



**AUDIT REPORT**  
**ON**  
**THE ACCOUNTS OF**  
**TEHSIL MUNICIPAL ADMINISTRATIONS**  
**BAHAWALPUR**  
**AUDIT YEAR 2014-15**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
A.C	Air Condition
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
DGA	Directorate General Audit
FD	Finance Department
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PDG	Punjab District Governments
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
RDA	Regional Directorate of Audit
SPBUSP	Southern Punjab Basic Urban Services Project
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO (R)	Tehsil Officer (Regulation)

## **Preface**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973, and Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditure of the Local Fund and Public Accounts of District Governments.

The report is based on audit of the accounts of Tehsil Municipal Administrations of District Bahawalpur for the Financial Year 2013-14. The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during 2014-15 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs.1 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this report have been finalized in the light of written responses of the management concerned and DAC directives.

The Audit Report is submitted to the Governor of Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance 2001, for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated:

**(Rana Assad Amin)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Director General Audit (DGA), District Governments, Punjab (South), Multan, a Field Audit Office of the Auditor General of Pakistan, is mandated to carry out the audit of all District Governments in Punjab (South) including Tehsil and Town Municipal Administration. Regional Directorate of Audit Bahawalpur has audit jurisdiction of District Governments, TMAs and UAs of three Districts i.e. Bahawalpur, Bahawalnagar and Rahim Yar Khan.

The Regional Directorate has a human resource of 25 officers and staff, constituting 4,848 mandays and budget amounting to Rs 14.669 million was allocated in audit year 2014-15. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Bahawalpur carried out audit of the accounts of six TMAs of District Bahawalpur for the Financial Year 2013-14 and the findings included in the Audit Report.

Each Tehsil Municipal Administration in District Bahawalpur is headed by a Tehsil Nazim / Administrator. He/she carries out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and By-laws. The PLGO 2001 requires the establishment of Tehsil / Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Nazim / Tehsil Council / Administrator in the form of Budgetary Grants.

The total Development Budget of six TMAs in the District Bahawalpur for the financial year 2013-14 was Rs 402.298 million and expenditure incurred of Rs 311.085 million showing savings of Rs 91.213 million in the year. Total Non-development Budget for Financial Year 2013-14 was Rs 1,157.106 million and expenditure amounting to Rs 963.499 million was incurred showing savings of Rs 193.607 million. The reasons for savings in Development and Non-development Budgets are required to be provided by TMOs and PAOs concerned.

Audit of TMAs of District Bahawalpur was carried out with a view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws/ rules /regulations, economical procurement of assets and hiring of services etc.

Audit of receipts/revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues, was made in accordance with laws and rules and that there was no leakage of revenue.

**a. Scope of Audit**

Out of total expenditure of the TMAs District Bahawalpur for the financial year 2013-14, auditable expenditure under the jurisdiction of Regional Director Audit, Bahawalpur was Rs 1,274.584 million covering six PAOs/formations. Out of this, RDA Bahawalpur audited an expenditure of Rs 1,021.954 million which, in terms of percentage, is 80% of auditable expenditure and irregularities amounting to Rs 493.549. Regional Director Audit planned and executed audit of 06 formations i.e. 100% achievement against the planned audit activities.

Total receipts of the TMAs of District Bahawalpur for the financial year 2013-14, were Rs 1,172.235 million. RDA Bahawalpur audited receipts of Rs 351.671 million which was 30% of total receipts and irregularities amounting to Rs 75.586 million were pointed out.

**b. Recoveries at the Instance of Audit**

Recoveries of Rs 569.052 million were pointed out by Audit which was not in the notice of the management before audit. An amount of Rs 14.906 million was recovered and verified during 2014-15 till the time of compilation of the Report.

However, against the total recovery amount of Rs 470.286 million pertaining to paras (over one million) drafted in this report, recovery of Rs 1.703 million has been made by the management till the time of compilation of this Report.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of TMAs with respect to its 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.

**d. Audit Impact**

A number of improvements in record maintenance and procedures have been initiated by the departments concerned; however, audit impact in shape of change in rules could not be materialized as the Provincial Accounts Committee has not discussed audit reports pertaining to Tehsil Municipal Administrations for the year 2014-15.

**e. Comments on Internal Control and Internal Audit Department**

Internal control mechanism of TMAs of District Bahawalpur was not found satisfactory during audit. Many instances of weak internal controls have been highlighted during the course of audit which includes some serious lapses. Negligence on the part of TMA authorities may be captioned as one of important reasons for Weak Internal Controls.

According to Section 115-A (1) of PLGO, 2001, Nazim of each District Government and Tehsil/Town Municipal Administration shall appoint an Internal Auditor but the same was not appointed in all TMAs of District Bahawalpur.

**f. The Key Audit Findings of the Report**

- i. Fraud/ Misappropriations involving an amount of Rs 1.350 million was noted in one case.<sup>1</sup>
- ii. Non Production of record involving an amount of Rs 28.803 million was noted in one case.<sup>2</sup>
- iii. Irregularities & non-compliance involving an amount of Rs 636.797 million were noted in fifteen cases.<sup>3</sup>
- iv. Performance issues involving an amount of Rs 79.507 million were noted in eleven cases.<sup>4</sup>
- v. Internal Control Weaknesses involving an amount of Rs 3.468 million were noted in two cases.<sup>5</sup>

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<sup>1</sup> Para: 1.7.1.1

<sup>2</sup> Para: 1.3.1.1

<sup>3</sup> Para: 1.2.1.1 to 1.2.1.3, 1.3.2.1 to 1.3.2.2, 1.4.1.1 to 1.4.1.3, 1.5.1.1, 1.6.1.1 to 1.6.1.4, 1.7.2.1 to 1.7.2.2

<sup>4</sup> Para: 1.2.2.1 to 1.2.2.2, 1.4.2.1, 1.5.2.1 to 1.5.2.3, 1.6.2.1 to 1.6.2.3, 1.7.3.1 to 1.7.3.2

Audit paras on the accounts for financial year 2013-14 involving procedural violations including internal controls weaknesses and irregularities which were not considered worth reporting to provincial PAC have been included in Memorandum for Departmental Accounts Committee (MFDAC). (**Annex-A**)

**g. Recommendations**

Audit recommends that the PAO/Management of TMAs should ensure to resolve the following issues seriously:

- i. Production of record to audit for verification.
- ii. Holding investigations for wastage, fraud/misappropriations, losses and disciplinary actions after fixing responsibilities.
- iii. Strengthening of financial and managerial controls.
- iv. Compliance of DAC directives and decisions in letter and spirit.
- v. Expediting recoveries pointed out by Audit as well as other recoveries in the notice of management.
- vi. Compliance of relevant laws, rules, instructions and procedures, etc.
- vii. Appropriate actions against officers/officials responsible for violation of rules and losses.
- viii. Addressing systemic issues to prevent recurrence of various omissions and commissions.

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<sup>5</sup>Para: 1.5.3.1, 1.7.4.1



## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rupees in Million)

Sr. No.	Description	No.	Expenditure	Receipt
1	Total PAOs in Audit jurisdiction	06	1,274.584	1,172.235
2	Total Formations/DDOs in Audit Jurisdiction	06	1,274.584	1,172.235
3	Total Entities (PAOs) Audited	06	1,021.954	351.671
4	Total formations/DDOs audited	06	1,021.954	351.671
5	Audit & Inspection Reports	06	-	-
6	Special Audit Reports	-	-	-
7	Performance Audit Reports	-	-	-
8	Other Reports (Relating to TMA)	-	-	-

**Table 2: Audit Observations Classified by Category**

(Rupees in Million)

Sr. No.	Description	Amount placed under audit observation
1	Asset management	-
2	Financial management	80.857
3	Internal controls	3.468
4	Others	665.600
<b>Total</b>		<b>749.925</b>

**Table 3: Outcome Statistics**

(Rupees in Million)

Sr. No.	Description	Expenditure on Physical Assets	Civil Works	Others	Receipt	Total Current Year	Total Last Year
1	Total Financial Outlay	47.580	311.085	915.919	1,172.235	2,446.819	-
2	Outlays Audited	11.389	248.868	761.688	351.671	1,373.616*	1,457.259
3	Amount placed under audit observations / irregularities pointed out	3.828	27.459	641.554	79.507	752.348	1,413.953
4	Recoveries pointed out at the instance of Audit	-	-	376.255	94.031	470.286	175.016
5	Recoveries accepted/established at the instance of Audit	-	-	360.000	94.031	454.031	175.016
6	Recoveries realized at the instance of Audit	-	-	-	14.906	14.906	-

\*The amount mentioned against Sr. No. 02 in column of "Total Current Year" is the sum of expenditure and receipts whereas the total expenditure was Rs 1,021.954 million.

**Table 4: Irregularities Pointed Out**

(Rupees in Million)

Sr. No.	Description	Amount placed under Audit observation
1	Violation of rules and regulations and violation of principle of propriety and probity in public operations.	262.273
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	1.350
3	Quantification of weaknesses of internal controls system.	3.468
4	Recoveries, overpayments, or unauthorized payments of public money.	454.031
5	Non-production of record to Audit	28.803
6	Others, including cases of accidents, negligence etc.	-
7	Accounting errors (accounting policy departure from IPSAS <sup>6</sup> , misclassification, overstatement 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.	-
<b>Total</b>		<b>749.925</b>

**Table 5: Cost-Benefit**

(Rupees in Million)

Sr. No.	Description	Amount
1	Outlays Audited (Item 2 of Table 3)	1,373.616
2	Expenditure on Audit	0.066
3	Recoveries realized at the instance of Audit	14.906
4	Cost-Benefit Ratio	225.848

<sup>6</sup> The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

## CHAPTER-1

### 1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, BAHAWALPUR

#### 1.1.1 Introduction:

According to 1998 population census, the population of District Bahawalpur is 2.433 million. District Bahawalpur comprises six TMAs namely Bahawalpur (City), Bahawalpur (Saddar), Khairpur Tamewali, Hasilpur, Ahmadpur East and Yazman. Business of TMAs is run by the Administrator and five Drawing & Disbursing Officers i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulation) under Punjab Local Government Ordinance, 2001.

