



**PERFORMANCE AUDIT REPORT
ON
ROLE OF TMA TOWN-I PESHAWAR
IN PROVISION OF MUNICIPAL
SERVICES IN
DISTRICT PESHAWAR**

AUDIT YEAR 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-37 of the Khyber Pakhtunkhwa Local Government Act 2013. The Performance Audit on "Role of TMAs in provision of Municipal Services in TMA Town-1, Peshawar" was carried out accordingly.

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted performance audit on "Role of TMAs in provision of Municipal Services in TMA Town-1 Peshawar" in January, 2020 for the financial year 2018-19 with a view to report significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness aspects of the office of TMA Town-1, Peshawar in Provision of Municipal Services. Audit also assessed, on test check basis, whether the management complied with the applicable laws, rules and regulations in managing the Provision of Municipal Services in TMA Town-1, Peshawar. The Audit report indicates specific actions that, if taken, will help the management to realize the objectives of office of TMA Town-1, Peshawar.

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 of Khyber Pakhtunkhwa in pursuance of the Article 171 of the Constitution of the Islamic Republic of Pakistan 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act 2013, to be laid before the appropriate legislative forum.

Islamabad:
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

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ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| AGP | Auditor General of Pakistan |
| ATOR | Assistant Tehsil Officer Regulation |
| BCA | Building Control Agency |
| BOQ | Bills of Quantity |
| BPS | Basic Pay Scale |
| CNG | Compressed Natural Gas |
| CNIC | Computer National Identity Card |
| CPWA | Central Public Works Account |
| DC | Deputy Commissioner |
| DCR | Demand and Collection Register |
| DG | Director General |
| FD | Finance Department |
| GoKP | Government of Khyber Pakhtunkhwa |
| INTOSAI | International Organization of Supreme Audit Institutions |
| KP | Khyber Pakhtunkhwa |
| KPPRA | Khyber Pakhtunkhwa Public Procurement Regulatory Authority |
| LGA | Local Government Act |
| LG&RDD | Local Government and Rural Development Department |
| MCB | Muslim Commercial Bank |
| MRS | Market Rate System |
| PAO | Principal Accounting Officer |
| PC-I | Planning Commission Proforma-I |
| PCC | Plain Cement Concrete |
| PCATP | Pakistan Council of Architects and Town Planners |
| PEC | Pakistan Engineering Council |
| PESCO | Peshawar Electricity Supply Company |

| | |
|-------|---|
| PUGF | Provincial Unified Group of Functionaries |
| RCC | Reinforced Cement Concrete |
| Rs. | Rupees |
| SDO | Sub-Divisional Officer |
| TMA | Town Municipal Administration |
| TMO | Town Municipal Officer |
| TO | Town Officer |
| TOI | Tehsil Officer Infrastructure |
| TOR | Tehsil Officer Regulation |
| UC | Union Council |
| USAID | United State Agency for International Development |
| WSSP | Water and Sanitation Services Peshawar |

EXECUTIVE SUMMARY

The Director General Audit, District Governments, Khyber Pakhtunkhwa conducted Performance Audit titled “Role of TMAs in provision of Municipal Services in TMA Town-1 Peshawar” during February, 2020 for the period of July, 2019 to June, 2020. The main objectives of audit were to evaluate (a) the provision, operation, improvement and maintenance of street lights, (b) maintenance of parks and gardens, (c) civil works including street pavement, construction of drains, (d) maintenance of slaughter house and cattle fair, (e) role of Building Control Agency in ensuring compliance of by-laws and other municipal services (f) performance against intended objectives and overall provision of services with respect to economy, efficiency & effectiveness during planning, execution and reporting phases. The audit was conducted in accordance with INTOSAI Auditing Standards as adopted by the Department of the Auditor General of Pakistan.

Town Municipal Administration-1 Peshawar performs its functions under the Khyber Pakhtunkhwa Local Government Act, 2013. It consists of Town Council, Town Municipal Officer, municipal officers and other officials of the local council service. The Executive Authority of Town Municipal Administration vests in the Nazim, Town Council who is responsible to ensure that the business of Town Municipal Administration is carried out in accordance with the Khyber Pakhtunkhwa Local Government Act 2013. TMO is the Principal Accounting Officer (PAO) as provided in Rule 8 of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business, 2015. Financial Provisions of the Act establish a local fund for each Tehsil and Town Administration for which Annual Budget Statement is authorized by the Tehsil/ Town Council in the form of budgetary grants. The budget of the TMA Town-1, Peshawar was Rs. 1,253.919 million against which an expenditure of Rs. 699.677 million were incurred during financial year 2018-19.

TMA Town-1, Peshawar consists of 25 Union Councils which are all declared urban areas. The water supply, sanitation, conservancy, removal and disposal of

refuse, sullage, garbage, sewer or storm water, solid or liquid waste as part of municipal services in the urban area of Town-I Peshawar have been shifted to WSSP Peshawar. Whereas, General Bus Stands, Welfare Centers, Fire Fighting, Municipal Inter Schools & Colleges, Municipal Property and Janaza Gari services have also been shifted to Director General, City District Government, Peshawar.

KEY AUDIT FINDINGS

Key Audit Findings are as follows:

- i. Non-availability of Horticulturalist since no such post exists.
- ii. Excess hiring of Gardeners working in personal accommodations of officers as servants.
- iii. Non-reconciled payment of Electricity bills.
- iv. Irregular advances for various activities.
- v. Loss due to non-achievement of targets
- vi. Less recovery of staff emoluments of receipt contract of Trade and Dangerous Offensive License Fee.
- vii. Non-realization of staff emoluments from receipt contract of slaughter house.
- viii. Non-recovery of outstanding dues from the lease contract of marriage hall and slaughter house.
- ix. Non-completion of schemes within the stipulated period.
- x. Irregular expenditure on street lights.
- xi. Failure to acquire own land for slaughter house and operating it in hygienic conditions.
- xii. Irregular award of receipt contract without signing the contract agreement.
- xiii. Irregular award of contract and Loss due to not accepting the lowest bid.
- xiv. Irregular execution and expenditure on work.
- xv. Shortage of Public Toilets and poor condition of existing public toilets.
- xvi. Lack of basic facilities in parks.

- xvii. Non-maintenance of comprehensive database and information system.
- xviii. Non-reconciliation of Property tax with Revenue office.
- xix. Non-recovery of long outstanding dues.
- xx. Deviations in approval and execution of residential and commercial maps.

RECOMMENDATIONS

- i. Horticulturist may be hired to design and develop parks and other green areas.
- ii. Malis/gardeners if in excess may be adjusted in other cadres and/or otherwise may be posted at places according to their job description.
- iii. Proper reconciliation be carried out with PESCO before any further payments.
- iv. Practice of unnecessary advances may be stopped immediately and record of existing advances may be assembled for audit scrutiny.
- v. Proper enquiry may be conducting for non-achieving the targets.
- vi. Outstanding amount of staff emoluments attached in the receipt contracts of Trade and Dangerous Offensive License Fee and slaughter house be immediately recovered from the concerned contractors.
- vii. Outstanding dues from the lease of marriage hall and slaughter house receipt contract be recovered from the concerned contractor.
- viii. Work on the pending development schemes may be expedited for timely completion.
- ix. Survey may be carried out to calculate actual demand of street lights and consolidate the existing inventory of street lights.
- x. Efforts be made to purchase land for the modern slaughter house and developing hygienic slaughtering arrangements.
- xi. All contract agreements be signed from all concerned before assigning the receipt contracts.
- xii. Enquiry may be made to ascertain the factual position with regards to procurement and not awarding contract to the lowest bidder.

