditure on removal of Dumps-Rs.2.46 million
- (iii) Irregular expenditure on delisting of Drains through Private Labors-Rs.1.176 million

## **RECOMMENDATIONS:**

- i. TMA should include citizens in decision making process.
- ii. The TMA should explore public-private ventures that not only endorse the municipal services as bankable and competitive commodities through viable foreign and local investments but also set up a framework of local level committees responsible for monitoring, oversight, accountability, maintenance and provision of utilities.
- iii. The TMA should arrange local level consultative meetings, involving elected councilors, Nazims, local politicians and NGOs for providing better municipal services.
- iv. The TMA can learn from the initiatives of community organizations in participatory development.
- v. The citizens should be informed about schedule of discontinuity of a specific service due to technical reasons or for scheduled maintenance.
- vi. Feedback mechanisms along with immediate corrective actions can go a long way in restoring the trust deficit between TMA and general public.

# 1. INTRODUCTION

## 1.1 Background

Every Tehsil will have a Tehsil Municipal Administration consisting of the Tehsil Council, Tehsil Municipal Officer, Municipal Officers and other officials. The Executive Authority of Tehsil Municipal Administration shall vest in Nazim of Tehsil Council who is responsible to ensure that the business of Tehsil Municipal Administration is carried out in accordance with the Khyber Pakhtunkhwa Local Government, Act 2013.

**According to Section-22 of Local Government Act, 2013 the functions and powers of TMAs are briefly given as under:**

- Monitoring and supervising the performance of government offices located in the Tehsil and hold them accountable by reporting to the district government;
- Preparing spatial plans for the Tehsil including plans for land use and disseminate these plans for public enquiry;
- Executing and managing development plans for improvement of municipal and infrastructure services;
- Exercising control over land development by public and private sectors for agriculture, industry, commerce, residence, recreation, entertainment, transport, etc.
- Enforcing laws, rules and bye-laws to ensure efficient and quality delivery of municipal services (anti-encroachment drives, affixing of sign-boards, etc.
- Maintaining data base and information system about services in the Tehsil and provide public access to it;
- Collecting taxes, fines and penalties provided under the Khyber Pakhtunkhwa Local Government, Act 2013;
- Organizing sports events, cultural fairs, recreational carnivals, leisure activities, cattle markets;
- Coordinating and supporting municipal functions amongst Village and Neighborhood Councils;

- Regulating markets, issuing licenses, granting permissions as well as imposing penalties against violations thereof;
- Developing and managing schemes, including site development, in collaboration with district government; and
- Formulating strategies for infrastructure development, improvement in delivery of services and implementation of laws.

## **2. AUDIT OBJECTIVES:**

- To analyze the overall Municipal Services provided by the Tehsil Municipal Administration in the District;
- To analyze percentage of population enjoying Clean Water Supply Facility;
- To analyze the area having under-ground Sanitation System;
- To analyze the solid waste facility installed by Tehsil Municipal Administration;
- To analyze the roads maintenance system;
- To analyze the facilities of cleanliness of street lights, graveyards, firefighting and parks.

## **3. AUDIT SCOPE AND METHODOLOGY:**

### **3.1 Audit Scope**

The Performance Audit covers all the aspects of provision of municipal services by the TMA i.e. planning, control and monitoring both for outsourced and department funds. Audit covers the period from 2018-19.

### **3.2 Audit Methodology:**

The Performance Audit was conducted in accordance with the Generally Accepted Auditing Standards (GAAS) keeping in view the rules and regulations framed by the Government from time to time. The following audit methodology has been adopted during Performance Audit:-



- (i) Interviews with the people with a view to obtain information in providing the Municipal Services to residents of D.I.Khan
- (ii) The sites of water supply, Garbage Trolley points and Parks were visited by the audit team. The objective of the inspection was to observe physically the efforts made by the TMA in providing the Municipal Services to residents of D.I.Khan.

## **4. AUDIT FINDINGS AND RECOMMENDATIONS**

### **4.1 Financial Management**

#### **4.1.1 Non-utilization of ADP funds for Municipal Services-Rs.22.539 million**

According to Government of Khyber Pakhtunkhwa Planning & Development Department letter No.C/RD/ P & DD/6-24/1617-1891 dated 8-8-2016, 25% & 20% of development funds must be incurred on provision of DWSS & Municipal Services respectively.