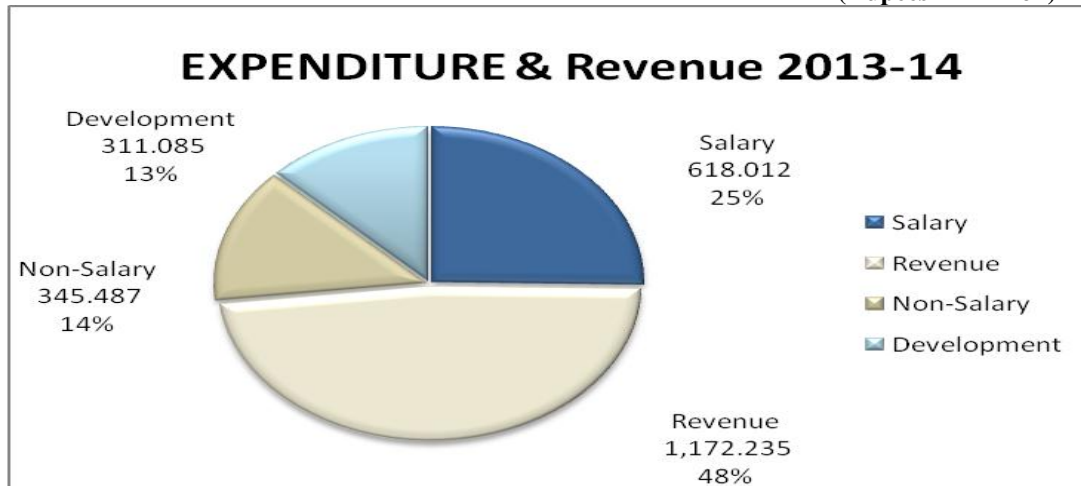
#### 1.1.2 Comments on Budget and Accounts

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

**(Rupees in Million)**

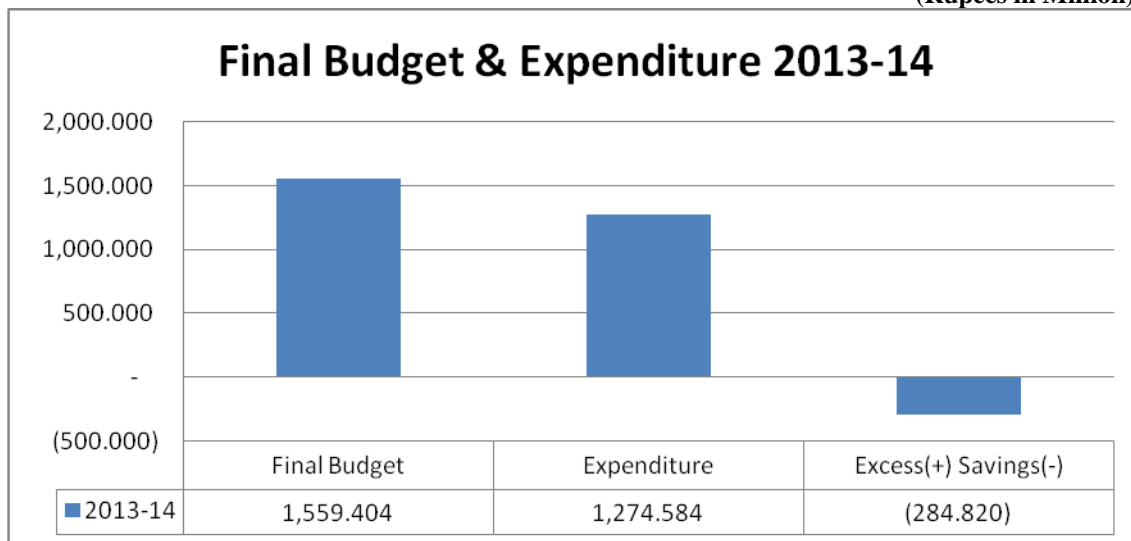
<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	708.430	618.012	(-)90.418	-13%
Non-salary	448.676	345.487	(-)103.189	-23%
Development	402.298	311.085	(-)91.213	-23%
<b>Total</b>	<b>1,559.404</b>	<b>1,274.584</b>	<b>(-)284.820</b>	<b>-18%</b>
Revenue	1,518.427	1,172.235	(-)346.192	-23%

(Rupees in Million)



As per Annual Accounts the expenditure relating to TMAs in District Bahawalpur was Rs 1,274.584 million against original budget of Rs 1,559.404 million. A saving of Rs 284.820 million came to the notice of Audit, which shows that TMAs failed to provide municipal services and infrastructure developments. No plausible explanation was provided by the PAOs / Administrators and management of TMAs. **(Annex-B)**

(Rupees in Million)



### **1.1.3 Brief Comments on the Status of Compliance on MFDAC Audit Paras of Audit Report 2013-14**

Audit paras reported in MFDAC (Annex-I) of last year Audit Report, which have not been attended in accordance with the directives of DAC have been reported in Part-II of Annex-A.

### **1.1.4 Brief Comments on the Status of Compliance with PAC Directives**

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

#### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2009-12	67	PAC not constituted
2	2012-13	30	PAC not constituted
3	2013-14	71	PAC not constituted

# **AUDIT PARAS**

## **1.2 Tehsil Municipal Administration, Bahawalpur (City)**



## 1.2.1 Irregularities and Non Compliance

### 1.2.1.1 Non collection of rent of petrol pumps at market basis – Rs 8.806 million

According to letter No. ACR/4-175/6311-20 dated 15.10.2011, issued by the Commissioner Bahawalpur, the petrol pumps should be auctioned at the assessed value.

TMO Bahawalpur (City) did not collect rent of Rs 8.806 million on the assessment basis. According to Minutes of Meeting issued by District Rent Assessment Committee dated 27.09.2011, the rent of petrol pumps was re-assessed, but TMA administration did not recover the rent on new assessed rates as detailed below:

(Amount in Rupees)

Sr. No.	Petrol Pumps	Current Rent	Assessed Rent	Difference	Months	Excess Amount
1	Hussain Petroleum Service Saraiki Chowk	21,636	80,000	58,364	38	2,217,832
2	Waaz Petroleum Service	40,702	100,000	59,298	38	2,253,324
3	Modern Petroleum Service	32,281	100,000	67,719	38	2,573,322
4	Niaz Petroleum Service	33,638	80,000	46,362	38	1,761,756
<b>Total</b>						<b>8,806,234</b>

Audit is of the view that due to weak internal controls, rent was not recovered on new assessed rates.

Non collection of rent on new rates resulted in loss of Rs 8.806 million.

The matter was reported to the TMO and Administrator during March, 2015. The DDO did not submit any reply. DAC, in its meeting held on 08.05.2015, directed to keep the para pending for record verification within one month. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 8.806 million. Furthermore, future collection of rent recovered on new assessed rates, besides fixing of responsibility, under intimation to Audit.

[AIR Para: 16]

### 1.2.1.2 Non recovery of fees from private housing schemes – Rs 5.352 million

According to Section 37 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010,

- (1) A developer shall deposit a preliminary planning permission fee along with application at the rate of
  - (a) Rupees five thousand for scheme having area up to two thousand kanal
  - (b) Rupees ten thousand for scheme having area above two thousand kanal
- (2) A developer shall deposit a fee for:
  - (a) Sanction of a scheme at the rate of Rupees one thousand per kanal;
  - (b) Approval of design and specifications for water supply, sewerage and drainage at the rate of Rupees five hundred per kanal;
  - (c) Approval of design and specifications for road, bridge and footpath of a scheme at the rate of Rupees five hundred per kanal;
  - (d) Approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply.

TMO Bahawalpur (City) failed to collect fee from the illegal private housing schemes for the year 2013-14. TO (P&C) did not take any action against the developers of 25 housing schemes, which were developed without approval and payment of TMA dues. Detail is given below:

(Amount in Rupees)

No. of Schemes	Total Area (Kanals)	Planning Permission Fee	Sanction Fee	Approval of design and specifications for water supply, sewerage	Approval of design and specifications for road, bridge and footpath	Grand Total
25	2,612	125,000	2,612,000	1,306,000	1,306,000	5,351,637
<b>Total</b>		<b>120,000</b>	<b>2,612,000</b>	<b>1,306,000</b>	<b>1,306,000</b>	<b>5,351,637</b>

Audit is of the view that due to negligence, no action was taken to recover the TMA dues from the developers of private housing schemes.

Non-recovery of TMA dues from private housing schemes resulted in loss of Rs 5.352 million.

Matter was reported to TMO and Administrator during March, 2015 however TMO did not submit any reply. DAC, in its meeting held on 08.05.2015, directed to get the record verified within one month. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 5.352 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 39]

### **1.2.1.3 Non recovery of Income Tax from the contractor – Rs 2.563 million**

According to income ordinance 10% withholding tax had to be imposed on every auction of receipts.