- xiii. Enquiry may be conducted for carrying out only three items of work instead of 15 items as per BOQ.
- xiv. Public toilets may be constructed at various localities as per need of the community and the existing condition of the toilet should also be improved.
- xv. Improve basic facilities in public parks.
- xvi. Data base must be prepared to improve the quality of planning and municipal services delivery.
- xvii. Reconciliation of 2% property tax maybe carried out with the Revenue office.
- xviii. The outstanding amount may be recovered from concerned contractors.
- xix. The mechanism of map approval and follow-up inspection visits may be strengthened.

1. INTRODUCTION

1.1 Background

Municipal institutions are the gross root arrangements in governance to which people look for basic amenities and services. These are also expected to serve the dwellers during and after the natural disasters.

Town Municipal Administration, Town-I, Peshawar is a local Government Department providing basic municipal services within its limited resources. TMA Town-I, Peshawar consists of 25 Union Councils in Urban area with a population 1,085,788 containing 544,710 male and 541,078 female. It has been enjoying a good reputation in terms of service delivery.

Budget position of TMA Town-I Peshawar for the financial year 2018-19 is as under:

(Rs. in million)

| S# | Description | Budget | Expenditure |
|----|-----------------|------------------|----------------|
| 1 | Salary | 264.325 | 203.516 |
| 2 | Non-salary | 518.190 | 281.518 |
| 3 | Developmental | 295.819 | 214.643 |
| | Total | 1,078.334 | 699.677 |
| | Receipts | Budgeted | Actual |
| | Receipts | 964.608 | 620.793 |

Source: Budget Book of TMA Town-I for FY 2020-21

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

- 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;

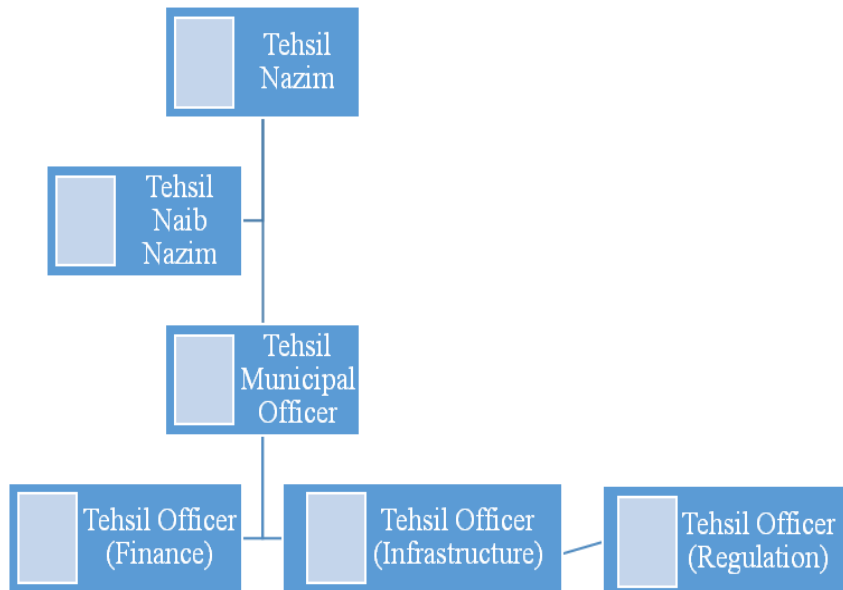
- Exercising control over land development by public and private sectors for agriculture, industry, commerce, residence, recreation, entertainment, transport, etc.;
- Enforcing laws, rules and bye-laws to ensure efficient and quality delivery of municipal services (anti-encroachment drives, affixing of sign-boards, etc.);
- Maintaining data base and information system on services in the Tehsil and provide public access to it on nominal charges;
- 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;
- Developing and managing schemes, including site development, in collaboration with district government;
- Formulating strategies for infrastructure development, improvement in delivery of services and implementation of laws.

1.2 Organizational Structure

Town Municipal Administration consists of Town Council, Town Municipal Officer, Municipal Officers and other officials of the local council service. The Executive Authority of Town Municipal Administration vests in the Nazim, Town Council who is responsible to ensure that the business of Town Municipal Administration is carried out in accordance with the Khyber Pakhtunkhwa Local Government Act 2013.

The office of TMA Town-I, Peshawar is working under the administrative control of Secretary, Local Council Board; however, it is headed by Town Municipal Officer (BPS-19 PUGF officer), who is also its Principal Accounting Officer. The office has three main sections; Finance and Accounts headed by Town Officer Finance, Infrastructure headed by Town Officer Infrastructure and Regulation headed by Town Officer Regulation. TMA Town-I perform its functions as per following Organogram.

ORGANOGRAM OF OFFICE OF THE TMA TOWN-1 PESHAWAR



2. AUDIT OBJECTIVES:

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted Performance Audit on “Role of TMAs in provision of Municipal Services”. Following areas were covered during the Audit.

- i. Provision, operation, improvement and maintenance of street lights
- ii. Maintenance of parks and gardens
- iii. Civil works which primarily includes street pavement and construction of drains
- iv. Arrangement of cattle fairs, youth sports gala and other such events.
- v. Arrangement of slaughter houses and their maintenance
- vi. Role of Building Control Agency in ensuring compliance of by-laws and other relevant rules and regulations
- vii. Performance against intended objectives, and
- viii. The provision of services with respect to Economy, Efficiency & Effectiveness.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit Scope

The Performance Audit covered various aspects of provision of municipal services including management of Parks and gardens, functionality of street lights, improvement and management of libraries, maintenance and improvement of public toilets, water supply & sanitation schemes and management of various contracts of receipts.

3.2 Audit Methodology

The audit was conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards as adopted by the Department of the Auditor General of Pakistan. These standards require comprehensive planning to ensure that an audit of high quality is carried out in an

economic, efficient and effective way within the planned time and cost. Data was collected as per methodology explained below.

3.3 Site Visits

The Audit team visited 08 out of 13 parks, which encompassed 60.10% of total parks. Similarly, three public toilets out of seven were visited. Few visits were also made of commercial buildings. The objective of the inspection was to observe physically the impact of efforts made by these offices for provision of basic facilities in their respective fields.

3.4 Interviews

Audit carried out detailed interviews with the concerned staff of TMA to get the information that how they could obtain intended results and fulfill their obligations to the best of their capacity.

3.5 Documents Review

The following documents were reviewed to gain an understanding of the performance of TMA;

1. Progress Reports
2. PC-I, feasibility study, contract documents, measurement Books.
3. Contract agreement of receipt
4. Departmental Collection Register (DCR)
5. Cashbook
6. TMA Budget Rules, 2016
7. Local Government Act 2013
8. Budget estimates and expenditure

3.6 Analytical Review

Analytical procedures were also performed on budgets & expenditure statements, and HR data with a view of analyzing performance of office of TMA against the planned or actual situations.

4. AUDIT FINDINGS AND RECOMMENDATION

4.1 Planning/Organization & Management

4.1.1 Non-availability of Horticulturist

According to Rule 3 (3) (iv) of the Khyber Pakhtunkhwa Tehsil Municipal Administration and Town Municipal Administration Rules of Business, 2015, the Tehsil or Town Municipal Administration shall construct and improve playgrounds, graveyard, funeral places, eidgah, parks, public open spaces, community centers falling under its jurisdiction.

A horticulturist is an expert in garden cultivation and management. He is the one who apply scientific ways and means to cultivate and propagate plants according to the need and kind of soil. He designs and develops the landscape for a specific site. Horticulturalists apply their knowledge of botany, plant, and soil science to areas like landscape design or crop management. They work directly with plants, overseeing all aspects of breeding, selection, planting, care, and production. Thus, the role of the horticulturist in development of parks and other landscapes is very vital.

