



**AUDIT REPORT
ON
THE ACCOUNTS OF
CHIEF OFFICER, KARACHI &
TOWN MUNICIPAL ADMINISTRATIONS
KARACHI
AUDIT YEAR 2012-13**

AUDITOR-GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Preface	ii
EXECUTIVE SUMMARY	iii
SUMMARY TABLES & CHARTS	vi
Table 1: Audit Work Statistics.....	vi
Table 2: Audit observations Classified by Categories.....	vi
Table 3: Outcome Statistics	vii
Table 4: Irregularities pointed out.....	viii
CHAPTER-1	1
1.1 CHIEF OFFICER, DISTRICT COUNCIL AND TOWN MUNICIPAL ADMINISTRATIONS, KARACHI	1
1.1.1 INTRODUCTION	1
1.1.2 Comments on Budget and Accounts (Variance Analysis).....	2
1.1.3 Brief comments on the status of compliance with PAC Directives.....	3
1.2 AUDIT PARAS	4
Town Municipal Administration, Saddar	5
1.2.1 Non-Compliance	6
1.2.2 Internal Control Weaknesses	6
Town Municipal Administration, SITE	10
1.2.3 Non-Compliance	11
1.2.4 Internal Control Weaknesses	11
Town Municipal Administration, Gulshan-e-Iqbal	13
1.2.5 Internal Control Weaknesses	14
ANNEXURES	16

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
BTS	Base Trans-receiver Station
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
DGA	Director General Audit
FD	Finance Department
GoS	Government of Sindh
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government & Community Development
LFA	Local Fund Audit
MEFDAC	Memorandum for Departmental Accounts Committee
M&R	Maintenance & Repair
NSL	Natural Surface Level
SDG	Sindh District Government
SLGO	Sindh Local Government Ordinance
SLG	Sindh Local Government
SLGB	Sindh Local Government Board
POL	Petroleum Oil and Lubricants
RDA	Regional Directorate of Audit
TAO	Taluka/Town Accounts Officer
TMA	Taluka / Town Municipal Administration
TMO	Taluka / Town Municipal Officer
TS	Technical Sanction
TO (F)	Taluka/Town Officer (Finance)
TO (I&S)	Taluka/Town Officer (Infrastructure & Services)
TO (P&C)	Taluka/Town Officer (Planning & Coordination)
TO (R)	Taluka/Town Officer (Regulation)
TDC	Taluka/Town Development Committee
TSE	Technically Sanctioned Estimate

Preface

Articles 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan, 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of the Secretary Local Government Department, Karachi Metropolitan Corporation, Karachi Water & Sewerage Board, Taluka / Town Municipal Administrations and Union Councils.

The report is based on audit of Town Municipal Administrations of District Karachi for the year 2011-12. The Directorate General of Audit Local Councils Sindh, Karachi, conducted audit during 2012-13 on test check basis with a view to reporting significant findings to relevant stakeholders. The main body of 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 observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

Some of the observations included in this Report have been finalized in the light of written responses and discussion with the management.

The Audit Report is submitted to the Governor of the Sindh in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 116 of the Sindh Local Government Act 2013, for causing it to be laid before the Provincial Assembly of the Sindh.

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

The DG Audit, Local Councils, Sindh, Karachi is responsible to carry out the audit of 119 Taluka / Town municipal Administrations. This Directorate General has a human resource of 33 officers and staff, resulting in 2,937 man days and annual budget amounted to Rs 67.096 million for the financial year 2011-12. The office has a mandate to conduct regularity audit (compliance with authority audit) on test check basis with a view to report significant findings to the relevant stakeholders. This office also conduct performance audit of programmes / projects.

Each Taluka Municipal Administration, Karachi is headed by a Taluka Administrator and District is headed by Chief Municipal Officer who carries out operations as per Sindh Local Government Ordinance, 1979. Taluka Administrative Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer and is responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and Bye-laws.

Audit of TMAs District Karachi was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws, rules, regulations and economy was ensured in procurement of assets and hiring of services and to review, analyze and comment on various Government policies regarding different sectors.

Audit of receipts was conducted to verify that the assessment, collection, reconciliation and allocation of revenue was made in accordance with laws and that there was no leakage of revenue and also that revenue did not remain outside Government account.

a. Scope of Audit

Out of total budget of the Karachi for the Financial Year 2011-12, auditable expenditure under the jurisdiction was Rs 11,232.110 million, out of which an expenditure of Rs 2,968.293 million was audited which in terms of percentage, was 26%. Total receipts of the TMAs for the financial year 2011-2012 was Rs 20.230 million out of this, an amount of Rs 1.757 million was audited which was 9% of the total amount.

b. Recoveries at the instance of audit

Recovery of Rs 17.757 million was pointed out during the audit. Out of which recovery of Rs 0.033 million was affected till the time of compilation of this Report. Total recoverable amount of Rs 17.757 million was not in the notice of the executive before audit

c. Audit Methodology

Audit was performed through understanding the business process of TMAs with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files / record. Desk Audit greatly facilitated identification of high risk areas for substantive testing in the field.

d. Audit Impact

On the pointation of audit, TMAs have streamlined their work in accordance with rules & regulations and made efforts for realization of outstanding dues.

e. Comment on Internal Control and Internal Audit Department

Several loopholes in the internal control system were noticed during the audit years. Major internal control weaknesses have been reported in Chapter-1. Moreover, other internal control weaknesses have been incorporated in Annexure-A.

f. The key audit findings of the report

- i. Non-Compliance was noted in 02 cases - Rs 179.064 million.¹
- ii. Internal Control Weaknesses were noted in 07 cases - Rs 141.311 million.²

¹ Para 1.2.1.1, 1.3.1.1

² Para 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.4.1, 1.2.5.1, 1.2.5.2

Audit paras for the audit year 2011-12 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC are included in MEFDAC (Annexure-A).

g. Recommendations

Audit recommends the Town Municipal Administrations (TMAs) to focus on the following issues:

- i. Head of the Town Municipal Administrations needs to conduct physical stock taking of fixed and current assets.
- ii. The TMA needs to comply with the Public Procurement Rules for economical and rational purchase of goods and services.
- iii. Inquiries need to be held to fix responsibility for fraud, misappropriation, losses, theft and wasteful expenditure.
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts.
- v. The PAO and their teams need to ensure implementation of proper monitoring system.
- vi. The PAO needs to rationalize their budget with respect to utilization.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in Million)