TMO Bahawalpur (City) awarded contracts for collection of Mini Wagon fee, Non A.C. (Air Conditioner) and A.C. Coaches to the concerned contractor, amounting to Rs 14.615 million and Rs 11.010 million respectively for the year 2013-14. However, an amount of Rs 2.563 million on account of Income Tax was not recovered from the concerned contractor.

Audit is of the view that due to weak financial management income tax was not recovered from the contractor.

Non recovery of Income Tax resulted in loss of Rs 2.563 million.

The matter was reported to the TMO and Administrator during March, 2015. TMO replied that matter was subjudice in the Lahore High Court Bahawalpur bench and necessary action would be taken against contractor accordingly. DAC, in its meeting held on 08.05.2015, directed for recovery of Income Tax within one month. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 2.563 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 33]

## 1.2.2 Performance

### 1.2.2.1 Less collection of receipts of Water Rate and Sewerage Tax – Rs 38.960 million

A per para 76 (1) of Government of the Punjab, Local Government and Rural Development Department (Budget) Rules, 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Further, according to Rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by The Government through fraud or negligence on his part.

TMO Bahawalpur (City) recovered less receipt under the receipt heads Water Rate and Sewerage Tax during 2013-14. The record of TMA revealed that taxes due were not being collected from various connection holders. A survey was conducted by Southern Punjab Basic Urban Services Project (SPBUSP) to ascertain total number of connections and it transpired that TMA officials were collecting Taxes only from a fraction of consumers. Detail and comparison are given below:

**(Amount in Rupees)**

Income Head	Total Connection as per Staff / Record		Total Connection as per Survey		Difference		Schedule Rate		Amount
	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	
Sewerage Tax	3,502	290	55,575	2,992	52,073	2,702	600	2,000	36,647,800
Water Rate	3,659	14	5,033	172	1,374	158	1,200	4,200	2,312,400
<b>Total</b>									<b>38,960,200</b>

Audit is of the view that due to poor financial management of the department, fewer receipts were collected.

Less collection of receipts resulted in loss of Rs 38.960 million.

The matter was reported to the TMO and Administrator during March, 2015. TMO replied that recovery process was slow due to shortage of the clerks and recovery

process would be expedited upon availability of recovery clerk and execution of SPBUSP project. DAC, in its meeting held on 08.05.2015, directed that matter be taken up with the Government regarding shortage of staff and decision be conveyed to audit. No progress was reported till finalization of this Report.

Audit recommends holding of Inquiry for fixing of responsibility against the concerned besides effecting recovery amounting to Rs 38.960 million, under intimation to Audit.

[AIR Para: 48]

### **1.2.2.2 Non-auctioning of collection rights of various receipt heads – Rs 6.255 million**

A per para 76 (1) of Government of the Punjab, Local Government and Rural Development Department (Budget) Rules, 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Bahawalpur (City) failed to auction various receipt heads during 2013-14. According to the record, advertisement was made in the “Daily Nawa-e-Waqt Multan dated 28.06.2013 for auctioning, but there were no auctions on the record. Furthermore, there was no record whether self collection was made, as there had been no receipts against these receipt heads. Detail is given below:

<b>(Amount in Rupees)</b>	
<b>Receipt Heads</b>	<b>Reserve Price</b>
Fee Cycle Stand (G. Bus Stand, Parking Marriage hall etc.)	469,379
Sludge Water Lal Bagh	28,000
Sludge Water Quaid-E-Azam Colony	56,600
Sludge Water Chak No. 10/BC	10,000
Sludge Water Manzoor Abad	10,000
Fee Latrine A.C Terminal	1,185,335
Fee Latrine General Bus Stand	4,495,835
<b>Total</b>	<b>6,255,149</b>

Audit is of the view that due to poor management, TMA receipts could not be auctioned.

Non-auctioning of receipts heads resulted in loss of Rs 6.255 million.

The matter was reported to the TMO and Administrator during March, 2015. The TMO replied that efforts were made eight times for auction of sludge water but no bid was received due to high reserve price. DAC, in its meeting held on 08.05.2015, directed to enquire the matter by TO (P&C) and TO (I&S) and submit report within two months. No progress was reported till finalization of this Report.

Audit recommends auctioning of collection rights of various receipt heads besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 38]

## **1.3 Tehsil Municipal Administration Bahawalpur (Saddar)**



### **1.3.1 Non-Production of Record**

#### **1.3.1.1 Non-production of record – Rs 28.803 million**

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Further according to Section 115(6) of the Punjab Local Government Ordinance 2001, “All officials shall afford all facilities and provide record for audit inspection and comply with the requests for information in as complete a form as possible and with all reasonable expedition”.

DDOs of TMA Bahawalpur (Saddar) did not produce following record despite repeated requests:

1. Record pertaining to illegal construction of buildings and The Government residence allotment, property owned as well encroached.
2. Demand and collection registers in respect of all receipt heads, schedule of rates and taxes.
3. Schedule of establishment, detail of all bank accounts, grants received from Government of the Punjab
4. Log books of vehicles of TMO and TOs along with utilization of POL, history sheets, tentative and actual tour diary & tour programme.
5. Total No. of Union Administrations under your control.
6. Surveys conducted by the authorities.
7. Details of serviceable and un-serviceable machinery / equipment
8. Attendance Register shift wise, details of disciplinary proceedings (completed or in process) against any staff member of the entity, if not, provide the certificate.

9. Issued licenses, permits, record regarding imposing penalties for violation

Audit is of the view that due to weak internal controls, record was not properly maintained and produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 28.803 million.

The matter was reported to TMO and Administrator during February, 2015. TMO did not submit any reply. DAC, in its meeting held on 27.03.2015, directed that record be produced within 15 days. Non production of record was also brought into the notice of the Administrator as well as the DCO but no progress was reported till finalization of this Report.

Audit recommends that responsibility be fixed and strict disciplinary action taken against the officials concerned for non-production of record, under intimation to Audit, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para: 27, 28]

### 1.3.2 Irregularities and Non Compliance

#### 1.3.2.1 Issuance of NOC to private housing scheme without observing the prescribed requirements - Rs 12.300 million

According to Rule 10(2) of the Punjab Private Housing Schemes and Land Sub-division Rules, 2010 issued by Government of the Punjab Local Government & Communication Development department vide letter no. SOR (LG) 38-2/2004-P dated 13.03.2010, a Developer Shall Provide:

1. Open space or park 7% and above.
2. Commercial area 5%
3. Approaches road not less than 50 feet.
4. Internal road minimum thirty feet right of way.
5. 10 Marla plot for solid waste management.

TMO Bahawalpur (Saddar) granted NOC to the developer of housing scheme (Model Village Town) without ensuring proper planning for availability of open spaces as mentioned in above rule. During physical verification of the housing scheme, following discrepancies were noticed:

- i. Open area (Park Area) @ 5% as per approved map did not exist.
- ii. 30 feet wide road as per approved map did not exist and only 20 feet wide road existed.
- iii. 40 feet wide road on main entry was not available and only 20 feet wide road was available.
- iv. No plot for solid waste management was available on the site.

Plots were sold out to the public instead of leaving the space as prescribed in the rule due to which, TMA sustained a loss of Rs 12.300 million because these open spaces and roads were property of TMA. Developer sold these plots which deprived residents of amenity space available to them as per rules. Detail is given below:

(Amount in Rupees)

Sr. No.	Description	Marlas	Per Marla Rate	Amount
1	Open area (Park Area )	84	50,000	4,200,000
2	Road Area	142	50,000	7,100,000
3	Solid waste area	20	50,000	1,000,000
<b>Total</b>				<b>12,300,000</b>

Audit is of the view that due to poor management, NOC was issued without compliance of necessary requirements for open spaces thereby compromising on the resident's amenity land.

Issuance of NOC and non-compliance of necessary requirements for open spaces resulted in loss amounting to Rs 12.300 million to TMA, because it was the property of TMA.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that 27 kanals were being transferred to TMA by the developer and mortgage of extra 11 kanals was in progress. Reply was not tenable as no record was produced. DAC, in its meeting held on 27.03.2015, did not accept department's reply agreeing with Audit's contention, and kept the para pending. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility besides action against the concerned along with recovery of amount of loss under intimation to Audit.

[AIR Para: 1]

### **1.3.2.2 Irregular expenditure without observing PPRA rules – Rs 5.700 million**

According to Rule 10 (2) of the Punjab Procurement Rules 2014, "the specifications shall be generic and shall not include references to brand names, model numbers, catalogue number or similar other classifications but if the procuring agency is satisfied that the use of or a reference to, a brand name or a catalogue number is essential to complete and otherwise incomplete specification, such use or reference shall be qualified with the words "or equivalent". Further, according to Rule 2.10 (5) of PFR Vol-I, it is not permissible to draw advances from the treasury for the execution of work, the completion of which is likely to take considerable time.

TMO Bahawalpur (Saddar) incurred expenditure of Rs 5.70 million on account of purchase of Trailer Mounted Sewer Suction Unit 5,000 liters during 2013-14. The expenditure was held irregular on following grounds:

1. Approval of specification and advertisement was made for a tank with a capacity of 5,000 liters, whereas a tank with capacity of 4,500 liters (at the rate offered for the tank with the capacity of 5,000 liters), was supplied.
2. A complaint by one of the bidders was on record regarding the transparency of the bidding documents. The advertisement for origin of vacuum pump was restricted to Italian brand whereas the other equivalent brands were also available at lesser price as mentioned in complaint.
3. Advance payments of Rs 2.900 million and Rs 928,295 were also made in the purchase for sucker machine and purchase of tractors without obtaining prior approval from Finance Department.