TMA Town-I, Peshawar had 14 parks of various sizes across the various Union Councils, designed for local communities. The large parks among them were Jinnah Park with area of 129 Kanals, Fun Land Amusement Park of 130 Kanals, Wazir Bagh of 143.4 Kanals, Shalimar Garden of 98 kanals and Parda Bagh of 26.4 Kanals.

Proper development of these parks required services of professional horticulturist. However, Horticulturist was not available in TMA Town-I, Peshawar. The staff engaged in development of these parks and gardens were ordinary gardeners with no specialized knowledge as such on the work at hand. During physical visit to these parks, it was observed that no proper planning was made to develop these sites and majority of them were in deplorable conditions. TMA required a professional and experienced horticulturist to make extensive plan for

rejuvenating these parks and gardens so that they could attract families for spending their leisure time as per modern parks **Figure-1**.

Due to non-availability of horticulturist the gardens were not developed in scientific way.

When pointed out in March 2020, Management stated that the case for posting of horticulturist would be submitted to Local Government. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that the services of horticulturists may be acquired to develop quality parks and gardens in TMA Town-1.

4.1.2 Unjustified attachment of Malis/Gardeners with various offices

The responsibility of a Gardener is to maintain the beauty of plants, outdoor grounds, and trees in a garden. They perform a range of general maintenance tasks including designing, producing, renewing and preserving outside spaces. Their responsibilities further include monitoring the health of all plants and greenspaces, watering and feeding plants, trimming trees and shrubs, fertilizing and mowing lawns, weeding gardens and keeping green spaces and walkways clear of debris and litter.

TMA Town-1 Peshawar had engaged 163 No. of Malis/Gardeners to look after the parks and gardens. However, it was noticed that 46 No. of Malis/Gardeners out of them were working in other departments and individuals like anti-corruption, Secretary Local Government, DC house, Ex TMOs, Town-I members, Director City District Government and/or working with other sections of TMA as Naib Qasid, as per detail of staff provided by the Gardening branch of TMA. It was also pertinent to

mention that all these offices had ample number of Naib Qasids and other ministerial staff available in their sections and formations. Taking out Malis/Gardeners from their actual place of posting resulted in devastation of parks and gardens in the jurisdiction of TMA Town-I, Peshawar. The current status of affairs in TMA Town-I depicted high status of inefficiency and mismanagement at part of TMA administration.

Unjustified attachment of Malis with other departments/individuals resulted in compromising the maintenance of gardens.

When pointed out in March 2020, Management stated detailed reply would be furnished shortly. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that if these Malis/Gardeners were surplus then case had to be sent to competent authority for their cadre change or if they were required then they must be immediately posted out to their relevant place of posting where they can perform their duty as per their job description.

4.2 Financial Management

4.2.1 Non-reconciled payment of Electricity bills

Para 5.4.3.1 of the Manual of Accounting Principles, Responsibilities of Finance and Accounts Officers includes maintenance of reconciled accounting information.

TMA Town-I, Peshawar incurred an expenditure of Rs. 41.129 million on account of payment of electricity bills of street lights to PESCO during the year 2018-19. However, the office has not done proper reconciliation prior to payment of street light bills to PESCO. The office was required to prepare meter wise list of payment of each month with the record of history payment shown in the PESCO bill. However, instead of reconciliations of previous payments with the PESCO before honoring new payment challan, TMA office just added opening liabilities with the current bill and the verified total amount was paid instead of reconciling the payments made in previous bills. Moreover, some of the meters installed for street lights were defective throughout the year. However, the bills have been regularly submitted on estimate basis by PESCO and payment made to them without any visible efforts to functionalize the defective meters. In addition, it has been seen that the street lights were not switched off during the day time resulting in heavy bills and still no measures were taken to ensure placement of any mechanism for timely closure of these lights as per **Figure-2**.

| Reference No. | Unique Key | Status of meter |
|----------------|-------------|-----------------|
| 43261250050204 | 26010991904 | Defective |
| 43261250050206 | 26010991906 | Defective |
| 43261270050502 | 26010991928 | Defective |
| 43261270050512 | 26010991936 | Defective |
| 43261280050523 | 26010991946 | Defective |

Source: Electricity bills of TMA Town-I Peshawar

Failure to make reconciliation before payment and negligible efforts made to repair defective meter resulted in irregular payments; whereas, risk of dual payments due to un-reconciled payments cannot be overruled.

When pointed out in March 2020, Management stated that proper reconciliation had not been carried out in past. However, mechanism for proper reconciliation with PESCO would be framed.

No progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that meter wise list of paid bill of each month be checked with the record of history payment shown in the PESCO bill for proper reconciliation. Moreover, case be taken up with PESCO to change the defective meter.

4.2.2 Irregular advances for various activities – Rs. 2.465 million

According to rule 290 of Treasury Rules, “No money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

TMO Town-I, Peshawar made payment of Rs. 2,465,000 as advances to various employees for routine and scheduled activities as per detail given in **Annex-1**. Audit observed that these activities were required to be performed through proper procedure and fulfillment of codal formalities. However, during procurement of goods and services, KPPPRA Rules were overlooked and neither MRS rates/schedules were followed nor rate analysis was carried out. Furthermore, in most of these cases, advances granted were still outstanding and no vouchers/record of their expenditure was available.

Advance payments for routine work are contrary to prevalent rules and their non-adjustments may lead to misappropriations.

When pointed out in March 2020, Management stated that the advances were paid to various employees for timely completion of works. Moreover, proper account record would be maintained and shown to audit.

No progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends inquiry into the matter and immediate discontinuing of this practice.

4.2.3 Loss due to non-achievement of targets– Rs. 19.672 million

As per clause 2 of Policy Guidelines of the contract of cattle fairs and Bus stand circulated vide Local Government Department of Khyber Pakhtunkhwa Letter No. AO-II/LCB/6-11/2013 dated 02.05.2018, the contract for the present year must have an increase over the bid of last year to the tune of 20%.

According to letter issued vide Local Council Board vide No. AOII/LCB/9-1/2016 dated 11.05.2016 to the TMAs, a proper survey report is required in order to streamline the recovery from various sources under the jurisdiction of TMAs.

TMA Town-1, Peshawar did not achieve the budgeted receipt as targeted mainly due to executing these contracts departmentally instead of auctioning them out to private contractors, which resulted in loss of Rs. 19,672,145 as detailed below:

(Amount in Rs.)

| S.No | Name of contract | Bid target for 2018-19 | Actual | Difference |
|--------------|---------------------------|------------------------|--------------------|-------------------|
| 1 | Entry fee Shalimar garden | 6,732,000 | 5,639,651 | 1,092,349 |
| 2 | Advertisement | 9,360,600 | 45,03,093 | 4,856,947 |
| 3 | Car parking Chowk Yadgar | 7,440,000 | 5,661,675 | 1,778,325 |
| 4 | 2% property Tax | 145,000,000 | 136,113,766 | 8,886,234 |
| 5 | Entry fee Jinnah park | 4,458,000 | 1,399,710 | 3,058,290 |
| Total | | 172,990,600 | 148,817,940 | 19,672,145 |

Source: Demand and Collection Register of TMA Town-I

Further, the departmental recovery was also not satisfactory due to poor performance which was admitted by the department in its letters addressed to the recovery officers vide No.105-10/TOR/TMA/T-I/2019 dated 24.01.2019. A compliant on this issue was also sent to the Secretary LCB & TMO Town-1, Peshawar by the Section Officer (C&D) of LGE&RDD Peshawar regarding allegations of corruption in the departmental running of contracts by the TMA Town-1, Peshawar.