Sr.	Description	No.	Budget
1.	Total Entities (PAOs) in Audit Jurisdiction	19	11,232.110
2.	Total Entities (PAOs) Audited	03	2,968.293
3.	Audit & Inspection Reports	03	2,968.293
4.	Special Audit Reports	-	-
5.	Performance Audit Reports	-	-
6.	Other Reports (relating to TMAs)	-	-

Table 2: Audit observations Classified by Categories

(Rupees in Million)

Sr.	Description	Amount under audit observation
1	Asset Management	0
2	Financial Management	0
3	Internal controls	179.064
4	Violation of rules	141.311
5	Others	0
Total		320.375

Table 3: Outcome Statistics

(Rupees in Million)

Sr.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Salary	Non-Salary	Civil Works	Receipts (Revenue Targets)	Total Current year	Total Last year
1.	Outlays Audited	0	807.789	511.724	535.573	20.230	1,875.316	-N/A-
2.	Amount Placed under Audit Observation of Audit	0	16.742	2.012	299.864	1.757	320.375	-N/A-
3.	Recoveries Pointed Out at the instance of Audit	0	16.742	0	0.965	0.050	17.757	-N/A-
4.	Recoveries Accepted /Established at the instance of Audit	0	0	0	0	0.033	0.033	-N/A-
5.	Recoveries Realized at the instance of Audit	0	0		0	0.033	0.033	-N/A-

*The amount mentioned against serial No. 1 in column of “Total Current Year” is the sum of Expenditure and Receipts whereas the total expenditure is Rs 1,855.085 million for the current year.

Table 4: Irregularities pointed out

(Rupees in Million)		
Sr.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	123.554
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM ¹ , 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.	179.064
4	Quantification of weaknesses of internal control systems.	17.757
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	0
6	Non-production of record.	0
7	Others, including cases of accidents, negligence etc.	0
Total		320.375

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

CHAPTER-1

1.1 CHIEF OFFICER, DISTRICT COUNCIL AND TOWN MUNICIPAL ADMINISTRATIONS, KARACHI

1.1.1 INTRODUCTION

As per 1998 population census, the population of Karachi is 18.00 million people. Karachi comprises of one Chief Officer, District Council and 18 TMAs namely Gulshan-e-Iqbal Town, Korangi Town, Landhi Town, Shah Faisal Town, Lyari Town, Saddar Town, Jamshed Town, Liaquatabad Town, North Nazimabad Town, Gulberg Town, New Karachi Town, SITE Town, Kemari Town, Baldia Town, Orangi Town, Malir Town, Bin Qasim Town, Gadap Town. Business of TMAs is run through the Administrator and TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of TMAs are as following:

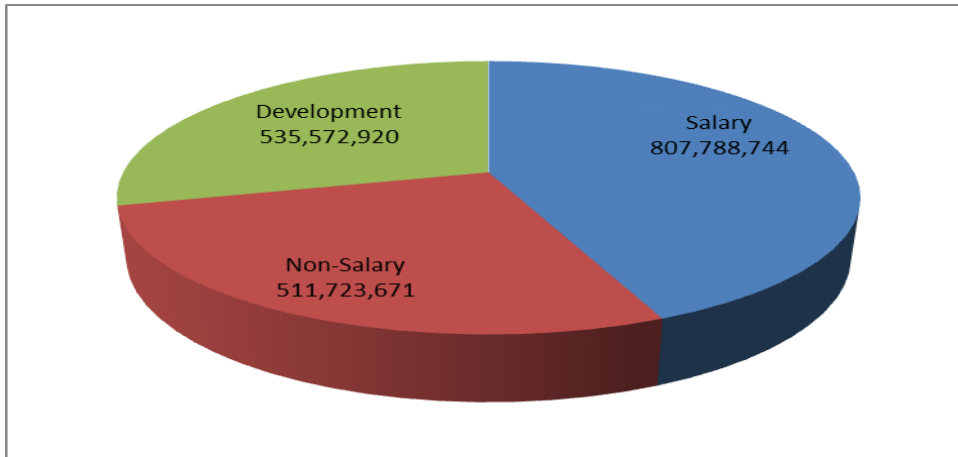
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which TMA is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing TMA's functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Town Municipal Administration.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

(Amount in Rupees)

Sr.	Name of TMAs	Nature of Expenditure	Original Grant	Supplementary Grant	Revised/Final Grant	Actual Expenditure	(+) Excess (-) Saving
1	TMA Gulshan- e-Iqbal	Salary	272,500,000	-	255,530,000	190,871,326	-64,658,674
		Non-Salary	212,800,000	-	116,085,000	93,609,951	-22,475,049
		Sub-Total	485,300,000	-	371,615,000	284,481,277	-87,133,723
		Development	715,300,000	-	603,380,000	235,490,543	-367,889,457
		Total	1,200,600,000	-	974,995,000	519,971,820	-455,023,180
2	TMA Saddar	Salary	569,044,892	-	569,044,892	421,971,696	-147,073,196
		Non-Salary	556,089,200	-	556,089,200	312,794,480	-243,294,720
		Sub-Total	1,125,134,092	-	1,125,134,092	734,766,176	-390,367,916
		Development	177,550,000	-	177,550,000	36,818,652	-140,731,348
		Total	1,302,684,092	-	1,302,684,092	771,584,828	-531,099,264
3	TMA SITE	Salary	212,891,656	-	212,891,656	194,945,722	-17,945,934
		Non-Salary	130,102,344	-	130,102,344	105,319,240	-24,783,104
		Sub-Total	342,994,000	-	342,994,000	300,264,962	-42,729,038
		Development	347,620,000	-	347,620,000	263,263,725	-84,356,275
		Total	690,614,000	-	690,614,000	563,528,687	-127,085,313
Salary		1,054,436,548	-	1,037,466,548	807,788,744	-229,677,804	
Non-Salary		898,991,544	-	802,276,544	511,723,671	-290,552,873	
Non-Development		1,953,428,092	-	1,839,743,092	1,319,512,415	-520,230,677	
Development		1,240,470,000	-	1,128,550,000	535,572,920	-592,977,080	
Grand Total		3,193,898,092	-	2,968,293,092	1,855,085,335	-1,113,207,757	

Expenditure 2011-12



Original budget Rs 3,193.898 million was allocated to TMAs Gulshan-e-Iqbal Town, Saddar Town and SITE Town, under various grants and no supplementary grants/re-appropriation was provided. The revised/final budget of these TMAs was of Rs 2,968.293 million. The total expenditure incurred by concerned TMAs during 2011-12 was of Rs 1,855.085 million as detailed above.