During Performance Audit, it was noticed that Tehsil Municipal Administration, D.I.Khan received Rs.50,088,000 as ADP share from Provincial Government during 2018-19 but 25% & 20% of development funds on provision of DWSS & Municipal Services amounting to Rs.22,539,600 was not incurred but same were utilized for payment of salaries and pension which is against the Khyber Pakhtunkhwa Planning & Development Department's Directives and thus people of area were deprived from basic Drinking Water Supply and Municipal Services.

When pointed out in February 2020, the management replied that 8 Union Councils out of 21 Union Councils were handed over to WSSC, D.I.Khan and the same Company is responsible for providing municipal services in urban areas. The major portion of development funds was utilized for payment of salaries and pensions due to shortage of funds. Efforts are being made to provide better municipal services to remaining 13 Union Councils.

The reply was not convincing as the funds were released by the Provincial Government for development activities to be utilized in accordance with the Planning & Development Department's Guidelines.

Request for convening the DAC meeting was made on 21-2-2020 which could not be convened till finalization of this report.

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

## **4.2 Monitoring and Evaluation**

### **4.2.1 Doubtful expenditure on removal of Dumps-Rs.2.461 million**

According to Para-23 of GFR Vol-I, every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his or on the part of any other government official.

During Performance Audit, it was noticed that Tehsil Municipal Administration, D.I.Khan shown incurred Rs.2,460,720 on removal of dumps through Tractor Blade during 2018-19 which was held doubtful as exaggerated bills, showing 53 to 75 hours Blade were shown executed on a single site on one date by a single tractor, were prepared. Moreover, neither any Nazim of said VC/NC requested for said work nor acknowledged the same besides proof in shape of photographs of sites before & after the execution of work was also not available on record and thus creating a doubt about actual execution of work at sites. Detail is given at Annexure-1.

When pointed out in February, 2020, Management replied that work of removal of dumps was executed on the resolution passed by the Tehsil Members in the Tehsil Council.

The reply was not tenable as the work was executed without observing the codal formalities besides no record of Tehsil Council for the work was available on record.

Request for convening the DAC meeting was made on 21-2-2020 which could not be convened till finalization of this report.

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

#### **4.2.2 Doubtful expenditure on delisting of drains through private labors- Rs.1.176 million**

According to Para-23 of GFR Vol-I, every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his or on the part of any other government official.

During Performance Audit, it was noticed that Tehsil Municipal Administration, D.I.Khan incurred expenditure of Rs.1,176,530 on delisting of drains during 2018-19 as per detail is given at Annexure-2. The expenditure was held doubtful on the following grounds.

- i. Payment was made for de-silting of drains through hiring Fixed Staff from open market despite of the fact that sufficient staff was available with the local office.
- ii. The payment was made for wages instead of payment for item rate of MRS-2017 besides Measurement Book was also not maintained.
- iii. Cash payment was shown made instead of through Crossed Cheques as required under Para-157 of FTR.
- iv. No proof in shape of photographs of sites before & after the execution of works were available on record and thus creating a doubt about actual execution of work at sites.

When reported in February 2020, Management replied that work delisting of drains was carried out on the resolution passed by the Tehsil Members in the Tehsil Council.

The reply was not tenable as the work was executed without observing the coddle formalities.

Request for convening the DAC meeting was made on 21-2-2020 which could not be convened till finalization of this report.

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

### 4.3 Overall assessment

The overall performance of TMA, D.I.Khan in provision of municipal services is not satisfactory. Municipal Services were not upto the mark due to poor planning and absence of master plans for the city. The objective criteria for rating the TMAs role in provision of municipal services are as under:-

- i. **Relevance:** The overall process of provision of municipal services was in line with the Government Policy.
- ii. **Efficacy:** TMA was unable to achieve the basic objectives and purposes to overcome the shortage of municipal services in different areas of D.I.Khan.
- iii. **Efficiency:** Tehsil Municipal Officer struggled to overcome the lack of municipal services within appropriate budget provision and given time line in more efficient manners.
- iv. **Economy:** The TMA failed in provision of municipal services in the provided budget.
- v. **Effectiveness:** The overall performance was not satisfactory and targeted municipal services have not been successfully achieved.
- vi. **Compliance with Rules & Regulations:** In most of the cases the rules and regulations were followed as per policy of Government of Khyber Pakhtunkhwa.
- vii. **Performance Rating:** The overall performance of the TMAs role in provision of municipal services was not satisfactory.
- viii. **Risk Rating:** The risk rating of the TMA regarding provision of municipal services was medium.