Audit is of the view that due to financial indiscipline, PPRA rules were not observed and advance payments were drawn.

Purchase of machinery and vehicles without observing PPRA rules and advance drawl of funds, resulted into irregular expenditure of Rs 5.700 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that purchase of sucker machine having capacity of 5,000 liters was according to the specification, PPRA rules were not violated, and no advance payment was drawn. DAC, in its meeting held on 27.03.2015, did not accept department's reply agreeing with Audit's contention, and kept the para pending. No progress was reported till finalization of this Report.

Audit recommends regularization of expenditure from Finance Department besides fixing of responsibility, under intimation to Audit.

[AIR Para 2, 23]

## **1.4 Tehsil Municipal Administration, Yazman**

## **1.4.1 Irregularities and Non Compliance**

### **1.4.1.1 Non-maintenance of DDO wise accounts – Rs 94.555 million**

According to Para 65 (1)(2) of PDG & TMA (Budget) Rules, 2003, responsibility of relevant Local Government Functionaries is that Heads of Offices shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and Each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

TMO Yazman did not designate DDOs for each section and retained DDO powers of all sections. Furthermore, TMO did not maintain separate books of accounts i.e. Cash Book, Contingent Register, and Budget Control Register for each DDO. Furthermore, DDO wise expenditure statement was not prepared, and the entire expenditure was clubbed in one statement.

Audit is of the view that due to weak financial management separate books of accounts were not maintained by the DDO.

Non maintenance of separate books of accounts resulted in non observance of relevant rules.

The matter was reported to the TMO and Administrator during February, 2015. TMO noted the observation for future compliance. DAC, in its meeting held on 18.03.2015, did not accept department's reply agreeing with Audit's contention, and kept the para pending. No progress was reported till finalization of this Report.

Audit recommends regularization of expenditure from competent authority besides fixing of responsibility against the concerned officer, under intimation to Audit.

[AIR Para: 27]

#### **1.4.1.2 Irregular expenditure due to non compliance of PPRA rules – Rs 5.241 million**

According to Rule 9 and 12 (1) of the Punjab Procurement Rules 2009, procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's web site. Procurement opportunities over Rs. 100,000 and up to Rs. 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

TMA Yazman incurred expenditure of Rs 5.241 million during the year 2013-14 on procurement of mechanical sweeper, electric wires, bulbs, bamboo, tyres, etc. The expenditure was held irregular as purchases were made through splitting since procurements must be planned on annual basis. Advertisement for procurement was also not made, thereby depriving competitive rates. Detail is given below:

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Description</b>	<b>No. of Vouchers</b>	<b>Total Expenditure</b>
1	Civil Works / Development Expenditure	1	1,370,000
2	Purchase of Street Light Articles	46	1,141,923
3	Repair of Machinery	10	843,923
4	Repair of Machinery	2	110,724
5	Repair of Street Lights	15	569,359
6	Repair of Tractor No.6879	1	336,350
7	Miscellaneous / Ramzan Bazar	1	869,251
	<b>Total</b>		<b>5,241,530</b>

Audit is of the view that due to financial mismanagement, PPRA's instructions were violated.

Non-observance of PPRA rules resulted into non-transparent and uneconomical purchase of various items amounting to Rs 5.242 million.



Matter was reported to TMO and Administrator during February, 2015. TMO replied that advertisements were uploaded on PPRA website for purchases over Rs 100,000 each time and remaining purchases were less than Rs 100,000. Reply was not supported with the supporting documents. DAC, in its meeting held on 18.03.2015, directed for regularization of the expenditure from the competent authority, within one month. No progress was reported till finalization of this Report.

Audit recommends regularization from the competent authority besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 21]

#### **1.4.1.3 Non recovery of fee from private housing schemes – Rs 1.074 million**

According to Rule 4 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “the developer shall submit an application to a TMA or development authority, for seeking preliminary planning permission for a scheme before initiating any planning or development activity.” Further, Rule 38 prescribes fee which the developer shall submit along with the application of planning permission. Furthermore, Rule 35(1) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 direct the TMA or development authority to monitor the development work of the schemes and ensure that there is no deviation of the sanctioned scheme plan.

TMA did not take action against developer of 03 private housing schemes, which had undertaken development and marketing activities, without obtaining approval, and payment of prescribed fees amounting to Rs 1.074 million from TMA, during 2013-14. Detail is given below:

(Amount in Rupees)

Sr. No.	Name of Scheme	Area (Kanal)	Planning Permission Fee	Sanction Fee @ Rs 1000 / Kanal	design and specifications for water supply, sewerage @ Rs 500 / Kanal	Design and specifications for road, bridge and footpath @ Rs 500 / Kanal
1	Habib Town (Head Rajkan)	80	5,000	1,000	40,000	40,000

Sr. No.	Name of Scheme	Area (Kanal)	Planning Permission Fee	Sanction Fee @ Rs 1000 / Kanal	design and specifications for water supply, sewerage @ Rs 500 / Kanal	Design and specifications for road, bridge and footpath @ Rs 500 / Kanal
2	Madina Housing Scheme Tail Wala	100	5,000	1,000	50,000	50,000
3	Canal View Housing Scheme (101/DNB) APE Road Yazman	84	5,000	1,000	42,000	42,000
<b>Sub-Total</b>		<b>264 K</b>	<b>15,000</b>	<b>3,000</b>	<b>132,000</b>	<b>132,000</b>
<b>Total Prescribed Fee</b>						<b>282,000</b>
Conversion Fee @ 3000/ marla						792,000
<b>Grand Total</b>						<b>1,074,000</b>

Audit is of the view that due to financial mismanagement, no efforts were made to recover the TMA dues from the developers of private housing schemes.

Non-recovery of TMA dues from developers of private housing schemes resulted in loss amounting to Rs 1.074 million to the Government.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that recoveries of the dues were pending as matter was in court and recoveries would be made after the start of the schemes. Reply was not tenable as no progress was shown. DAC, in its meeting held on 18.03.2015, directed for recovery of TMA dues. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 1.074 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 7]

## 1.4.2 Performance

### 1.4.2.1 Loss due to non auctioning of shops – Rs 2.568 million

According to Rule 16 (1) (a) and (b) of Punjab Local Government (Property) Rules 2003, the immovable Property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time.

TMO Yazman did not auction 214 shops which had been vacant since long and did not make any effort to auction the properties. Detail is given below:

(Amount in Rupees)

Name of Market	No. of Vacant Shops	Prevailing market Rent per Month/Shop	Total Amount 2013-14
Timber Market – Portion (I)	08	1,000	96,000
Timber Market – Portion (II)	12	1,000	144,000
New General Bus Stand –Yazman	76	1,000	912,000
New Water Supply Scheme	65	1,000	780,000
Building Chungi	03	1,000	36,000
Old Bus Stand –Yazman	50	1,000	600,000
<b>Total</b>	<b>214</b>		<b>2,568,000</b>

Audit is of the view that due to weak internal controls, the shops were not auctioned.

Non-auctioning of shops resulted in loss of Rs 2.568 million to TMA.

Matter was reported to TMO and Administrator during February, 2015. TMO replied that efforts were being made for auctioning of the shops and plots. Reply was not tenable as no progress was shown. DAC, in its meeting held on 18.03.2015, did not accept department's reply, agreeing with Audit's contention, and kept the para pending. No progress was reported till finalization of this Report.

Audit recommends auctioning of shops besides action against responsible, intimation to Audit.

[AIR Para: 5]

## **1.5 Tehsil Municipal Administration, Khair Pur Tamewali**

## **1.5.1 Irregularities and Non Compliance**

### **1.5.1.1 Non-collection of Conversion Fee – Rs 9.200 million**

According to Section (60) (1) (e) (Conversion and Betterment Fee) of Government of the Punjab, Local Government and Community Development Department notification No. SOR (LG) 38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

TMO Khair Pur Tamewali did not recover conversion fee of Rs 9.200 million during 2013-14 from the owners of 14 residential buildings being used as educational and healthcare facilities. (**Annex-C**)

Audit is of the view that due to weak internal controls, conversion fee was not recovered from the concerned.

Non-recovery of conversion fee resulted in loss of Rs 9.200 million.

Matter was reported to the TMO and Administrator during February, 2015. TMO replied that notices had been issued for recovery of fee. Reply was not tenable as no progress was shown. DAC, in its meeting held on 19.03.2015, directed for recovery of amount within one month. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 9.20 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 18]

## **1.5.2 Performance**

### **1.5.2.1 Non-collection of development charges & cost of land from dwelling units of Kachi Abadies – Rs 4.660 million**

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further according to Rule 4(a) & (k) of PLG (Property) Rules, 2003, the manager is required to take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature and guard against encroachment or wrongful occupation of property.

TMA Khair Pur Tamewali did not recover the development charges and cost of land amounting to Rs 4.660 million from the occupants of 2 dwelling units during 2013-14.

Audit is of the view that due to inefficiency of management, development charges were not recovered.

Non recovery of development charges resulted in loss of Rs 4.660 million to TMA.

Matter was reported to the TMO and Administrator during February, 2015. TMO replied that notices had been issued for recovery of the development charges and cost of land from the Kachi Abadies. Reply was not tenable as no recovery progress was shown. DAC, in its meeting held on 19.03.2015, directed for recovery of amount within one month. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 4.660 million besides fixing of responsibility against the concerned under intimation to Audit.