The Variance analysis of the Revised/Final Grant and Actual Expenditure for the Financial Year 2011-12 depicted that there was a saving of Rs 1,113.207 million.

1.1.3 Brief comments on the status of compliance with PAC Directives

The audit reports of pertaining to following years have been submitted Governor of Sindh. Detail of PAC meeting is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2011-12	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Karachi.

1.2 AUDIT PARAS

Town Municipal Administration, Saddar

1.2.1 Non-Compliance

1.2.1.1 Non-Transparency in Government Spending - Rs 117.706 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

TMA, Saddar, incurred an expenditure of Rs 117.706 million, during 2011-12, on purchase of POL for official vehicles but the log books, history sheets and petrol account registers were not maintained to justify the expenditure, in violation of above rule.

(Rupees in Million)

Head of Account	Amount
Petrol	14.638
Diesel/Oil/ Lubricants	103.068
Total	117.706

Audit is of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds which constitute weak financial management.

The expenditure on POL without preparation of log books constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility for incurring expenditure without supporting record and same be prepared to justify the expenditure, under intimation to audit.

[AIR Para: 21]

1.2.2 Internal Control Weaknesses

1.2.2.1 Overpayment of House Rent Allowance - Rs 16.742 Million

Para 07 of Finance Division Office O. M. No.F.1/7/IMP.II/87 dated 01-07-1987, states that, “All employees not provided with Government accommodation shall continue

to be entitled to house rent allowance @ 45% of the minimum of the relevant Basic Pay Scale”.

TMA, Saddar, paid 65% House Rent Allowance instead of 45% of the initial basic pay to their employees of Rs 16.742 million, during 2011-12, in violation of above rule. The irregularity pointed out is only illustrative and not exhaustive. Detail provided in Annexure-B.

Audit is of the view that payment made in excess of prescribed limit on account of house rent allowance to employees resulted into loss to public exchequer which constitute weak financial management.

Deviation from prescribed procedure of the government constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on person(s) and amount over paid be recovered. Besides, recovery related to all employees of the TMA may be calculated and recovered, under intimation to audit.

[AIR Para: 1]

1.2.2.2 Excess Payment on Works beyond the Scope - Rs 3.248 Million

Clause 38 of the Contract Agreement, states that, “Quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate”.

TMA, Saddar, executed development schemes and allowed excess payment of Rs 3.248 million, during 2011-12, over & above of maximum limit of 30%, in violation of above rule. Detail provided in Annexure-C.

Audit is of the view that excess payment beyond permissible limit without revising the estimates resulted into unauthorized expenditure and constitutes weak financial management.

The work beyond the scope exceeding permissible limits constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility for allowing excess payment exceeding permissible limits, under intimation to audit.

[AIR Paras: 4, 8]

1.2.2.3 Un-authorized Payment of Premium beyond Permissible Limit Rs 2.502 Million

Chief Engineer, Buildings Department, Sindh, Hyderabad, letter No. Scheduled/Rates-T (ii)/D.S/1133 dated 28-02-2009, states that, “the ceiling has been fixed on account of premium @ 20%”.

TMA, Saddar, incurred an expenditure of Rs 2.502 million, during 2011-12, excess of ceiling fixed on account of premium resulting into unauthorized payment, in violation of above rule. Detail provided in Annexure-D.

Audit is of the view that management authorized payment in excess of permissible ceiling which resulted into over payment of Rs 2.502 million which constitutes weak financial management.

Excess payment of premium beyond permissible limit constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on account of excess payment and same may be recovered, under intimation to audit.

[AIR Para: 5]

1.2.2.4 Less Allocation of Development Budget for CCB Schemes Rs 29.387 Million

Section 119 for CCB schemes”, vide Section 109(6) of SLGO, 2001, states that, “The development budget shall be prioritized in accordance with the bottom up planning

system as laid down in Section 119 (a) provided that not less than twenty five percent of the development budget”.

TMA, Saddar, less allocated of Rs 29.387 million, during 2011-12, for the development budget for CCB schemes financial year 2011-12, in violation of above rule. Detail is as under:

(Amount in Rupees)

Financial Year	Development Budget	25% Share of Development Budget	CCB Funds Allocation		CCB Funds Less Allocated
			Amount	%	
2011-12	157.550	39.387	10.000	6.347%	29.387

Audit is of the view that management ignored rules and procedures set forth by the government.

Due to non-observance of rules community was deprived of benefit of Public Participatory Schemes which constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends that the responsibility may be fixed for less allocation of CCB funds further to strength the internal control.

[AIR Para: 22]

Town Municipal Administration, SITE

1.2.3 Non-Compliance

1.2.3.1 Non-Transparency in Government Spending - Rs 61.358 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

TMA, SITE, incurred an expenditure of Rs 61.358 million, during 2011-12, on purchase of POL for official vehicles but the log books, history sheets and petrol account registers were not maintained to justify the expenditure, in violation of the above rule. Detail provided in Annexure-E.

Audit is of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds which constitute weak financial management.

The expenditure on POL without preparation of log books which constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility for incurring expenditure without supporting record and same may be prepared to justify the expenditure, under intimation to audit.

[AIR Para: 15]

1.2.4 Internal Control Weaknesses

1.2.4.1 Less Allocation of Development Budget for CCB Schemes Rs 86.405 Million

Section 119 for CCB schemes, vide Section 109(6) of SLGO, 2001, states that, “The development budget shall be prioritized in accordance with the bottom up planning system as laid down in Section 119 (a) provided that not less than twenty five percent of the development budget”.

TMA, SITE, less allocated of Rs 86.405 million, during 2011-12, for the development budget for CCB schemes financial year 2011-12, in violation of above rule. Detail is as under:

(Amount in Rupees)

Financial Year	Development Budget	25% Share of Development Budget	CCB Funds Allocation		CCB Funds Less Allocated
			Amount	%	
2011-12	347.620	86.905	0.500	0.144%	86.405

Audit is of the view that management ignored rules and procedures set forth by the government.

Due to non-observance of rules community was deprived of benefit of Public Participatory Schemes which constitutes weak internal control.

The matter was reported during June, 2013 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends that the responsibility may be fixed for less allocation of CCB funds further to strength the internal control.