Moreover, TMA Town-I, Peshawar did not conduct the survey of business / trade activities such as Petrol pumps, CNG stations, Marble / Chips factories, Ice factory, Private Hospitals, Motor Car / Motor Cycle Bargains, Shadi Halls, General store, Whole sale dealer, food / juice shops, bookshops, bakeries, restaurant, hotels, truck stand, private school, colleges, workshops, service stations etc. under its jurisdiction during 2018-19. As a result, proper receipt potential of TMA could not be ascertained and audit contends that receipt realized during the year was not at par with its real potential.

Loss due to non-achievement of targets occurred due to weak financial management.

When pointed out in March 2020, Management did not reply.

Request for conveying of DAC meeting was made in April 2020, which could not be conveyed till finalization of this report.

Audit recommends enquiry into the matter and action against the persons(s) at fault.

4.2.4 Less recovery of staff emoluments from contractor – Rs. 234,312

According to para 21, 22, 23 and 24 of the policy guidelines for the E-Auction of local councils contracts of cattle fair, bus stand, and other local taxes for the year 2018-19 in Khyber Pakhtunkhwa issued by Local Government & Rural

Development department, Peshawar letter No. AO-II/LCB6-11/2013 dated 02.05.2018, at the time of execution of agreement with the contractors, the name and designation of the staff attached be clearly mentioned. The contractor shall be bound to pay all the expenses of the employee/employees, The Government has allowed 48 days earned leave to every employee, therefore 48 days leave salary shall be made and be deducted from the present contractor irrespective of the fact whether the official has availed the leave or otherwise the contractor shall also pay leave salary, pension contribution to the employees.

TMA Town-I, Peshawar during 2018-19 awarded the receipt contract of "Trade and Dangerous Offensive License Fee" to a contractor. As per para-8 of the contract executed between the TMA Town-I Peshawar and the contractor, the contractor will pay salary, 48 days leave encashment and pension contribution of the staff attached for the collection of fee. As per DCR, the contractor deposited only Rs. 210,000 on account of emoluments against the payment of Rs. 444,312 of the staff deputed in the contract resulting less collection of Rs. 234,312 which shows poor performance of the town. Had the amount recovered in time, it would have been utilized for the improvement of municipal services.

Loss to TownAdministration occurred due to inefficiency and disinterest in recovery on part of TMA Town-I staff and management.

When pointed out in March 2020, Management stated that recovery would be made from contractors and shown to audit. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends immediate recovery of staff emolument from the contractor.

4.2.5 Non-realization of staff emoluments from receipt contract of slaughter house

According to clause-14 of the contract agreement executed between the Town Municipal Administration Town-I, Peshawar and the contractor, four No. BPS-5 and four No. BPS-1 of the TMA staff would be deputed. The contractor shall be bound to pay salary, leave salary, pension contribution, and medical to the Town-I.

TMA Town-I, Peshawar leased out the contract of “Slaughter House and Cattle Fair” to a contractor. The contract of lease was approved for a period of 33 years w.e.f. October, 2002. It was, however, observed that the contractor did not pay the salary, pension contribution, leave salary to the Town-I, Peshawar during the year 2018-19. It resulted into loss of Rs. 3,234,144 approximately to the Town-I Peshawar. Detail is as under:

(Amount in Rs.)

| No. of employees | BPS | Average salary per month per employee | Leave Salary per month per employee | Pension contribution per month per employee | Total monthly emoluments | Annual Amount |
|------------------|-----|---------------------------------------|-------------------------------------|---|--------------------------|------------------|
| 1 | 2 | 3 | 4 | 5 | 6=(3+4+5) x 2 | 7=6 x 12 |
| 5 | 5 | 21,390 | 2,852 | 6,818 | 155,300 | 1,863,600 |
| 4 | 1 | 21,000 | 2,800 | 4,753 | 114,212 | 1,370,544 |
| Total | | | | | | 3,234,144 |

Source: Demand and Collection Register of TMA Town-I

Non-realization of staff emoluments from receipt contract of slaughter house occurred due to weak financial management which resulted in loss.

When pointed out in March 2020, Management stated that recovery would be made from contractors and shown to audit. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends the recovery of staff emoluments from the contractor.

4.2.6 Non-recovery of outstanding dues from the lease of marriage hall and slaughter house - Rs. 4.457 million

According to Clause 49 of the LGA, 2013, Taxation rules, all taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such a manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

TMA Town-I, Peshawar during the financial year 2018-19 did not recover the outstanding dues from the contractor of the lease of marriage Hall Asia Park and slaughter house despite lapse of considerable time which resulted in loss to government. Detail is below:

| S.No | Contractor Name | Contract | Period | Amount (Rs) | Remarks |
|--------------|-----------------|--|--|------------------|--|
| 1 | MoeenUddin | Lease of marriage hall Asia park | 2012 to 2017 5 years | 372,348 | Outstanding amounts of the period under stay |
| 2 | Ali Haidar | | 15-11-2108 to 14-11-2021 3 years | 292,667 | Two months installments for Rs 186,667 plus 224,000 as 20% earnest money |
| 3 | Munir & Co. | Lease of slaughter house and cattle fair | July 2018 to August 2019 | 3,792,000 | |
| Total | | | | 4,457,015 | |

Source: Demand and Collection Register of TMA Town-I

Non-recovery of outstanding dues from contractor occurred due to weak internal controls.

When pointed out in March 2020, Management stated that recovery will be made from concerned and shown to audit. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends immediate recovery of outstanding dues and action against the person(s) at fault.

4.3 Procurement and Contract management

4.3.1 Non-completion of schemes within the stipulated period

As per work order issued by the TMA Town-I, Peshawar, the schemes were required to be completed within the stipulated period.

Clause-2 of the standard contract agreement requires that penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

TMA Town-1, Peshawar awarded different developmental works amounting to Rs. 42.00 million during the year 2018-19. However, the contractor(s) did not complete the schemes within the stipulated period as per contract agreement. Failure to complete development schemes within time not only deprived the public of their benefits but also exhibited the inability of TMA administration to expedite the work and/or impose penalty amounting to Rs. 4.2 million for delay on the defaulting contractors as per detail given in **Annex-2**. Audit observed that delays in completion of work occurred due to inefficiency of the TMA management as funds were released to the TMA on time but still works was delayed for unprecedented time.

Non-recovery of penalty from the contractors occurred due to non-observance of rules which resulted in loss to government.

When pointed out in March 2020, Management stated that penalty would be imposed on contractors and shown to audit. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends imposition of penalty on the defaulting contractors and inquiry to fix responsibility at the person at fault.

4.3.2 Irregular expenditure on street lights

Sub-rule 2,3 of rule 3 of the GoKP, Tehsil and Town Municipal Administration Rules of Business, 2015 stipulate that provision of street lights is integral part of improvement of municipal services delivery.

TMA Town-I, Peshawar incurred an expenditure of Rs. 2,686,492 on account of installation of street lights during the year 2018-19. However, Town administration spent this money in haphazard manner as neither any survey was carried out for need assessment nor any data was available on already installed street lights. Furthermore, village/neighborhood councils also spent millions of rupees on provision of street lights though there was no synchronization or coordination with TMA Town-I, Peshawar. It was also noticed with concern that expenditure was shown spent on those areas where already street lights were provided. Without proper survey, TMA administration would never be in a position to identify those points where installation of street lights was essential as per detail in **Figure-3**.

Irregular expenditure on street lights occurred due to lack of planning.

When pointed out in March 2020, Management stated that proper reconciliation had not been carried out in past. However, mechanism for proper reconciliation with PESCO would be framed.

No progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that proper survey must be carried out for need assessment of street lights in addition to developing inventory of already installed street lights. TMA Town-I also need to devise a mechanism for expenditure on repair and maintenance of faulty street lights.