## **5. CONCLUSION:**

The overall conclusion of performance audit of “TMAs Role in Provision of Municipal Services” in D.I.Khan is as under:-

**5.1 Key issues for future:** The main issue which hampered the performance of TMA in provision of municipal services is lack of planning and mismanagement of human resource.

**5.2 Lessons Identified:** In view of the observations, it is concluded that TMA D.I.Khan failed in provision of municipal services economically, efficiently and effectively. The failure of non provision of municipal services has occurred due to ill planning, inappropriate allocation of funds and un-economical expenditure. The ill planning, mismanagement, weak internal controls, weak monitoring of provision of services resulted in dumps of garbage, poor sanitation, out of order street lights, lack of parks and traffic jams in the city. It is recommended that the deficiencies pointed out in the report may be kept in mind while planning for the provision of municipal services in future.

## **ACKNOWLEDGEMENT**

We wish to express our appreciation to the management of TMAs in D.I.Khan for the assistance and cooperation with the auditors during this Performance Audit.

## ANNEXURES

### Annexure-1

#### Statement showing irregular expenditure on removal of Dumps

S.No.	Cheque No. & Date	Particulars	Expenditure (Rs.)
1.	No.233999 dated 3-8-2018	65 Hours Blade in UC Maddi, 53.3 Hours in UC Loni and 41 Hours in City	161,300
2.	No.81665938 dated 15-8-2018	58 Hours Blade in GrarNawab& 49 Hours in GaraAslam,	107,500
3.	No.81665974 dated 9-10-2018	50 Hours ZarniKhel&KhadBasti, 50 Hours MohallahQasim Abad & Ran Zai, 182 in GaraBakhtiar, Loni, KotKundian.	338,400
4.	No.81665975 dated 9-10-2018	15 Hours Blade in Maddi.	15,170
5.	No.81665976 dated 9-10-2018	153 Hours Blade in UC Hathala and 48 Hours Blade in UC Loni	177,500
6.	No.81666002 dated 15-11-2018	254 Hours Blade in Hathala, Kundian , Kot Sult.an	254,000
7.	No.81666005 dated 20-11-2018	80 Hours Blade in UC Maddi& 28 Hours in UC Atal Sharif.	108,000
8.	No.8166622dated 17-12-2018	113 Hours Blade in UC Luni, & City.	113,000
9.	No.122657235 dated 1-1-2019	127 hours in GraBakhtiyar&Kulachi.	127,000
10.	No,122657252 dated 12-2-2019	142 hours UCMAddi, Kulachi, Loni.	142,000
11.	No,122657261 dated 12-2-2019	151 hours in UC Maddi& City.	151,300
12.	No.134437246 dated 12-4-2019	46 Hours Blades in City	46,000
13.	No.134437247 dated 12-4-2019	74 Hours Blades in UC Hathala.	74,000
14.	No.134437247 dated 12-4-2019	56 Hours Blades in UC Hathala.	56,000
15.	No.134437247 dated 12-4-2019	45 Hours Blades in UC Maddi.	45,000
16.	No.34437264 dated 27-5-2019	230 Hours Blades in UC Loni, UC Maddi,	230,000
17.	No.34437265dated 28-5-2019	314 Hours Blades in UC Loni, UC Maddi,	314,550
<b>Total</b>			<b>2,460,720</b>



**Annexure-2****Irregular expenditure on delisting of drains through Private Labors**

<b>S.No.</b>	<b>Cheque No. &amp; Date</b>	<b>Particulars</b>	<b>Expenditure (Rs.)</b>
1.	No.81665955 dated 20-8-2018	Desilting of Drains by hiring Private Labours.	396,800
2.	No.81665998 dated 6-11-2018		43,130
4.	No.122657236 dated 4-1-2019		53,788
5.	No,122657262 dated 27-2-2019		272,800
6.	No,122657267 dated 27-2-2019		42,036
7.	No.134437231 dated 2-4-2019		77,000
8.	No.34437262 dated 10-5-2019		41,940
9.	No.34437277 dated 31-5-2019		42,036
<b>Total</b>			<b>1,176,530</b>