[AIR Para: 18]

Town Municipal Administration, Gulshan-e-Iqbal

1.2.5 Internal Control Weaknesses

1.2.5.1 Irregular Purchase of Vehicles - Rs 2.012 Million

Finance Division (Expenditure wing), Government of Pakistan, office memorandum No.F7(1) Exp.IV/2011, 18th march 2011, states that, “Total ban on purchase of physical assets including all vehicles was imposed”.

TMA, Gulshan-e-Iqbal, purchased vehicles of Rs 2.012 million, during 2011-12, in violation of above rule. Detail is as under:

(Amount in Rupees)

Description	Quantity	Rate	Amount
Suzuki Swift DX 1000 CC	2	1,006,000	2,012,000
Total			2,012,000

Audit was of the point of view that vehicles were purchased during ban period and without seeking exemption from competent authority which constitutes weak financial management.

The expenditure incurred in contravention of ban imposed constitutes weak internal control.

The Matter was reported during June, 2013. The management vide its reply dated 14-09-2013, replied that permission was obtained from Local Government Department. Reply was not tenable. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on un-authorized purchase of vehicles.

[AIR Para: 13]

1.2.5.2 Non-Deduction of Government Taxes - Rs 1.015 Million

Amendments in the Sales Tax Act, 1990, states that, “the applicable rate of sales tax on items in Third Schedule was increased to 17% with effect from 1st July 2010”. Further, Rules 2(2) and (3) of the Sales Tax Special Procedure (Withholding) Rules, 2007 under S.R.O. 660(1)/2007, Islamabad, dated 30th June, 2007, states that, “A withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him”.

Further, Section 153 (1) of Income Tax Ordinance 2001, states that, “Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on supplies of goods and services at the rate of 3.5 % and 6% respectively”.

Moreover, Rule II of Sindh Finance Ordinance, 2000, states that, “Professional tax is required to be deducted from the payments made to contractors engaged in construction work as per rates provided in official gazette”.

Further, Section 81 (1) of Sindh District Government and Taluka/Town Municipal Administration (Budget) Rules, 2002, states 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.”

TMA, Gulshan-e-Iqbal, incurred an expenditure of Rs 7.378 million but failed to deduct sales tax @ 1/5th of 17% an amount of Rs 0.251 Million. Moreover, failed to deduct income tax of Rs 0.675 million, on account of awarded works for services. Besides, failed to deduct professional tax of Rs 0.038 million from contractors and local tax was not realized on account of Trade license Fees of Rs 0.050 million, totalling Rs 1.015 million, during 2011-12, in violation of the above rules. Detail provided in Annexure-F.

Audit is of the view that non-recovery of government revenue resulted into loss to public exchequer which constitutes weak financial management.

The non-implementation of rules constitutes weak internal control.

The Matter was reported during June, 2013. The management vide its reply dated 14-09-2013, contended that with holding sales tax is not applicable in Local Government Department, reply was not tenable. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on deviation from prescribed procedure, under intimation to audit, besides recovery of government taxes.

[AIR Para: 3, 5, 7, 8]

ANNEXURES

Memorandum for Departmental Accounts Committee (MFDAC) Paras

(Rupees in Million)

Sr.	Name of Formation	Para No.	Title of Para	Amount of Audit Observation
1	TMA Saddar	02	Loss due to non-deduction of sales tax	0.180
2	-do-	07	Recovery of extra premium on cartage charges	0.021
3	-do-	10	Recovery of extra premium on non-scheduled items	0.027
4	TMA SITE	01	Loss due to non-deduction of sales tax	0.647
5	-do-	05	Loss due to wastage of public assets	0.030
6	-do-	07	Loss due to un-authorized award of higher scale	0.010
7	TMA Gulishan-e-Iqbal	15	Excess Payment on account of Premium	0.249
8	-do-	2	Unauthorized pol granted to staff	0.458
9	-do-	4	Excess consumption of POL against ceiling	0.242
10	-do-	14	Irregular expenditure due to execution of un-authorized scheme	0.880
11	-do-	16	Split of Work to avoid Tenders	0.595
12	-do-	17	Repair & Maintenance of Vehicles without inviting open Tenders	0.367
13	-do-	18	Split of Work to avoid Tenders	0.476

Annexure-B

Details Overpayment of House Rent Allowance

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45% Admissible	HRA 65% Actually Allowed	Diff.	Period		Months	Recovery
							From	To		
Nazim Secretariat										
1.	16	3	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	43,632
2.	14	1	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	11,808
3.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
4.	09	2	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	18,336
5.	07	5	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	42,360
6.	05	11	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	88,176
7.	02	12	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	87,408
Sub Total	35	29,060	13,078	18,890	5,812	-	-	-	-	302,172
Nazim Secretariat (Internal Audit)										
8.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
9.	14	1	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	11,808
10.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
11.	01	2	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	14,256
Sub Total	6	21,270	9,573	13,827	4,254	-	-	-	-	66,648
Nazim Secretariat (Computer Cell)										
12.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
13.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
14.	12	4	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	41,808
15.	09	1	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	9,168
16.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
17.	02	2	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	14,568
Sub Total	11	30,650	13,794	19,924	6,130	-	-	-	-	120,672
Naib Nazim Secretariat										
18.	17	1	9,850	4433	6403	1,970	01-07-2011	30-06-2012	12	23,640
19.	16	2	6,060	2727	3939	1,212	01-07-2011	30-06-2012	12	29,088
20.	12	2	4,355	1960	2831	871	01-07-2011	30-06-2012	12	20,904
21.	11	2	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	19,752
22.	07	3	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	25,416
23.	05	6	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	48,096

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45%	HRA 65%	Diff.	Period		Months	Recovery
24.	02	8	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	58,272
25.	01	1	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	7,128
Sub Total		25	37,255	16,767	24,218	7,451	-	-	-	232,296
Naib Nazim Secretariat (Union Council)										
26.	12	11	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	114,972
27.	11	11	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	108,636
28.	07	12	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	101,664
29.	05	3	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	24,048
30.	02	61	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	444,324
31.	01	1	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	7,128
Sub Total		99	21,345	9,607	13,876	4,269	-	-	-	800,772
TMO Secretariat										
32.	18	1	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	30,984
33.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
34.	16	3	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	43,632
35.	15	1	5,220	2,349	3,393	1,044	01-07-2011	30-06-2012	12	12,528
36.	14	2	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	23,616
37.	09	2	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	18,336
38.	07	7	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	59,304
39.	05	5	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	40,080
40.	04	1	3,240	1,458	2,106	648	01-07-2011	30-06-2012	12	7,776
41.	02	27	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	196,668
42.	01	2	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	14,256
Sub Total		52	58,895	26,505	38,284	11,779	-	-	-	470,820
TMO Secretariat (Communication)										
43.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
44.	09	1	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	9,168
45.	07	9	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	76,248
46.	03	2	3,140	1,413	2,041	628	01-07-2011	30-06-2012	12	15,072
47.	02	5	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	36,420
48.	01	1	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	7,128
Sub Total		19	22,555	10,151	14,662	4,511	-	-	-	158,580
TO (Municipal Regulation)										
49.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
50.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
51.	15	1	5,220	2,349	3,393	1,044	01-07-2011	30-06-2012	12	12,528
52.	14	2	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	23,616
53.	07	3	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	25,416
54.	05	2	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	16,032
55.	04	1	3,240	1,458	2,106	648	01-07-2011	30-06-2012	12	7,776