4.3.3 Failure to acquire own land for slaughter house and operating it in hygienic conditions

As per Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business, 2015 Schedule (I) Rule 3 (2) under the distribution of business among sub-offices, maintenance and development of Slaughter house is one of the main functions of the Planning, Infrastructure and Services wings in the TMA.

It was observed during the Audit that TMA Town-I, Peshawar administration did not make any effort to acquire land for building a state of the art slaughter house which could be operated in hygienic environment. Similarly, private sector was also not encouraged to establish and run slaughter houses to fulfill community need while observing all hygiene related protocols. The local office leased out slaughter house to a contractor for a period of 33 years w.e.f. October, 2009; however, no measures were taken to check slaughter of diseased, weak and young animals. Moreover, poor sanitation arrangement was also reported in the slaughter house several times without any precautionary measures.

Poor conditions of slaughtering in the TMA jurisdictions tantamount to weak administration of the TMA and deprivation of community from basic facility.

When pointed out in March 2020, Management stated that Provincial Government would be approached to provide funds for purchase land and construction of slaughter house. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends acquisition of land for slaughter house and to develop a state of art slaughter house which could be run in a hygienic way.

4.3.4 Irregular award of receipt contract without signing the contract agreement

Rule 58 (8) (b) of the Tehsil Municipal Administration Budget Rules 2016 states that as far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into contract.

TMO Town-I, Peshawar awarded different receipt contracts to contractors during the year 2018-19. Deficiencies in the contract agreements are produced below:

| S.No. | Name of Contract awarded | Amount of contract (Rs) | Signatures missing |
|-------|--|-------------------------|--|
| 1. | Catering, crockery and Marriage Hall | 650,071 | Nazim, TMO, TOR |
| 2. | Doctor Clinic and Hospital | 600,071 | Nazim, TMO, TOR |
| 3. | Commercial Generator Tax | 325,071 | Nazim, TMO, TOR |
| 4. | Trade & Dangerous Offensive Tax | 12,100,123 | Nazim, TMO, TOR |
| 5. | Public toilet at Jahangir Pura | 1,005,000 | Nazim, TMO, TOR |
| 6. | Public toilet at Old Sabzi Mandi | 1,135,00 | Nazim, TMO, TOR |
| 7. | Public toilet at Mohallah Khuda Dad | 1,105,000 | Nazim, TMO, TOR, ATOR, witness |
| 8. | Entry fee Shalimar entry and Car parking | 10,012,345 | Nazim, TMO, TOR, ATOR, witness, contractor |

Source: Agreement files of contracts for the financial year 2010-20

Awarding of contract without signing of contract agreements was unlawful.

When pointed out in March 2020, Management stated that proper contract agreement would be signed with contractors. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that the contracts agreements must be complete in all respects before issuance of work order.

4.3.5 Loss of Rs. 258,170 due to irregular award of contract – Rs. 2.347 million

According to Rule 30 of KPPRA Rules-2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act. Further, according to Rule 42 of KPPRA Rules-2014, in case of failure of negotiations with the first bidder, the procuring agency may invite the second ranked bidder as per the evaluation report.

Town Municipal Officer, Town-I, Peshawar awarded the work “Construction of RCC slab/Iron Takies & Tuff tiles UC-10 Gulbahar, Peshawar” at a bid cost of 31% below against the estimated cost of Rs. 2,347,000. Audit noticed that the lowest bid of 42% below offered by M/S Khawaja Shahid Husain was rejected for unknown reasons and the work was awarded to M/S Shah & Sons at a bid of 31% below which resulted in loss of Rs. 258,170 to government. Even the second lowest bid of 39% below was also rejected and the contract was awarded to the third lowest. The winning bidder provided 8% additional security worth Rs. 187,760 from MCB on 2.08.2019 while date of award of bid was 11.0/2,2019. Furthermore, the tender form and documents of 1st and 2nd lowest bidders were also not available on record.

Awarding of contract at a higher rate occurred due to weak internal control resulting in loss to the public exchequer.

When pointed out in March 2020, Management stated that detailed reply would be furnished after scrutiny of record. Reply was not convincing as the record was already available with management.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends recovery of loss and inquiry into the matter.

4.3.6 Irregular execution and expenditure on work - Rs.2.238 million

Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

TMO TMA Town-I awarded a work “Construction of street drain slab etc. at UC-07 Peshawar” with estimated cost of Rs. 2,238,000 to a contractor. There were provided 15 items in PC-I, BOQ and work order of the work but the contractor’s bill showed that all funds were exhausted on three items only i.e. excavation, PCC 1:4:8 and PCC 1:2:4. It was further revealed from the certificate of the concerned member of Town Council that work was actually executed on Shahi Bagh Shoulders PCC instead of the approved work.

Execution of excess quantities over and above BOQ occurred due to weak internal controls, which resulted in overpayment.

When pointed out in March 2020, Management stated that detailed reply would be furnished after scrutiny of record. Reply was not convincing as the record was already available with management.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

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

4.4 Environment

4.4.1 Shortage of public toilets and Poor condition of the existing Public Toilets

According to Section 22 (c) of Local Government Act 2013, the function of TMA to execute and manage development plans for improvement of municipal services and infrastructure.

A public toilet is a room or small building with toilets (or urinals) and sinks that does not belong to a particular household. Rather, the toilet is available for use by the general public, customers, travelers, employees of a business, school pupils, prisoners etc. A public toilet must provide easy access for urination and defecation. Public toilets are commonly separated into male and female facilities. A modern public toilet is illustrated in **Figure-4**.

TMA Town-I, Peshawar has public toilets situated at seven distinct locations and five of them were auctioned to the contractor on annual basis, resulting in realization of Rs. 4,211,294 during financial year 2018-19. These public toilets were located at old Sabzi Mandi, Mohallah Khudadad, Grain Market, Jehangir Pura and Jinnah Park. The rest of two public toilets were non-functional since 2016-17 and local office did not take any action to repair/reconstruct them. As a result, no income was received from the non-functional toilets. Moreover, some public toilets have also been constructed by the USAID in Fun Land Amusement Park, Peshawar which were also not working operational.

Jurisdiction of TMA Town-1, Peshawar contain a major population area in the Peshawar City such as Shaheen Bazaar, Karimpura, Jehangir Pura, Qissa Khawani Bazaar, Dalazak Road, Bacha Khan Chowk, Firdous Market, Chowk Shadi Pir, Grain Market, Hastnagri etc. and thousands of people visit every day and require toilet facility. Out of the seven available toilets, two toilets remain non-operational during the year 2018-19 i.e. one at Chowk Yadgaar and other at Ashraf Road due to bad condition. The absence of public toilets is especially inconvenient for female commuters. Due to non-availability of toilets in various areas, public use open area creating bad smell in the route. Moreover, rooms for female should also be reserved in the toilets depending upon the area. This will on the one hand increase the revenue

of the office and on the other hand creating a sense among the community about the cleanliness of the surrounding. In constructing the toilets, the ratio of fittings in male and female toilets should take into consideration the expected user profile of the area. Where equal numbers of both genders are expected, there should be proportionately higher number of fittings in the female toilets. All public toilets should be mechanically ventilated.

Moreover, certain deficiencies were also noticed in the existing public toilets which are listed below:

- **Public Toilet near Grain Market**

Public toilet near grain market containing six rooms was not according to the standard. They were devoid of ventilation & wash basins and were not painted since ages. Structure of the majority of toilets had completed their useful life and was in shambles as commodes were broken and atmosphere was stuffy. Without proper ventilation, public toilets soon turn into damp and smelly place with growth of mold on floor and walls as visible in pictures in **Figure-5**.