[AIR Para: 22]

### 1.5.2.2 Non-collection of arrears of revenue– Rs 3.650 Million

According to Para 76 (1) of Government of the Punjab, Local Government and Rural Development Department (Budget) Rules, 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

Staff of TMA Khair Pur Tamewali failed to recover arrears under different revenue heads during 2013-14. Detail is given below:

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Receipt Head</b>	<b>Amount of Arrears</b>
01	Water Rates	3,619,868
02	Rent of Plots	30,438
<b>Totals</b>		<b>3,650,306</b>

Audit is of the view that due to poor management, TMA receipts remained unrealized.

Non-realization of the TMA receipts resulted in loss amounting to Rs 3.650 million.

Matter was reported to TMO and Administrator during March, 2015. TMO replied that out of the total amount, recovery amounting to Rs 557,697 had been made. DAC, in its meeting held on 19.03.2015, reduced the amount of para to the extent of recovery effected of Rs 557,697 and directed for recovery of remaining amount within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides effecting recovery amounting to Rs 3.650 million, under intimation to Audit.

[AIR Para: 2]

### 1.5.2.3 Non-auctioning of shops / plots – Rs 1.736 million

According to Para 76 (1) of Government of the Punjab, Local Government and Rural Development Department (Budget) Rules, 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Further, according to Rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

TMA Khair Pur Tamewali did not take action for auctioning the shops since 2003. Record revealed that current rent rates being charged by TMA Management (i.e. 434, 398 & even 312 etc.) were nominal / less than the prevailing market rates i.e. Rs 1,000, Rs 2,000 & Rs 3,000. Management did not make efforts to cancel the expired agreements and get the property vacated from the lessee during 2013-14. More than one shop had been awarded to one person which clearly indicated that shops had been further sublet on current / high rates by original lessee, but no action had been taken by TMA authorities. Furthermore, it was observed that 50 shops situated at General bus stand were vacant, but management did not take steps to get these shops rented. Detail is given below:

(Amount in Rupees)

Description	Total Shops	Average Rate	Periods (Months)	Total Amount
Shops/plots	50	2,000	12	1,200,000
<b>Total</b>				<b>1,200,000</b>
<b>Amount of Less rates charging of shops</b>				<b>535,752</b>
<b>Grand Total</b>				<b>1,735,752</b>

Audit is of the view that due to weak financial management, the shops/plots were not auctioned.

Non-auctioning of shops/plots at competitive rates, resulted in loss amounting to Rs 1.736 million.



The matter was reported to the TMO and Administrator during March, 2015. TMO replied that efforts were being made for rent assessment through District Assessment and for auctioning plots situated at General Bas Stand but nobody participated in the auction process. DAC, in its meeting held on 19.03.2015, did not accept department's reply agreeing with Audit's contention, and kept the para pending, No progress was reported till finalization of this Report.

Audit recommends fixing the responsibility against the concerned, besides re-auctioning of shops, under intimation to Audit.

[AIR Para: 6, 9]

### **1.5.3 Internal Control Weaknesses**

#### **1.5.3.1 Unjustified expenditure on sports activities – Rs 1.020 million**

According to Rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part. Further, according to Rule 15.1 and 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant and the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct record and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody.

TMA Khair Pur Tamewali incurred an expenditure of Rs 1.020 million on account of sports activities during 2013-14 which was unjustified on the basis of following observations:

1. Distribution / receiving lists of sports items and prize money list were not on the record.
2. Track Suits, Knickers, Socks, Shirts, kits and joggers were shown provided to players but same were not returned back.
3. Balls of different types (foot balls, volley balls & Basketballs, were shown purchased but were not brought into stock register.
4. Refreshment charges were shown drawn but no attendance was on record.
5. Bills were without serial numbers.
6. There were no photographic proofs and score books of sports events.

Audit is of the view that due to weak internal controls, unjustified expenditure was incurred.

Incurrence of huge amount of expenditure amounting to Rs 1.020 million resulted in misuse of TMA funds.

The matter was reported to the TMO and Administrator during March, 2015. TMO replied that the expenditure was incurred after observing the codal formalities and taking in stock registers accordingly. Reply was not tenable as no stock register was shown. DAC, in its meeting held on 19.03.2015, directed for recovery of amount within one month. No progress was reported till finalization of this Report.

Audit recommends recovery of Rs 1.020 million besides taking disciplinary action against the concerned, under intimation to Audit.

[AIR Para: 19]

## **1.6 Tehsil Municipal Administration, Hasilpur**

## 1.6.1 Irregularities and Non Compliance

### 1.6.1.1 Non-maintenance of DDO wise accounts – Rs116.252 million

According to PDG & TMA (Budget) Rules, 2003 vide Para 65 (1)(2), Responsibility of relevant Local Government Functionaries is that Heads of Offices shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and Each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

Various DDOs of TMA Hasilpur did not maintain separate books of accounts such as: Cash Book, Contingent Register, and Budget Control Register for each DDO. Neither books of accounts were maintained, nor was proper reconciliation carried out. Detail is given below:

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Name of Office</b>	<b>Non Development Expenditure</b>
1	Tehsil Nazim	2,820,701
2	Tehsil Naib Nazim	1,250,838
3	TMO	6,579,233
4	TO (F)	5,339,426
5	TO ( R )	12,624,277
6	TO (I&S)	48,697,573
7	CO (HQ)	37,853,554
8	TO (P&C)	1,086,894
	<b>Total</b>	<b>116,252,496</b>

Audit is of the view that due to weak financial management, separate books of accounts were not maintained by the DDOs.

Non maintenance of separate books of accounts resulted in irregular expenditure of Rs 116.252 million.

Matter was reported to TMO and Administrator during February, 2015. TMO replied that the vacancies of DDOs remained vacant most of the time and due to shortage of staff separate books of accounts could not be maintained, and compliance would be made in future. Reply was not tenable as no compliance was shown. DAC, in its meeting held on 20.03.2015, directed to get the record verified within 2 days. No progress was reported till finalization of this Report.

Audit recommends getting the irregularities condoned from the competent authority besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 35]

#### **1.6.1.2 Non recovery of TMA dues from private housing schemes – Rs 5.491 million**

According to Rule 4 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “the developer shall submit an application to a TMA or Development Authority, for seeking preliminary planning permission for a scheme before initiating any planning or development activity.” Further, Rule 38 prescribes fee which the developer shall submit along with the application of planning permission. Furthermore, Rule 35(1) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 directs the TMA or development authority to monitor the development work of the schemes and ensure that there is no deviation of the sanctioned scheme plan.

TMA Hasilpur did not take action against developers of 19 private housing schemes doing development and marketing activities without approval of the TMA during 2013-14. These housing schemes were developed without approval of TMA and without deposit of TMA dues. Detail is given below:

(Amount in Rupees)

Total Private housing schemes	Average Area in Marlas	Security fee per scheme	Security fee	land sub division fee per marla	Amount land sub division fee per marla	Average value of land	Conversion fee @ 1% of value	Map approval fee 50 per Marla	Total
19	800	1000	19,000	150	2,280,000	16000	2,432,000	760,000	5,491,000
<b>Total</b>									<b>5,491,000</b>

Audit is of the view that due to poor financial management, no action was taken to recover TMA dues from the developers of private housing schemes.

Non-recovery of TMA dues from developers of private housing schemes resulted in loss of Rs 5.491 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that there had been 12 illegal housing schemes out of which the process of approval of 4 housing scheme was in pipe line whereas the remaining 8 did not fulfill the criteria. Moreover, written requests had also been submitted to the concerned authority for registering FIRs. Reply was not tenable as no progress was shown. DAC, in its meeting held on 20.03.2015, directed for recovery within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides effecting recovery amounting to Rs 5.491 million, under intimation to Audit.

[AIR Para: 17]

### **1.6.1.3 Repair works without observing PPRA rules – Rs 5.193 million**

According to Rule 9 and 12(1) of the Punjab Procurement Rules 2009, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA’s website in

the manner and format specified by the PPRA from time to time”. Para No 2.61 of the West Pakistan B&R Department Code states that, “at least one month’s notice is essential for works costing more than Rs. 50,000, which may be got curtailed from the Superintending Engineer if urgency of work does not permit full time”.

Tehsil Municipal Officer Hasilpur executed 54 number of repair works amounting to Rs 5.193 million during 2013-14. Expenditure was held irregular as all the works were split to keep the amount of works below Rs 100,000 and no advertisements were made on PPRA website as well as in any print media. The repair works were done through contractors of own choices on simple quotations.

Audit is of the view that due to weak internal controls, repair works were executed through simple quotations instead of tendering and advertisement on PPRA website.

Execution of repair works through quotations instead of following PPRA rules, resulted in irregular expenditure of Rs 5.193 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that the necessary repair was essential and expenditure was incurred as and when it was deemed necessary, and needed immediately. Reply was not tenable as advertisement had to be made for incurring of such a huge amount of expenditure and also no evidence was produced in support of reply. DAC, in its meeting held on 20.03.2015, directed for regularization within one month. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para: 20]

#### **1.6.1.4 Non-recovery of TMA fees – Rs 3.181 million**

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



according to Chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Government of the Punjab, Local Government and Community Development Department notification No. SOR (LG) 38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ 5% percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.”