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45%	HRA 65%	Diff.	Period		Months	Recovery
56.	02	13	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	94,692
57.	01	1	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	7,128
Sub Total		25	42,165	18,976	27,409	8,433	-	-	-	225,372
Municipal Regulation (land Anti-Corruption)										
58.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
59.	16	3	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	43,632
60.	14	5	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	59,040
61.	11	4	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	39,504
62.	07	15	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	127,080
63.	05	5	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	40,080
64.	02	12	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	87,408
65.	01	3	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	21,384
Sub Total		48	37,820	17,021	24,585	7,564	-	-	-	441,768
Municipal Regulation (Trade License)										
66.	16	2	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	29,088
67.	14	11	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	129,888
68.	07	6	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	50,832
69.	05	16	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	128,256
70.	02	18	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	131,112
71.	01	3	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	21,384
Sub Total		56	23,855	10,736	15,507	4,771	-	-	-	490,560
Municipal Regulation (Public Relation)										
72.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
73.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
74.	14	2	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	23,616
75.	13	3	4,645	2,090	3,019	929	01-07-2011	30-06-2012	12	33,444
76.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
77.	11	1	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	9,876
78.	07	3	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	25,416
79.	05	1	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	8,016
80.	02	5	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	36,420
81.	01	1	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	7,128
Sub Total		19	46,820	21,071	30,435	9,364	-	-	-	192,552
Municipal Regulation (Library)										
82.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
83.	11	2	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	19,752
84.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
85.	03	4	3,140	1,413	2,041	628	01-07-2011	30-06-2012	12	30,144
86.	02	10	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	72,840
Sub Total		19	23,670	10,653	15,387	4,734	-	-	-	163,320

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45%	HRA 65%	Diff.	Period	Months	Recovery	
Municipal Regulation (Law)										
87.	18	1	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	30,984
88.	14	1	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	11,808
89.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
90.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
91.	05	5	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	40,080
92.	02	2	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	14,568
Sub Total	12	12	32,090	14,442	20,860	6,418	-	-	-	124,836
Finance Department										
93.	18	2	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	61,968
94.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
95.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
96.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
97.	11	4	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	39,504
98.	09	1	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	9,168
99.	07	3	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	25,416
100.	05	3	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	24,048
101.	02	7	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	50,988
102.	01	2	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	14,256
Sub Total	25	25	53,985	24,296	35,093	10,797	-	-	-	273,984
Finance Department (Computer)										
103.	18	1	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	30,984
104.	16	2	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	29,088
105.	12	4	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	41,808
106.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
107.	05	1	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	8,016
108.	02	4	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	29,136
109.	01	2	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	14,256
Sub Total	16	16	36,200	16,292	23,532	7,240	-	-	-	170,232
Finance Department (Store Purchase)										
110.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
111.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
112.	11	2	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	19,752
113.	07	2	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	16,944
114.	05	1	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	8,016
115.	02	3	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	21,852
116.	01	2	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	14,256
Sub Total	12	12	31,195	14,040	20,279	6,239	-	-	-	114,912
TO (Infrastructure & Service)										
117.	19	1	19,680	8,856	12,792	3,936	01-07-2011	30-06-2012	12	47,232

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45%	HRA 65%	Diff.	Period		Months	Recovery
118.	18	1	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	30,984
119.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
120.	09	1	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	9,168
121.	07	3	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	25,416
122.	02	6	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	43,704
Sub Total		13	47,330	21,300	30,766	9,466	-	-	-	166,956
Infrastructure & Service (Sanitation Section)										
123.	18	1	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	30,984
124.	16	7	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	101,808
125.	14	14	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	165,312
126.	12	2	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	20,904
127.	11	46	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	454,296
128.	10	2	3,955	1,780	2,571	791	01-07-2011	30-06-2012	12	18,984
129.	09	15	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	137,520
130.	07	30	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	254,160
131.	05	47	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	376,752
132.	04	56	3,240	1,458	2,106	648	01-07-2011	30-06-2012	12	435,456
133.	02	809	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	5,892,756
134.	01	10	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	71,280
Sub Total		1,039	56,250	25,315	36,565	11,250	-	-	-	7,960,212
B-Parks & Recreation										
135.	17	2	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	47,280
136.	16	2	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	29,088
137.	14	3	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	35,424
138.	11	2	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	19,752
139.	09	3	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	27,504
140.	07	4	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	33,888
141.	06	1	3,430	1,544	2,230	686	01-07-2011	30-06-2012	12	8,232
142.	05	23	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	184,368
143.	04	27	3,240	1,458	2,106	648	01-07-2011	30-06-2012	12	209,952
144.	02	172	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	1,252,848
145.	01	24	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	171,072
Sub Total		263	48,310	21,742	31,404	9,662	-	-	-	2,019,408
C-Building & Roads (B&R)										
146.	18	2	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	61,968
147.	17	4	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	94,560
148.	16	1	6,060	2,727	3,939	1,212	01-07-2011	30-06-2012	12	14,544
149.	14	4	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	47,232
150.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
151.	11	10	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	98,760

(Amount in Rupees)