- **Public Toilet in Jinnah Park**

Public toilets in Jinnah Park were also not according to the standards. A complaint was also lodged by the successful contractor regarding damaged doors and defective pipe lines but of no avail. During the physical verification, it was noticed that doors of all toilets were broken and no arrangements were made for cross ventilation and wash basins. Furthermore, commodes were broken and no white wash was done ever as visible in pictures in **Figure-6**.

- **Public Toilet in Jehangir Pura**

Public toilets in Jehangir Pura were located in the main bazaar of the city where thousands of people use these toilets which was also evident from the fact that Rs. 1,005,000 were realized from these facilities during 2018-19. During the physical

verification, it was noticed that all the six toilets had completed their useful life and needed immediate reconstruction.

Shortage of public toilets and Poor condition of the existing Public Toilets results in depriving the public to use the toilet facilities on the one hand and non-generating the income of the town.

When pointed out in March 2020, Management stated that funds would be allocated for construction of new toilets and repair of existing toilets. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that all the available public toilets be reconstructed on scientific principal.

4.5 Sustainability

4.5.1 Lack of basic facilities in the park

According to Rule 3 (3) (iv) under the heading (Allocation of Business) of the Khyber Pakhtunkhwa Tehsil Municipal Administration and Town Municipal Administration Rules of Business, 2015, the Tehsil or Town Municipal Administration shall construct and improve playgrounds, graveyard, funeral places, eidgah, parks, public open spaces, community centers under its jurisdiction.

A park is an area of natural, semi-natural or planted space developed for human enjoyment and recreation or for the protection of wildlife or natural habitats. Urban parks are green spaces developed for recreation purpose inside the towns and cities. Parks and recreation generate money for the local economy as they improve the local tax base and increase property values. Community facilities enrich the lives of residents in numerous ways. Parks provide green space and room to spend some quality time away from the crowded city neighborhood. Parks provide intrinsic environmental, aesthetic, and recreation benefits to cities.

TMA Town-I, Peshawar has 14 parks under its jurisdiction. Majority of them are small parks and are developed for the nearby community / locality. However, few main parks like Jinnah Park, Shalimar Garden and Fun Land Amusement Park and Parda Bagh were also developed from where Rs. 8,053,361 were realized during financial year 2018-19. However, many associated facilities like proper seating, dustbin provision, public toilets, lighting, drinking water etc., were not provided in sufficient number in these parks as required in the modern parks as required in parks as illustrated in **Figure-7**.

Deficiencies noticed in these parks are listed below one by one.

Shalimar Garden (Figure-8)

- For 98 Kanals Park, only 60 benches were provided. Most of the benches were without shades / cover.
- Nearly half of the lights panel were broken.

- Solarization of the lights was not extended to entire park.
- The water fountain installed by USAID few years ago was not functional.
- Drinking water facility was provided at one point only.
- Public toilets were insufficient and unhygienic.
- Landscape was not designed properly.

Fun Land Amusement Park (Figure-9)

- No seating arrangements were made in the park of 130 kanals.
- No arrangements were made to take care of plants, grass and other vegetation in the park.
- No light facility was provided in the park.
- Dustbins were not installed and rubbish was scattered across the park.
- Drinking water facility was not available in the park.
- Water fall was unfunctional.
- Sole toilet constructed by USAID was not functional.
- No landscaping was done.

Jinnah Park (Figure-10)

- Only 27 benches were provided in 129 kanal park. No shades were provided on the benches.
- Partial lighting arrangements were made.
- Only seven No. dust bin was fixed in the park for rubbish material which were insufficient.
- Public toilet was in deplorable condition.
- Drinking Water facility was not available in the park.
- Plantation in the park was not sufficient.

Wazir Bagh (Figure-11)

- Only ten benches provided in 143.25 kanal park. They were also without cover.
- Lighting facility in the park was insufficient.
- Dustbins installed were insufficient.
- Public toilets were closed for visitors.

- Drinking Water facility was not available for the general public.
- Need to harvest more trees in the park.

Non provision of basic facilities in Public Parks occurred due to lack of interest, which deprived people from basic facility.

When pointed out in March 2020, Management stated that detailed reply would be furnished after scrutiny of record. Reply was not convincing as the record was already available with management.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that the facilities in the park may be provided and sufficient budget should also be allocated for repair and maintenance of Public Parks.

4.5.2 Non-maintenance of comprehensive database and information system

As per Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business, 2015 Schedule (i) Rule 3 (2), TMO is required to maintain a comprehensive database and information system on services in the tehsil municipal records and archives and provide public access to it on nominal charges.

TMA Town-I, Peshawar was bound to maintain a comprehensive database and information system on services in the Town municipal records and archives and provide public access to it, which was not done. Public at large was deprived of information on provision, management, operation, maintenance and improvement of the municipal infrastructure and services.

When pointed out in March 2020, Management stated that efforts would be made to form proper database. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends that compliance to all the relevant rules and regulations may be ensured to bring transparency in the operations of the TMA Town-I.

4.5.3 Non-reconciliation of Property tax with Revenue office – Rs. 122.771 million

According to para 5.4.3.1 of the Manual of Accounting Principles, Responsibilities of Finance and Accounts Officers includes maintenance of reconciled accounting information.

Scrutiny of the budget book of TMA Town-I, Peshawar for the year 2018-19 revealed that Rs.122,771,153 were departmentally realized on account of 2% property tax. It was, however, observed that no reconciliation was carried out with the Revenue office, Peshawar to ascertain whether the realized 2% property tax was in accordance with the actual figure of 2% of property tax. In absence of proper reconciliation, the factual position of recovery could not be authenticated.

Non-reconciliation of Property tax with Revenue office occurred due to weak internal controls.

When pointed out in March 2020, Management stated that reconciliation would be carried out with Revenue Office, Peshawar. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends reconciliation with Revenue office be carried out.

4.5.4 Non-Recovery of long outstanding dues – Rs. 2.492 million

Khyber Pakhtunkhwa Local Govt. Act, 2013 clause 45 (Collection and recovery of taxes, etc.) sub-clause (1) requires that failure to pay any tax and other

money claimable under this Act shall be an offense, And clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

As per budget book for the year 2018-19, an amount of Rs. 2,500,000 was outstanding against various receipt contractors, out of which TMA Town-I administration could only recover Rs. 7,900 throughout the year. Resultantly, Rs. 2,492,000 was still shown outstanding against the defaulting contractors as mentioned in the budget book for the year 2019-20. This depicts the inefficiency of the regulation section in recovering outstanding dues of the preceding year(s) which could otherwise be utilized for the betterment of the community and improvement in delivery of municipal services.

Non-recovery of long outstanding dues occurred due to weak internal controls.

When pointed out in March 2020, Management stated that recovery of outstanding dues would be made from the contractors. However, no progress was reported till finalization of this report.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends immediate recovery of long outstanding government dues from the concerned contractor.

4.5.5 Deviations in approval and execution of residential and commercial maps

According to para 2.02 of the Khyber Pakhtunkhwa Model Building By-laws, 2017, the building plan shall be signed by a registered architect/structural engineer duly qualified and enlisted with the PCATP and PEC as per the schedule appended at the end.

According to para 2.05 of the Khyber Pakhtunkhwa Model Building By-laws, 2017, the minimum panel required for the approval or disapproval at the Authority level will have at least the following technical persons:

- i. One representative Technical from the TMA
- ii. One Architect with valid membership of Pakistan Council of Architects and Town Planners.
- iii. One Civil Engineer with valid membership of Pakistan Council of Engineers.

In the office of TMA Town-I during 2018-19, maps of 436 No. of residential and commercial building were approved by the BCA section, Town-I, Peshawar. Following irregularities were observed during the random scrutiny of its record.