TMA Hasilpur did not take action against the owners who had constructed buildings without approval of TMA. As per record, 40 schools were running in the jurisdiction of TMA Hasilpur but no conversion fee had been received from these schools. Detail is given below:

(Amount in Rupees)

Sr. No.	Description	Fee description	Amount to be Recovered
1	Horizon Oil Company Pvt. LTD	Conversion Fee	90,000
		Building Fee	220,000
2	Khadim Hussain Autos Market (25,740 sft*30/-)	MAP Fee	772,200
3	Usman Habib	Tower fee	58,400
<b>Total</b>			<b>1,140,600</b>

#### Unapproved Schools

Total no of schools	Average Area in Marlas	Value per Marla	Conversion fee @ 5% of value	Map fee per school @ 11000/	Total amount
40	10	80,000	1,600,000	440,000	2,040,000
<b>Grand Total</b>					<b>3,180,600</b>

Audit is of the view that due to poor management, no action was taken to recover the TMA dues.

Non-recovery of TMA dues resulted in loss of Rs 3.181 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO department replied that recovery of Rs 225,300 had been made from M/s Horizon Oil Company. TMA further replied that notices had been served to owners of schools

and other buildings for initiating the recovery process. DAC, in its meeting held on 20.03.2015, reduced the para to the extent of recovery effected amounting to Rs 225,300 and directed for recovery of remaining amount within 15 days. No progress was reported till finalization of this Report.

Audit recommends recovery amounting to Rs 3.181 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Paras: 15 & 16]

## 1.6.2 Performance

### 1.6.2.1 Illegal encroachment of TMA property and non recovery of development charges – Rs 9.173 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003, the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further, according to Rule 4(a) & (k) of PLG (property) rules, 2003, the manager is required to take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature and guard against encroachment or wrongful occupation of property.

TMA Hasilpur neither got vacated 77 dwelling units nor recovered the development charges from the occupants during 2013-14. Detail is given below:

(Amount in Rupees)

Sr. No.	Location / Address of Property	Dwelling units	Total Marlas	Rate / Marla	Value
1	Arfat Colony	19	24	85,000	2,040,000
2	Rangila Shah Town	13	18	85,000	1,530,000
3	Madina Town	30	35	85,000	2,975,000
4	Rehman Abad	3	8	85,000	680,000
5	Bhatha Bari Wala	12	17	90,000	1,530,000
6	Gareeb Muhala, Dera Noor Muhammad		209	2000	418,000
<b>Total</b>					<b>9,173,000</b>

Audit is of the view that due to poor management, TMA dues were not recovered.

Inefficiency in recovery of dues resulted in loss of Rs 9.173 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that as per Government's instructions, a survey for new dwelling units in Katchi Abadies was conducted in 2012 for granting property rights to the dwellers.

Only 77 units were declared fit for granting property rights. But the process of granting property rights had not started as yet. As and when the process would be started, the amount would be recovered from dwellers. DAC, in its meeting held on 20.03.2015, directed to recover dues immediately. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned along with recovery amounting to Rs 9.173 million, under intimation to Audit.

[AIR Para: 4]

### **1.6.2.2 Less realization of revenue – Rs 2.152 million**

According to Rule 111 & 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved. Further, according to Rule 76 of PDG & TMA (Budget) Rules 2003, “The primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund under proper receipt head”

Staff of TMA Hasilpur did not make efforts to achieve the revenue targets during 2013-14 and TMA receipts remained unrealized. (**Annex-D**)

Audit is of the view that due to weak internal controls, TMA receipts remained less realized.

Less realization of TMA receipts resulted in loss amounting to Rs 2.152 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied for the para1 that recovery of Rs 358,818 had been made and replied for para 3 that the Rs 2.537 million had been recovered during 2014-15 out of the total of Rs 2.672 million. DAC, in its meeting held on 20.03.2015, reduced the para to the extent of recovery effected amounting to Rs 2.152 million and directed for recovery of

remaining amount within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides recovery of TMA receipts amounting to Rs 2.152 million, under intimation to Audit.

[AIR Para: 1, 3]

### 1.6.2.3 Non-auctioning of shops - Rs 1.070 million

According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules, 2003, the immovable Property shall be given on lease through competitive bidding and the period of such lease shall be up to five years at a time.

TMA Hasilpur neither auctioned various shops since 1990 nor got property vacated from the lessee whose agreement had expired. Record showed that nominal rates were being charged as compared to the current market rates i.e. Rs 10,000, Rs 12,000 etc. Detail is given below:

(Amount in Rupees)

Sr. No.	Name of Market	No of shops	Average rate	Amount	Market rate in the area	Amount	Loss
1	Nazad Baldia daftar	23	5,000	115,000	8,040	184,920	69,920
2	Railway Road Kham	9	100	900	2,400	21,600	20,700
3	Railway Road Pukta	9	2,000	18,000	3,300	29,700	11,700
4	Near water scheme	39	6,000	234,000	7,800	304,200	70,200
5	Purana lorry adda	53	2,000	106,000	7,900	418,700	312,700
6	Railway Road Khatajaat	77	1,230	94,710	8,825	679,525	584,815
<b>Total</b>							<b>1,070,035</b>

Some other observations were also observed as follow:

1. The original lessees / renters died or they had handed over shops to others.
2. Rent Rate of some shops in the area was higher while the rent of most of the shops was very low.

Audit is of the view that due to weak financial management, the shops/plots were not auctioned at competitive rates.

Non-auctioning of shops/plots at competitive rates, resulted in loss of Rs 1.070 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that TMA had leased out only the plots on which the lessee constructed the structure with a huge expenditure. It was not feasible to re-assess the lease as if the lease was cancelled, TMA had to pay the cost of construction material to the lessee according to the directions of court which was quite impossible. Reply was not tenable as the current rates were nominal in comparison with the prevailing market rates. DAC, in its meeting held on 20.03.2015, directed for compliance of audit directives within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides re-auctioning of shops / plots at competitive market rates and recovery of stated amount, under intimation to Audit.

[AIR Para: 26]

## **1.7 Tehsil Municipal Administration, Ahmed Pur East**

## **1.7.1 Fraud / Misappropriations**

### **1.7.1.1 Irregular expenditure and Suspected Misappropriations on Plantations – Rs 1.350 Million**

According to letter No. SO (T) EPD/1-09/2014 dated 17.02.2014 from Government of the Punjab Environment Protection Department, “An immediate special campaign may be launched for extensive tree plantation in the next plantation season and plantation activities. Moreover, as per letter No. 638-700/DO/EPA/BWP dated 28.02.2014 from District Environment Bahawalpur, “It is requested to start tree plantation on the available spaces as per previous practice and submit consolidated progress of Spring Tree Plantation 2014”. Furthermore, according to letter No. SOFT (EXT) XI-9/2004, dated 30.01.2014 from Government of the Punjab Forest , Wildlife & Fisheries Department, “ The Forest Department, Punjab will make planting stock available to general Public, Government Departments and Autonomous Bodies. In this regard, arrangements have been made for distribution of planting stock from nurseries and sale points to be established by Forest Department with effect from 1<sup>st</sup> week of February 2014”.

TMO Ahmed Pur East incurred expenditure of Rs 1.350 million vide Token No. 1906 dated 26.06.2014 on account of purchase of various plants, flowers and bails etc. in irregular manner during 2013-14 which was open to the following irregularities:

- i. Requirement was not advertised on PPRA website in violation of PPRA Rule 9 & 12 and quotations were called.
- ii. As per instruction of Government of the Punjab, the expenditure should be made on **TREE** plantation only but the department incurred expenditure on purchase of flowers and different plants.
- iii. As per instruction of Government of the Punjab, the Government Department and autonomous bodies and general public purchase the plants for tree plantations from the nurseries and sales points to be established by Forest Department



only but the TMA violated the above instructions and purchases were made from unregistered supplier.

iv. All the distribution was made to different employees without having requisitions and signatures of the officials.

v. Contractor profit was given amounting to Rs 141,940 as per estimate against the rule that the contractor profit was only admissible in cases of development works.

vi. Audit physically inspected one of the site i.e. TMA office along with officials of TMA and found misappropriation which was verified and duly signed by each one. **(Annex-E)**

Audit is of the view that due to suspected mala fide intention of the administration, huge expenditure was incurred in irregular manner.

Incurrence of expenditure on purchase of plants resulted in loss amounting to Rs 1.350 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that advertisement was made on PPRA website, expenditure was incurred on tree plantation and distribution and receiving were on the record. Reply was not tenable as no record was produced. DAC, in its meeting held on 17.03.2015, decided that recovery, be made in 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides recovery of Rs 1.350 million, under intimation to Audit.

[AIR Para: 9]

## **1.7.2 Irregularities and Non Compliance**

### **1.7.2.1 Non recovery of Conversion Fee – Rs 360.0 million**

According to Chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Government of the Punjab, Local Government and Community Development Department notification No. SOR (LG) 38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

TMO Ahmed Pur East did not collect conversion fee from the owners of the buildings who had converted the buildings into educational and healthcare institutions in the light of above rule. As per record of Education department, 60 Secondary Schools and 60 Elementary Schools were registered with Education Department. Audit calculated the amount on the basis of valuation table 2012-13.

Audit is of the view that due to weak financial management, no action was taken to recover the TMA dues.

Non-recovery of TMA dues from owners of private schools resulted in loss of Rs 360.0 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that owners got passed the maps for domestic purpose, but they were using the buildings for school and notices had been served to them for paying the remaining amount after calculations. DAC, in its meeting held on 17.03.2015, directed for recovery within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against concerned besides effecting recovery amounting to Rs 360.0 million, under intimation to Audit.