Sr.	BPS	No. of Officials	Basic Pay	HRA 45%	HRA 65%	Diff.	Period		Months	Recovery
152.	09	2	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	18,336
153.	07	7	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	59,304
154.	06	2	3,430	1,544	2,230	686	01-07-2011	30-06-2012	12	16,464
155.	05	24	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	192,384
156.	03	21	3,140	1,413	2,041	628	01-07-2011	30-06-2012	12	158,256
157.	02	25	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	182,100
Sub Total		103	62,505	28,130	40,631	12,501	-	-	-	954,360
D-Mechanical & Electrical (M&E)										
158.	18	2	12,910	5,810	8,392	2,582	01-07-2011	30-06-2012	12	61,968
159.	17	3	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	70,920
160.	14	3	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	35,424
161.	11	5	4,115	1,852	2,675	823	01-07-2011	30-06-2012	12	49,380
162.	09	5	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	45,840
163.	07	10	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	84,720
164.	06	7	3,430	1,544	2,230	686	01-07-2011	30-06-2012	12	57,624
165.	05	29	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	232,464
166.	03	7	3,140	1,413	2,041	628	01-07-2011	30-06-2012	12	52,752
167.	02	20	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	145,680
168.	01	9	2,970	1,337	1,931	594	01-07-2011	30-06-2012	12	64,152
Sub Total		100	55,060	24,780	35,792	11,012	-	-	-	900,924
E-Auto Workshop (M&E)										
169.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
170.	14	1	4,920	2,214	3,198	984	01-07-2011	30-06-2012	12	11,808
171.	12	1	4,355	1,960	2,831	871	01-07-2011	30-06-2012	12	10,452
172.	09	3	3,820	1,719	2,483	764	01-07-2011	30-06-2012	12	27,504
173.	08	1	3,665	1,649	2,382	733	01-07-2011	30-06-2012	12	8,796
174.	07	7	3,530	1,589	2,295	706	01-07-2011	30-06-2012	12	59,304
175.	06	3	3,430	1,544	2,230	686	01-07-2011	30-06-2012	12	24,696
176.	05	14	3,340	1,503	2,171	668	01-07-2011	30-06-2012	12	112,224
177.	03	4	3,140	1,413	2,041	628	01-07-2011	30-06-2012	12	30,144
178.	02	8	3,035	1,366	1,973	607	01-07-2011	30-06-2012	12	58,272
Sub Total		43	43,085	19,390	28,007	8,617	-	-	-	366,840
Planning & Development Department										
179.	17	1	9,850	4,433	6,403	1,970	01-07-2011	30-06-2012	12	23,640
Sub Total		1	9,850	4,433	6,403	1,970	-	-	-	23,640
G. Total		2,041	29,060	316,164	456,666	140,502	-	-	-	16,741,836

Annexure-C

Details of Excess Payment on Work beyond Scope

(Amount in Rupees)

Bill No.	Date	Tender Amount	Name of Item	Quantity approved	Quantity Claimed	Excess Quantity	Excess %	Rate	Amount	
Name of work: Providing pipe drain ring slab RCC covers & delisting drain nallah										
Name of contractor: M/S ZZ Enterprise										
84/12-12-2011	1st & 2nd RA Bill	4,699,357	Dismantling & removal road stone metal etc.	362	724	362	100.00%	290.4	1,051	
			excavation pipe line in trenches etc. complete	5,137	9,878	4,741	92.29%	1742.4	8,261	
			P/L RCC pipe collers of 12" dia fixing in the trenches & joining cutting etc.							
			A) 9" dia	725	1,396	671	92.55%	98.8	66,295	
			B) 12" dia	30	60	30	100.00%	119.85	3,596	
			P/making manhole chamber of required depth 21" dia inside 31" dia out side 6" to 9" thick etc. complete	27	49	22	81.48%	3450	75,900	
			Refilling the excavated stuff in trenches 6" thick layer i/c watering ramming to full compaction etc.	4,384	8,414	4,030	91.93%	1343	54,123	
			Dismantling RCC work 1:2:4 i/c separating steel and fabrication etc.	339	678	339	100.00%	2613	8,858	
			supplying and filling granular i/c complete watering ect. Complete	1,578	3,156	1,578	100.00%	25	39,450	
			Dismantling / cleaning of nallah by manually i/c lift up to 5" & lead 3" etc. complete	45,237	80,332	35,095	77.58%	6.5	228,118	
Providing hearing chamber excavator using for hand surf unbreakable road etc.	59	118	59	100.00%	1975	116,525				

(Amount in Rupees)

Bill No.	Date	Tender Amount	Name of Item	Quantity approved	Quantity Claimed	Excess Quantity	Excess %	Rate	Amount	
			complete							
			P/L RCC Ladies of 1:2:4 in different size using MS reinforcement etc. complete	161	301	140	86.96%	2350	329,000	
			P/L CC flooring in 1:2:4 i/c curing etc. complete	21,135	39,800	18,665	88.31%	600	111,990	
			Manufacturing supplying RCC ring slab 12" dia	20,503	38,536	18,033	87.95%	1396.67	251,862	
			Boring work 6"	85	130	45	52.94%	1084.55	48,805	
			Manufacturing supplying RCC manhole course cast 1:2:4 concrete							
			B) 24" dia	5	10	5	100.00%	418.8	2,094	
			Earth work excavation of road side embankment	6,318	12,636	6,318	100.00%	631.6	3,990	
			Cartage of excavated earth i/c loading and unloading	57,306	106,498	49,192	85.84%	246.65	121,332	
			Dismantling cement concrete plain 1:2:4	635	1,270	635	100.00%	1597.2	10,142	
			P/L steel fabrication	15.57	31.14	15.57	100.00%	2772.55	43,169	
			P/l in 1:2:4 RCC work	563	1,126	563	100.00%	114	64,182	
			P/l 1:3:6 soled bock masonry/c racking jointing etc complete	1,869	2,634	765	40.93%	6891.58	52,721	
			Plastering 1/2" thick	5,291	10,497	5,206	98.39%	572.77	29,818	
			P/L cc tiles 12" thick of 1:4 C	849	1,698	849	100.00%	2271.69	19,287	
			P/F paving block floor of excavator	2,531	4,413	1,882	74.36%	81.75	153,854	
			P/L in kerb stone of envicrete mad	1,332	2,297	965	72.45%	190	183,350	
			Makin and fixing steel graded doors	209	397	188	89.95%	385.76	72,523	
			P/F road beriers to 20" Length	4	12	8	200.00%	27900	223,200	
			Sub-Total	4,699,357	76,927.57	143,519.14	66,591.57	-	-	2,323,493

(Amount in Rupees)