1. Residential maps were approved without the signature of Architect as he was not made part of penal contrary to notified penal formation.
2. In defiance of clear order of disposing off submitted maps within thirty days, approvals of maps were delayed from three to eight months.
3. Follow-up visits to ensure compliance with the by-laws after approval of maps were rarely made.
4. In few instances, maps were not presented in a meeting for approval but shown deferred in the record without any cogent reason.
5. During the visit of few commercials, certain deviations / shortcoming were observed as per detail at **Annex-3**.

When pointed out in March 2020, Management stated that detailed reply would be furnished after scrutiny of record. Reply was not convincing as the record was already available with management.

Request for conveying of DAC meeting was made in April 2020 with subsequent reminders in June 2020, November 2020 and January 2021, which could not be conveyed till finalization of this report.

Audit recommends compliance of rules and by-laws and avoidance of misuse of authority to tease and torture public at large.

4.6 Overall Assessment

i. Relevance:

The office of Tehsil Municipal Officer, Town-I, Peshawar was in line with government's sectoral policies.

ii. Efficacy:

The goals of the Tehsil Municipal Officer, Town-I, Peshawar with reference to originally concerned objectives have been achieved to some extent.

iii. Efficiency:

- i. There was mismanagement of human resources; Non-maintenance of comprehensive database and Non-reconciliation of Property tax with Revenue office.
- ii. Failure to acquire own land for slaughter house and operating it in hygienic conditions.

iv. Economy:

Town Municipal Officer, Town-I, Peshawar failed to achieve annual targets due to which million of Rupees was outstanding against the contractors. Moreover, loss occurred due to not accepting the lowest bid in the contract of "Construction of RCC slab/Iron Takies & Tuff tiles UC-10 Gulbahar, Peshawar".

v. Effectiveness:

Town Municipal Officer, TMA Town-I, Peshawar failed in establishment of modern public sector slaughter house. There was lack of facilities in parks. Moreover, schemes were not completed within the stipulated period.

vi. Compliance with rules:

Main observations with regard to violation of rules are given below:

- Gardeners were attached with individuals and other sections of the office.
- Non-reconciliation of property tax and electricity bills.
- Irregular advances to office staff for various office activities.
- Non-attachment of staff in the receipt contract of slaughter house as per contract agreement.
- Deviations in approval and execution of residential and commercial maps.

5. CONCLUSION:

5.1 Key issues for the Future: Issues that could limit Tehsil Municipal Officer, Town-I, Peshawar performance and achievement of objectives are as under:

- i. Non availability of Horticulturalist.
- ii. Non-achievement of targets
- iii. Non-completion of schemes within the stipulated period.
- iv. Unsatisfactory provision of municipal services

5.2 Lessons identified:

- i. Services of the Horticulturist may be hired to design and develop parks and other green areas.
- ii. Proper enquiry may be conducting for non-achieving the targets.
- iii. Outstanding amount of staff emoluments attached in the receipt contracts of Trade and Dangerous Offensive License Fee and slaughter house be immediately recovered from the concerned contractors.
- iv. Outstanding dues from the lease of marriage hall and slaughter house receipt contract be recovered from the concerned contractor.
- v. Work on the pending development schemes may be expedited for timely completion.
- vi. Efforts be made to purchase land for the modern slaughter house and developing hygienic slaughtering arrangements.
- vii. Improve basic facilities in public parks.
- viii. Data base must be prepared to improve the quality of planning and municipal services delivery.
- ix. The outstanding amount may be recovered from concerned contractors.

ACKNOWLEDGEMENT:

We wish to express our appreciation to the Management and staff of TMA Town-I Peshawar for the assistance and cooperation with the auditors during this Performance Audit.

RESPONSES AND IMPLEMENTATION OF RECOMMENDATIONS
Audit of Role of TMAs in provision of Municipal Services in TMA Town-I,
Peshawar

| Para # | Recommendations | Accepted Yes/No | Implementation date | Client comments |
|--------|---|-----------------|---------------------|---|
| 4.1.1 | Horticulturist may be hired to design and develop parks and other green areas | Yes | Nil | The case for posting of horticulturist would be submitted to Local Government. |
| 4.1.2 | 4 Malis/gardeners if in excess may be adjusted in other cadres and/or otherwise may be posted at places according to their job description | Yes | Nil | Detailed reply would be furnished shortly |
| 4.2.1 | Proper reconciliation be carried out with PESCO before any further payments | Yes | Nil | Proper reconciliation had not been carried out in past. However, mechanism for proper reconciliation with PESCO would be framed. |
| 4.2.2 | Practice of unnecessary advances may be stopped immediately and record of existing advances may be assembled for audit scrutiny | Yes | Nil | Advances were paid to various employees for timely completion of works. Moreover, proper account record would be maintained and shown to audit. |
| 4.2.3 | Proper enquiry may be conducting for non-achieving the target | | | Management did not reply |
| 4.2.4 | Outstanding amount of staff emoluments attached in the receipt contracts of Trade and Dangerous Offensive License Fee and slaughter house be immediately recovered from the concerned contractors | Yes | Nil | Recovery would be made from contractors and shown to audit. |
| 4.2.5 | Outstanding amount of staff emoluments attached in the receipt contracts of Trade and Dangerous Offensive License | | | Recovery would be made from contractors and shown to audit. |

| | | | | |
|-------|---|-----|-----|---|
| | Fee and slaughter house be immediately recovered from the concerned contractors | | | |
| 4.2.6 | Outstanding dues from the lease of marriage hall and slaughter house receipt contract be recovered from the concerned contractor | Yes | Nil | Recovery would be made from contractors and shown to audit. |
| 4.3.1 | Work on the pending development schemes may be expedited for timely completion. | Yes | Nil | Penalty would be imposed on contractors and shown to audit. |
| 4.3.2 | Survey may be carried out to calculate actual demand of street lights and consolidate the existing inventory of street lights | | | Management did not reply. |
| 4.3.3 | Efforts be made to purchase land for the modern slaughter house and developing hygienic slaughtering arrangements | Yes | Nil | Provincial Government would be approached to provide funds for purchase land and construction of slaughter house. |
| 4.3.4 | All contract agreements be signed from all concerned before assigning the receipt contracts | Yes | Nil | proper contract agreement would be signed with contractors. |
| 4.3.5 | Enquiry may be made to ascertain the factual position with regards to procurement and not awarding contract to the lowest bidder | Yes | Nil | Detailed reply would be furnished after scrutiny of record. |
| 4.3.6 | Enquiry may be conducted for carrying out only three items of work instead of 15 items as per BOQ | Yes | Nil | Detailed reply would be furnished after scrutiny of record. |
| 4.4.1 | Public toilets may be constructed at various localities as per need of the community and the existing condition of the toilet should also be improved | Yes | Nil | Funds would be allocated for construction of new toilets and repair of existing toilets. |

| | | | | |
|-------|---|-----|-----|--|
| 4.5.1 | Improve basic facilities in public parks | Yes | Nil | detailed reply would be furnished after scrutiny of record. |
| 4.5.2 | Data base must be prepared to improve the quality of planning and municipal services delivery | Yes | Nil | Detailed reply would be furnished after scrutiny of record. |
| 4.5.3 | Reconciliation of 2% property tax may be carried out with the Revenue office | Yes | Nil | Reconciliation would be carried out with Revenue Office, Peshawar. |
| 4.5.4 | The outstanding amount may be recovered from concerned contractors | Yes | Nil | Recovery of outstanding dues would be made from the contractors. |
| 4.5.5 | The mechanism of map approval and follow-up inspection visits may be strengthened | Yes | Nil | Detailed reply would be furnished after scrutiny of record |