[AIR Para: 34]

### 1.7.2.2 Irregular expenditure due to non compliance of PPRA rules – Rs 4.312 million

According to Rule 2.10(a) (1) of the PFR Vol-1, “same vigilance should be exercised in respect of expenditure incurred from the Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money”. Further, according to Rule 9 and 12(1) of the Punjab Procurement Rules 2009, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time”.

TMO Ahmed Pur East incurred an expenditure of Rs 4.312 million on account of Tentage for various events, and purchase of sludge pumps, during 2013-14 without advertisement of procurement opportunity on PPRA website. Detail is given below:

Table – A

**(Amount in Rupees)**

Sr. #	Date	Token #	Description	Bill Date	Bill No.	Amount	Contractor's name
1	10.04.2014	1495	Expenditure of Sasta bazaar	12.08.2013	-	697,295	Mohammad Shoaib Qurashi Government Contractor
2	10.04.2014	1494	Expenditure of Sasta bazaar	12.08.2013	-	91,350	
3	10.04.2014	1499	Expenditure of Sasta bazaar	12.08.2013		544,546	
4	10.04.2014	1498	Expenditure of Sasta bazaar	16.08.2013		133,099	
5	10.04.2014	1497	Expenditure of Sasta bazaar	12.08.2013		410,811	
6	10.04.2014	1496	Expenditure regarding Eid-ul-fitar	16.08.2013		188,361	
7	10.04.2014	1500	Expenditure regarding Eid Mialadul-Nabi	17.01.2014		432,160	Jam Government Contractor
<b>Total</b>						<b>2,497,622</b>	

**Table – B**

**(Amount in Rupees)**

<b>Sr. #</b>	<b>Description</b>	<b>Bill Date</b>	<b>Amount</b>	<b>Contractor profit/ Overhead charges</b>
1	Purchase of Sludge pump and Dewatering set	20.08.2013	1,163,677	292,260
2	Provision of racks & stands	17.06.2013	144,872	5,734
3	Provision and fixing of sullage pump with Electric Motor connection TMA Ahmed Pur	20.08.2013	506,184	132,726
<b>Total</b>			<b>1,814,733</b>	<b>430,720</b>

The above expenditure was doubtful on the basis of the following audit observations:

- i. As per physical verification not a single unit purchased was available in the store.
- ii. All the distribution was made to different employees without having requisition and signatures of the officials and the used material was not deposited into stock.
- iii. The vouchers were prepared and maintained by the same person. Due to which authenticity of the expenditure could not be ensured.

Audit is of the view that due to poor management a huge amount of expenditure was incurred.

Incurrence of huge amount of expenditure in violation of PPRA rules resulted in loss of Rs 4.312 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that advertisement was made on PPRA website, expenditure was incurred after observing all codal formalities and record is available. Reply was not tenable as no record was produced. DAC, in its meeting held on 17.03.2015, did not agree with management's reply and kept the para pending for compliance, within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing responsibility against concerned besides getting relevant record verified, under intimation to Audit.

[AIR Para: 7 & 16]

### **1.7.3 Performance**

#### **1.7.3.1 Non recovery of arrears of rent of shops – Rs 4.292 million**

According to Rule 76 of PDG & TMA (budget) Rules 2003, “The primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund under proper receipt head”.

TMO Ahmed Pur East failed to recover the arrears of rent of shops from allottees of 43 different shops situated in various markets during 2013-14 amounting to Rs 4.292 million. The staff of TMA did not collect the rent during the financial year.

Audit is of the view that due to poor management, TMA receipts remained unrealized.

Non-realization of the TMA receipts resulted in loss of Rs 4.292 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that the amounts related to defunct municipal committees and efforts were made for the recovery. Reply was not tenable as no progress was shown. DAC, in its meeting held on 17.03.2015, directed for recovery of the amount within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides effecting recovery amounting to Rs 4.292 million, under intimation to Audit.

[AIR Para: 23]

#### **1.7.3.2 Non-auctioning of shops / plots – Rs 2.568 million**

According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules, 2003, the immovable Property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time. Further, according to Rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and

clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

TMO Ahmed Pur East did not auction various shops/commercial plots since 1963. The record showed that very nominal rates were being charged as compared to the current market rates i.e. Rs 4,500, Rs 10,000 etc. Further, the management neither made efforts to auction these properties nor got the shops vacated from the lessee which resulted in less realization of rent during 2013-14. Some other observations were also observed as follow:

- i. The original lessees / renters died or they had handed over shops to others.
- ii. Most of the contracts had expired but no effort had been made to get vacated or re-auction these shops on current market rates. In most cases, old contract papers showed that contracts were made for only 05 year but these were still in the possession of the same contractors.
- iii. Different rent rates were being charged in the same market.

Audit is of the view that due to weak financial management, the shops/plots were not auctioned at competitive rates.

Non-auctioning of shops/plots at competitive rates resulted in loss of Rs 2.568 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO replied that payments of rent were received after 10% yearly increase, no mandatory rule was there for assessment of rent and no subletting of shops was on the record. Reply was not tenable as auctions were made very long ago and rates of rent were very low. DAC, in its meeting held on 17.03.2015, directed for recovery within 15 days. No progress was reported till finalization of this Report.

Audit recommends re-auctioning of shops / plots at competitive market rates and recovery of stated amount from the concerned, under intimation to Audit.

[AIR Para: 29]

## 1.7.4 Internal Control Weaknesses

### 1.7.4.1 Irregular expenditure on sports activities – Rs 2.448 million

According to Rule 2.10(a) (1) of the PFR Vol-1, “same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money”. Further, according to Rule 9 and 12(1) of the Punjab Procurement Rules 2009, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time”.

TMO Ahmed Pur East incurred expenditure of Rs 2.448 million on account of sports activities during 2013-14 in doubtful manner. Detail is given below:

**(Amount in Rupees)**

Sr. #	Description	Bill Date	Amount	Contractor's name	Contractor profit/ Overhead charges
1	Miscellaneous expenses for sports festival 2014	07.12.2013	1,898,778	Jam	-
2	Payment of purchase of track suites	21.02.2014	408,576	Government	68,096
3	Miscellaneous expenses for sports festival 2014	11.02.2014	140,452	Contractor	190,825
<b>Total</b>			<b>2,447,806</b>		<b>258,921</b>

The whole of the expenditure was doubtful on the basis of the following audit observations:

- i. Requirement was not advertised on PPRA website in violation of PPRA Rule 9 & 12 instead quotations were called. Further, advertisement for call of quotations was ambiguous as items were mentioned but quantity was not mentioned.
- ii. Stock entry was available in the stock but no issuance was available to specific coordinator who was coordinating the whole tournament; hence all the duties rested with the same person i.e. store keeper.



- iii. All the vouchers were prepared and maintained by the same person.
- iv. Items purchased should have been deposited into store room after completion of sports activity but no such item was returned to the store room.
- v. Refreshment amount of Rs 81,700 was incurred but there was no detail that how many people were entertained.
- vi. Score books were not provided to verify the teams participation in the event
- vii. Distribution of items and receiving was not on record.

Audit is of the view that due to weak internal controls huge amount of expenditure was incurred in violation of PPRA rules.

Incurring huge amount of expenditure in violation of PPRA rules resulted in loss of Rs 2.448 million.

The matter was reported to the TMO and Administrator during February, 2015. TMO management replied that advertisement was made on PPRA website and distribution and receiving were on the record. Reply was not tenable as no record was produced. DAC, in its meeting held on 17.03.2015, kept the para pending and directed compliance with Audit's contention , within 15 days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides recovery of over payment of Rs 2.448 million, under intimation to Audit.

[AIR Para: 4]

# **ANNEX**

**Annex-A**  
**Part-I**

**Memorandum for Departmental Accounts Committee (MFDAC) Paras pertaining to  
current Audit Year 2014-15**

(Rupees in Million)

Name of TMA	Sr. No.	Para No.	Description	Amount
TMA Bahawalpur (City)	1	1	Irregular Use of Funds received from the Rent of Shops and Plots	17.354
	2	2	Loss to TMA due to non-achievement of targets	71.661
	3	3	Conducting of Stock Taking	0
	4	4	Un-Authorized Payment to Contingent Paid Staff	11.313
	5	5	Difference in Departmental and TAO Figures	1.614
	6	6	Un-authorized Payment of Conveyance Allowance Loss to Government	0.483
	7	7	Irregular Expenditure on Repair of Machinery	0.982
	8	8	Irregular and Over Payment on accounts of T.A/D.A	0.163
	9	9	Irregular Purchase and Consumption of General Store Item	0.894
	10	10	Unjustified expenditure on purchase of plants	0.29
	11	11	Unjustified expenditure due to Variation	24.073
	12	12	Un-Authorized Payment of Holiday Allowance	0.605
	13	13	Unjustified Repair of Vehicles	1.253
	14	15	Irregular Appointment and Payment of Pay & Allowances thereof	0.192
	15	17	Irregular purchase of stationery	0.315
	16	18	Irregular Payment of Advances as Legal Expenditure	0.132
	17	19	Irregular Purchase & Expenditure of Electricity Items	1.614
	18	20	Irregular Purchase and Consumption of Foodstuff	0.096
	19	21	Misclassification of Expenditure	0.334
	20	22	Loss to Government due to Non deduction of Shrinkage Charges	0.175
	21	23	Loss to Government due to Fictitious Entries of Earth Work	0.85
	22	24	Recovery due to Use of Sub-Standard Bricks	0.27
	23	25	Recovery due to Taken Excess Size of Bricks for Calculation of Work Done then the Size as Mentioned in	0.768