Bill No.	Date	Tender Amount	Name of Item	Quantity approved	Quantity Claimed	Excess Quantity	Excess %	Rate	Amount
Name of work: Repair of Trench/ Patches at Khan Iqbal Clifton									
Name of contractor: M/S A. Khan & Sons									
82/ 12-11-2011	1st & 2nd RA Bill	1,974,575	Scarifying the existing road surface	1,137	1,582	445	39.14%	53.25	237
			Earth work excavation of road side nails	9,077	11,905	2,828	31.16%	631.6	17,862
			Cartage of excavated earth i/c loading and unloading	9,271	12,175	2,904	31.32%	246.65	7,163
			Picking road surface by pickaxe	22,835	41,563	18,728	82.01%	45	8,428
			P/ spraying take coat etc. complete	22,835	41563	18,728	82.01%	4	749
			P/L 3cm in single laser of complete	33,175	54,379	21,204	63.92%	37	784,548
			P/L dry stone metal 4" compacted	4,618	7,478	2,860	61.93%	600	17,160
			P/L 2" thick cc flooring	3,948	6,808	2,860	72.44%	1396.67	39,945
			P/L CC Plain Tiles	972	1,684	712	73.25%	2271.69	16,174
			Painting on road surface two coats	5,076	10,152	5,076	100.00%	640.84	32,529
Sub-Total	1,974,575	-	112,944	189,289	76,345	-	-	924,794	
G. Total	6,673,932	-	112,944	189,289	76,345	-	-	3,248,287	

Annexure-D

Details of Un-authorized payment of premium beyond permissible limit

(Amount in Rupees)

Bill	Date	Work Order No. & Date	Name of Work	Work Amount	Premium Allowed		Premium Admissible		Difference
					%	Amount	%	Amount	
1117	07-06-2012	Nil	Painting color washing at V/Road side of Clifton DMC South	95,321	110.00%	49,930	20.00%	9,333	40,597
539	09-03-2012	Nil	Removal of debris from Jehangir Park	96,695	96.00%	47,361	20.00%	8,853	38,508
186	27-09-2011	Nil	Construction of pavilion in cricket ground in UC-11 Saddar Town	5,363,565	45.25%	2,361,039	20.00%	441,316	1,919,723
142	26-12-2011	Nil	Patch repair of Paria street and surrounding road UC-03	2,898,011	123.00%	561,060	20.00%	104,871	456,189
230	05-01-2012	Nil	Improvement of Yaqoob Khan Road and providing sewerage pipe drain	4,772,609	28.00%	57,587	20.00%	10,764	46,823
Total				13,226,201	-	3,076,977	-	575,137	2,501,840

Details of Non-transparency in Government Spending

(Amount in Rupees)

Sr.	Budget Head	Description	Amount
1.	1-5-A-V	POL	1,485,464
2.	15-E-IV	POL	211,512
3.	II-5-A-XI	POL	264,143
4.	III-5-C-V (A)	Petrol	1,683,548
5.	III-5-C-V (B)	Diesel	4,873,540
6.	III-5-D-V (A)	Petrol	460,204
7.	III-5-D-V (B)	Diesel	818,389
8.	1-5-B-IV	POL	392,440
9.	1-5-C-IV	POL	179,815
10.	1-5-D-V	POL	196,464
11.	III-5-A-IV	POL	435,052
12.	III-5-B-V	POL (Civil)	1,000,258
13.	III-5-E-VII (A)	Petrol	3,489,144
14.	III-5-E-VII (B)	Diesel	45,868,394
Total			61,358,367

Detail of Non-Deduction of Government Taxes

Summary

(Amount in rupees)

Sr.	Description	Amount
1	Sales Tax	250,864
2	Income Tax	675,491
3	Professional Tax	38,500
4	Trade License Fees	50,500
Total		1,015,355

1. Sales Tax

(Amount in Rupees)

Work	Description	Item rate	Quantity	Amount	Sales Tax (17% / 1/5)
Supply of Electrical material and accessories	Starter 40 w	200	35	7,000	238
	Circuit Braker 250 RMP	1	35,000	35,000	1,190
	Electric Water Cooler	1	40,000	40,000	1,360
	Capacitor 250 w	300	550	165,000	5,610
	HPMV T Lamp 250 w	330	900	297,000	10,098
	HPMV Choke 250 w	266	1,900	505,400	17,184
	Igniture 250 w	561	500	280,500	9,537
	Choke 250 w/son	1,853	400	741,200	25,201
	Pmv lamp 125 w	1,563	270	422,010	14,348
	crass Holder 125 w	108	100	10,800	367
	Light 400 w complete son	40	19,000	760,000	25,840
	Velocity light complete 250 w/son	15	22,000	330,000	11,220
	Light 12 w /fixture	464	550	255,200	8,677
	Tube rod 40 w	260	160	41,600	1,414
	Tube rod 20 w	40	150	6,000	204
	Energy saver 23 w	362	350	126,700	4,308
	Electric contractor fc-50	45	13,000	585,000	19,890
	Electric contractor coils fc-50	46	5,000	230,000	7,820
	Electric contractor fc-80	51	21,000	1,071,000	36,414
	Circuit braker 100 amp	64	7,500	480,000	16,320
Switch 30 amp	58	400	23,200	789	

(Amount in Rupees)

Work	Description	Item rate	Quantity	Amount	Sales Tax (17% / 1/5)
	Switch 20 amp	3,001	150	450,150	15,305
	Bracket fan	25	3,500	87,500	2,975
	Fan 12"	25	3,500	87,500	2,975
	Bracket fan 1 1/4 dia	92	900	82,800	2,815
	Bracket fan 1 1/2 dia	174	1,200	208,800	7,099
	Tape nito	1,225	40	49,000	1,666
Total				7,378,360	250,864

2. Income Tax

(Amount in Rupees)

S. No	Date	Name of Party	Amount	Tax chargeable @ 6%	Income Tax Deducted @ 3.5%	Difference
1	30-Jul-11	Top Star Printers	48,500	2,910	1,698	1,212
2	3-Aug-11	Top Star Printers	48,750	2,925	1,706	1,219
3	4-Aug-11	Top Star Printers	48,000	2,880	1,680	1,200
4	6-Aug-11	K. Farooq & Co.	47,500	2,850	1,663	1,187
5	6-Aug-11	K. Farooq & Co.	45,400	2,724	1,589	1,135
6	6-Aug-11	K. Farooq & Co.	45,000	2,700	1,575	1,125
7	6-Aug-11	K. Farooq & Co.	45,000	2,700	1,575	1,125
8	6-Aug-11	K. Farooq & Co.	47,500	2,850	1,663	1,187
9	6-Aug-11	K. Farooq & Co.	47,000	2,820	1,645	1,175
10	6-Aug-11	K. Farooq & Co.	44,000	2,640	1,540	1,100
11	6-Aug-11	K. Farooq & Co.	45,500	2,730	1,593	1,137
12	6-Aug-11	Adamji Company	47,000	2,820	1,645	1,175
13	6-Aug-11	Al-Amir Associates	45,000	2,700	1,575	1,125
14	6-Aug-11	Al-Amir Associates	41,000	2,460	1,435	1,025
15	6-Aug-11	Al-Amir Associates	40,900	2,454	1,432	1,022
16	6-Aug-11	Melody Enterprises	47,200	2,832	1,652	1,180
17	6-Aug-11	Melody Enterprises	48,000	2,880	1,680	1,200
18	6-Aug-11	Melody Enterprises	48,100	2,886	1,684	1,202
19	6-Aug-11	Melody Enterprises	41,000	2,460	1,435	1,025