ANNEXURES

Annex-1

Detail of irregular payment of advance

| S.No | Name | Cheque No. and Date | Amount (Rs.) |
|--------------|-------------------------------|------------------------|------------------|
| 1 | Muhammad Ali Garden Supdt: | 28784470 dt 31.01.2019 | 100,000 |
| 2 | | 598 dt.07.09.2018 | 650,000 |
| 3 | | 20.03.2019 | 300,000 |
| 4 | | 30.04.2019 | 300,000 |
| 5 | Adnan RGC | 21.04.2019 | 100,000 |
| 6 | Aman Badshah | 25.06.2019 | 60,000 |
| 7 | | | 250,000 |
| 8 | Faisal Iqbal | | 100,000 |
| 9 | | | 100,000 |
| 10 | | | 80,000 |
| 11 | | | 50,000 |
| 12 | Tahir Rahman | | 75,000 |
| 13 | Khudai Nazar | 472 dt.07.05.18 | 200,000 |
| 14 | Ayaz Durrani | 646 dt23.10.18 | 100,000 |
| Total | | | 2,465,000 |

Annex-2

Detail of non-completion of schemes within stipulated time


(Amount in Rs.)



| S# | Name of work | File No. | Estimated Cost | Date of Work order | Period of completion | Date of completion | Delays in days | Penalty |
|-----|---|----------|----------------|--------------------|----------------------|--------------------|----------------|---------|
| 1. | Construction of Streets/drains/slab/ culverts etc. at Tauheed Colony, U/C-II, Peshawar | | 4.00 | 22.01.2018 | 105 days | 08.08.2018 | 95 days | 0.40 |
| 2. | Construction of Streets/drains/slab/ culverts etc. at MundaBerri, UC-18, Peshawar | 22/30 | 2.00 | 05.01.2018 | 105 days | 02.07.2018 | 75 days | 0.20 |
| 3. | Construction of Streets/drains/slab/ culverts etc. at UC-16 Peshawar | 20/30 | 4.00 | 05.01.2018 | 105 days | 07.01.2018 | 75 days | 0.40 |
| 4. | Construction of Streets/drains/slab/ culverts etc. at UC-37 Peshawar | 2/43 | 3.00 | 18.01.2018 | 105 days | 17.08.2018 | 108 days | 0.30 |
| 5. | Construction of Streets/drains/slab/ culverts etc. at Bahari Colony, Abshar Colony, Hassan Garhi University Town, Palosi, Peshawar etc. | 4/43 | 3.00 | 22.01.2018 | 105 days | 17.08.2018 | 104 days | 0.30 |
| 6. | Construction of Streets/drains/slab/ culverts etc. at UC-41 Peshawar | 3/43 | 4.00 | 22.01.2018 | 105 days | 06.08.2018 | 93 days | 0.40 |
| 7. | Construction of Streets/drains/slab/ culverts etc. at TehkalPayan-II | 6/43 | 4.00 | 18.01.2018 | 105 days | 15.08.2018 | 106 days | 0.40 |
| 8. | Construction of Streets/drains/slab/ culverts etc. at University Town, Peshawar | 7/43 | 4.00 | 18.01.2018 | 105 days | 17.08.2018 | 108 days | 0.40 |
| 9. | Construction of Streets/drains/slab/ culverts etc. at TehkalBala, Shaheen Town, Peshawar | 8/43 | 4.00 | 22.01.2018 | 105 days | 16.08.2018 | 103 days | 0.40 |
| 10. | Construction of Streets/drains/slab/ culverts etc. in Hassan Garhi, TehkalPayan,I&II Peshawar | | 4.00 | 18.01.2018 | 105 days | 16.08.2018 | 107 days | 0.40 |
| 11. | Construction of Streets/drains/slab/ culverts etc. at TehkalPayan and | 33/43 | 3.00 | 18.01.2018 | 105 days | 16.08.2018 | 107 days | 0.30 |

| | | | | | | | | |
|---------------|--|-------|--------------|------------|----------|------------|---------|-------------|
| | Shaheen Town etc. Peshawar | | | | | | | |
| 12. | Construction of Streets/drains/slab/ culverts etc. at UC-40 Peshawar | 20/43 | 3.00 | 22.01.2018 | 105 days | 06.08.2018 | 93 days | 0.30 |
| Totals | | | 42.00 | | | | | 4.20 |

Annex-3

Detail of irregular approval of map and deviation in construction thereof

| S.No. | Name of owner | Address | Remarks |
|-------|--|---|---|
| 1. | Muhammad Ismail Approval No. 4 | Abdullah Colony, Moza Garhi Rahim Dad Abdullah Colony, Dalazak Road, Peshawar | <ol style="list-style-type: none"> The site is in the residential area. 19 shops were physically constructed against the approved 12 shops on the ground floor. Thus seven shops have been constructed without fee and permission. Similarly, first floor was completely constructed area instead of 1316.28 s.ft. Thus the office realized less collection of receipt on the one hand and illegal construction on the other hand. The application for approval of map was submitted on 23.01.2018 but the was approved in meeting on 2.03.2018 and permission letter was issued on 2.04.2018. No fire extinguisher was installed in the shops as mentioned in the map. No space was reserved for public toilet.  |
| 2. | Muhammad Ayub Shah Approval No. 26 | Garhi Rahim Dad ShinwariSerai, Dalazak Road, Peshawar | <ol style="list-style-type: none"> The application for approval of map was submitted on 23.01.2018 but was approved in meeting on 2.03.2018 and permission latter was issued on 02.04.2018. The signature of the Architect was missing on the map. |
| 3. | Zar Ali Shah Approval No. 44 | Garhi Rahim Dad, Dalazak Road, Peshawar | <ol style="list-style-type: none"> The permission order was issued after 2 months 15 days. Drive wayfrom road side to parking area was shown in map. But there is no way for parking as front area was completely covered with shops. No fire extinguisher was seen in the plaza / |

| | | | | |
|----|----------------------------|-------------------------------|---|---|
| | | | shops. |  |
| 4. | Sher Khan Approval No. 112 | Garhi Dad, Rahim Dalazak Road | <ol style="list-style-type: none"> 1. The permission for construction of plaza was issued in 11.2018 to be completed in one year but the construction work is still in progress i.e. 2/2019. No renewal fee was realized. 2. In the approved map, construction upto 3rd floor was approved. However, construction of fourth floor was also in progress without approval and fee payment. |  |

FIGURES

Figure-1

Landscape by Horticulturist



Figure-2

Street Light



Street light is on in Day light

Figure-3.



No streetlight by TMA

Figure-4

Modern Public Toilet



Figure-5

Public toilets near Grain Market



Inner condition of toilet room



Door condition

Figure-6

Public Toilet in Jinnah Park



Broken Door



Deteriorate condition



Broken Door

Figure-7

Modern Parks



Figure-8

Shalimar Garden



Non-functional of fountain



Broken lights



Closed toilet in Shalimar Garden

Figure-9

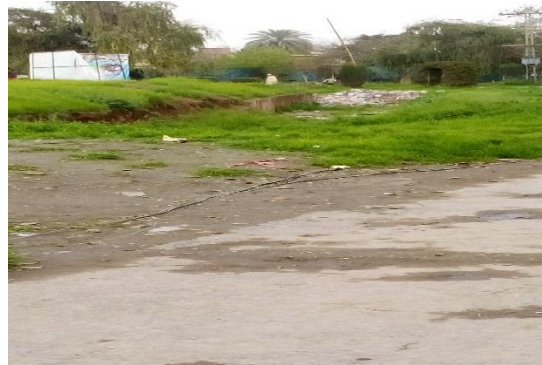
Fun Land Amusement Park



No lights



Un-functional water fall



No proper landscape



Public toilet constructed by MSP but not-functional

Figure-10

Jinnah Park



Limited benches without shed

Figure-11

Wazir Bagh



Un-functional fountain



Broken tree



No benches



No landscape