(Amount in Rupees)

S. No	Date	Name of Party	Amount	Tax chargeable @ 6%	Income Tax Deducted @ 3.5%	Difference
20	6-Aug-11	Melody Enterprises	46,000	2,760	1,610	1,150
21	6-Aug-11	Melody Enterprises	48,395	2,904	1,694	1,210
22	6-Aug-11	Melody Enterprises	46,000	2,760	1,610	1,150
23	6-Aug-11	Melody Enterprises	42,000	2,520	1,470	1,050
24	6-Aug-11	Al-maqbool associates	47,000	2,820	1,645	1,175
25	8-Feb-12	Glamour Construction	2,000,000	120,000	0	120,000
26	17-Mar-12	Waqas Gul Enterprises	5,000,000	300,000	0	300,000
27	17-Mar-12	Faryal Construction Co.	2,500,000	150,000	0	150,000
28	17-Mar-12	Biaud Enterprise	300,000	18,000	0	18,000
29	17-Mar-12	S.N Builders	1,000,000	60,000	0	60,000
Total						675,491

3. Professional Tax

(Amount in Rupees)

Sr.	Name of Contractor	Category	Contract Payments	Professional Tax
1.	Manzar Engineering	Exceeding Rs 0.5 million but not exceeding Rs 5 million @ Rs 1,500 per anum	500,158	1,500
2.	Manzar Enterprises		2,499,000	1,500
3.	Faheem Construction		3,194,460	1,500
4.	Bajod Enterprises		2,061,213	1,500
5.	Al-Hafeez Construction Company	Exceeding Rs.5 million but not exceeding Rs. 25 million @ Rs 2500 per anum	17,730,767	2,500
6.	Al-Maqbool Associates		15,650,579	2,500
7.	F.N. Associates		8,602,845	2,500
8.	Hameed Builders		6,969,241	2,500
9.	Waqar Gul Enterprises		21,710,196	2,500
10.	Glamour Construction	Exceeding Rs. 25 million but not exceeding Rs. 100 million @ 5,000 per anum	65,031,404	5,000
11.	K.B. International		26,287,025	5,000
12.	Kamran & Company		34,867,279	5,000
13.	Melody Enterprises		33,378,186	5,000
Total				38,500

4. Trade License Fees

(Amount in Rupees)

Sr.	Date	Name	Amount not recovered
1	19-Mar-12	Khawaja Fareed	1,000
2	19-Mar-12	Kashif Wood Works	750
3	19-Mar-12	Amber Shoes	1,500
4	19-Mar-12	A to Z autos	1,800
5	20-Mar-12	Naan Shop	750
6	20-Mar-12	Madina Plastic	750
7	21-Mar-12	Al-johr Electric	1,000
8	21-Mar-12	Arsalan air conditioner	1,000
9	21-Mar-12	A-one General store	1,000
10	26-Mar-12	Kiran tailors	750
11	19-Mar-12	Kashif wood works	750
12	20-Mar-12	Naan shop	750
13	20-Mar-12	Madina plastic	750
14	26-Mar-12	Kiran tailors	750
15	26-Mar-12	Saima tailors	750
16	17-Apr-12	Bismillah milk shop	750
17	17-Apr-12	Ali fancy tailors	750
18	17-Apr-12	Hafza ladies tailors	750
19	24-Apr-12	Fuc copy point	750
20	26-Apr-12	Saqib stationery	750
21	26-Apr-12	Maha Tailors	750
22	27-Apr-12	Faizan Ladies Tailors	750
23	27-Apr-12	Good shanghai dry cleaners	750
24	3-May-12	Sultan book bank	750
25	3-May-12	Shanghai dry cleaners	750
26	3-May-12	Moon light hair dressor	750
27	3-May-12	Mahed optics	750
28	3-May-12	Global photo shop	350
29	4-May-12	New age ladies tailors	750
30	8-May-12	Best hair cut saloon	750
31	9-May-12	Al-hamrah saloon	750
32	15-May-12	Karachi chicken	750
33	15-May-12	Karim tailors	750
34	21-May-12	Spectrum photocopy	350
35	23-May-12	Farooqui stitching	750
36	23-May-12	Tehzib tailors	750

(Amount in Rupees)

37	23-May-12	Rajput tandoor	750
38	23-May-12	Akber fashion tailor	750
39	23-May-12	Fine dry cleaners	750
40	23-May-12	Maida photostat book shop	750
41	29-May-12	Sameen tailors	750
42	30-May-12	Gulshan stitching	750
43	30-May-12	Lalazar milk shop	750
44	30-May-12	Nagori milk shop	750
45	5-Jun-12	Al-hamrah mutton	750
46	5-Jun-12	Shenghai dry cleaners	750
47	5-Jun-12	Noor book sellers	750
48	6-Jun-12	Shahs men saloon	750
49	20-Jun-12	Laraib crockery	750
50	25-Jun-12	Faiza tailoring shop	750
51	25-Jun-12	Ghulam nabi quetta hotel	500
52	28-Jun-12	Mr. smart saloon	750
53	28-Jun-12	Decent eye optics	750
54	28-Jun-12	Arif traders	750
55	28-Jun-12	Al-saadia tailors	750
56	16-Mar-12	A T optical	750
57	16-Mar-12	Orient optics	750
58	26-Mar-12	City stationery	750
59	26-Mar-12	Steam dry cleaners	750
60	26-Mar-12	Zaki hair beauty spot	750
61	26-Mar-12	Moderation fashion tailors	750
62	15-May-12	Al-razeem communication	1,000
63	21-May-12	Khursheed sons	1,000
64	4-Jun-12	Bismillah general store	1,000
Total			50,500