Name of TMA	Sr. No.	Para No.	Description	Amount
			Lab Test Reports	
	24	26	Irregular Refund of Securities before Time by Recording Fictitious Date of Completion	0.294
	25	27	Irregular Receipt of Securities without Verification from Bank and Accounts Deposit	2.31
	26	28	Doubtful Expenditure on Construction of Metal Road	0.915
	27	29	Irregular Payment of Sand Cushion	0.107
	28	30	Excess Payment to the Contractor	0.147
	29	31	Unjustified / Over Payment of Pay & Allowances	0
	30	32	Irregular Appointment/ Drawl of Pay & Allowances 1 and Recovery of Over Payment	1.971
	31	34	Loss to Govt. due to non-Deputing of Staff on contract of cattle Market	1.619
	32	35	Non Maintenance of Accounts and Official Record	29.486
	33	36	Irregular Expenditure on POL	1.452
	34	37	Loss to Govt. due to Purchase of POL at Higher rates than the Rates Fixed by OGRA	0.406
	35	40	Unauthorized drawl of Pay and Allowances without Performing Duties of the Post	0.453
	36	42	Non-imposing of Penalty due to delay in Completion of Works	1.295
	37	43	Loss to Government in millions due to Non classification of land	0
	38	45	Non recovery of Arrears	1.224
	39	46	Loss to Govt. due to Excess Payment of T.S.T Coats	0.58
	40	47	Loss to government due to Non Realization of Government dues	7.854
	41	49	Irregular Purchase without observing PPRA Rules & Undue Favor	4.653
	42	51	Difference opening balance of revised Budget & Final Accounts	2.645
	44	52	Irregular Expenditure on Repair of Garbage Container	0.141
	45	53	Non Production of Record	0
	46	54	Loss to government due to payment of quantities & rates in excess of the allowed	0.029
	47	55	Loss to Government due to Over Estimation of Costs by Adding Contractor's Profit	0.057

Name of TMA	Sr. No.	Para No.	Description	Amount
	48	56	Defective & Non-Maintenance of Statutory Record	0
	49	57	Non production of record	0
TMA Bahawalpur (Saddar)	50	3	Irregular payment to work charge / contingent paid staff	8.669
	51	4	Loss to govt. Due to non-auction of cattle mandi	1.9
	52	5	Non maintenance of accounts and official record	0.642
	53	6	Non recovery of professional tax	0.105
	54	7	Loss to government due to non-auction/non collection of rent of shops and disposal works	0.149
	55	8	Loss due to less collection of parking fee and less collection of license & permit fee and sewerage tax	0.049
	56	9	Misappropriation on account of license permit fee and loss to govt. Due to non-conducting survey of new shops regarding "license permit fee" approximating	1.32
	57	10	Recovery of conveyance allowance from person using govt. Vehicle	0.015
	58	11	Irregular purchase of sports items and other mis. Item	0.568
	59	12	Loss to government in millions due to non-classification of land	0
	60	13	Non maintenance / preparation of income record of and non-reconciliation thereof	0.082
	61	14	Irregular payment an possible loss in term of sales tax	6.286
	62	15	Irregular expenditure on construction of culverts	1.312
	63	16	Irregular execution of Roads works	5.424
	64	17	Non-conducting of Post Completion Evaluation of Development Schemes	22.899
	65	18	Non recovery of pay pension contribution & fringe benefits	0.184
	66	19	Loss to govt. due to non-realization of conversion fee	0.269
	67	20	Non provision of record of katchi abadi	0.188
	68	21	Irregular execution of works due to non-obtaining of additional performance security	0.662
	69	22	Loss due to non-imposing of penalty on late completion of work	0.147
70	24	Irregular payment of pay due to irregular award of ps-7 to building inspectors and excess payment thereof	0.641	
71	25	Loss to govt. due to purchase of pol at higher rates than	0.061	

Name of TMA	Sr. No.	Para No.	Description	Amount
			the rates fixed by OGRA for the end user	
	72	26	Non maintenance of record of repair	0
	73	1	Unauthorized Appointment and Expenditure on Contingent Paid Staff	7.797
TMA Yazman	74	4	Non achievement of targets resulting loss to govt.	27.694
	75	6	Loss due to Non Allotment of Collection Rights at Risk and Cost of Defaulting Contractor and Less Realization of Revenue	4.027
	76	8	Non recovery of professional Tax	0.324
	77	10	Difference in reported figures	0.055
	78	11	Non Maintenance of Back Up Record Pertaining to Receipts on account of Transfer of Immovable Property	32.22
	79	12	Unauthorized expenditure on purchase of Durable Goods without Obtaining Prior Approval of Austerity committee	1.689
	80	13	Irregular Expenditure on Purchase of Mechanical Sweeper	1.37
	81	14	Irregular Expenditure on Tentage Items	1.329
	82	15	Irregular Expenditure on Purchase of Assets	0.517
	83	16	Unjustified Expenditure / Wastage of Funds on Rent of Tentage	0.869
	84	17	Irregular Expenditure on Repair of Fire Brigade – Rs 2.035 Million and Loss of Income Tax	2.035
	85	18	Irregular Expenditure on Repair of Transformers and Less Recovery of Value of Scrap and Less Deduction of Income Tax	0.844
	86	19	Loss due to purchase of POL at higher rates than the rates fixed by OGRA	0.226
	90	20	Loss due to Unjustified Expenditure on Repair of Vehicle	0.131
	91	22	Unauthorized Expenditure on beyond Financial Competency	1.205
	92	23	Misclassification of Expenditure	2.152
	93	24	Irregular Expenditure due to Irregular Tendering Process	53.772
		25	Loss due to Abnormal Delays in Completion of Projects and Non-Imposition of Penalty	0.638
	94	26	Improper Maintenance of Accounts / Financial Statements	0
TMA Khairpur	95	3	Loss to Govt. by Awarding Contract of “Disposal Water” on Low Rates	2.988

Name of TMA	Sr. No.	Para No.	Description	Amount
Tamewali	96	4	Loss to Govt. due to Omission of important Conditions from Contract Papers	0.8
	97	5	Receipt on Account of Transfer of Immovable Property Without Backup Record	13.082
	98	7	Loss to Govt. Treasury due to Awarding Benefit to Desired Person by Awarding More Than one Shop & Charging Less Rates under the Head of "Rent of Shops"	0.264
	99	8	Loss to Govt. Treasury due to Unjustified Usage of Fire Brigade Vehicles	0.046
	100	10	Irregular execution of work without NOC	16.809
	101	12	Loss to Govt. due to Allowing Purchase of T.S.T Material from Far Quarry	0.006
	102	13	Loss to Govt. due to Misappropriation of Used Mobil Oil	0.011
	103	14	Loss to Govt. Treasury due to Charging Less Rates under the Head of "Lease of Agricultural Land"	0.975
	104	15	Loss to Govt. due to Inefficiency of Collection Staff	2.316
	105	16	Loss to Govt. Treasury due to Less-Realization of Water Rates (Tax	1.546
	106	17	Loss to Govt. Treasury due to Less-Realization of Sewerage Tax	2.125
	107	20	Loss to Govt. Treasury due to Less Collection of Enlistment / Renewal Fee and Penalties for Late Renewal	0.072
	108	21	Misappropriation of Funds by showing Fictitious "Repair of Electric Items"	0.639
	109	23	Misappropriation of Funds by showing Fictitious "Repair of Vehicles" Expenditure	0.618
	110	24	Misappropriation of Funds by showing Fictitious "Repair of Transformers" Expenditure	0.197
111	25	Loss to Govt. Treasury due to Un-Justified Drawl of Conveyance Allowance, Recovery thereof	0.047	
112	26	Loss to Govt. Treasury due to Empty Residences	0.096	
113	27	Loss to Govt. due to Doubtful / Un-Justified Travelling and drawl of POL Bills	0.309	
114	28	Misappropriation on account of License Permit fee and Loss to Govt. due to Non-Conducting Survey of New Shops regarding "License Permit Fee	0.581	
115	29	Loss to Govt. Treasury due to Mis-Appropriation of	0.49	

Name of TMA	Sr. No.	Para No.	Description	Amount
			Different Taxes	
	116	30	Loss to Govt. Treasury due to Misappropriation / Doubtful Billing of Different Items	0.288
	117	31	Loss to Govt. due to Irregular Payment to Work Charge / Contingent Paid Staff	1.723
	118	32	Loss to Govt. Treasury due to Doubtful Billing Regarding Banners / Pena flexes etc.	0.08
	119	33	Loss to Govt. Treasury due to Non-Recovery of Professional Tax	0.014
	120	34	Non Production of Record	0
TMA Hasilpur	121	2	Loss to govt. Due to less collection of cattle mandi fee, taxes and other misc fee	4.672
	122	5	Irregular expenditure on purchase of 50/hp moter without observing ppra	0.724
	123	6	Irregular sanctions of technical estimate of providing and fixing of iron grill for green belts vehari road and chistian road and unjustified inclusion of watering and look after of plants in estimate	0.351
	124	7	Irregular expenditure on purchase of cctv cameras and pedestal fan without observing ppra rules	0.198
	125	8	Irregular / fictitious expenditure on purchase of flowers and rent of misc items for jashan-e-baharan	0.274
	126	9	Irregular expenditure on repair of vehicle	0.437
	127	10	Irregular expenditure on repair of machinery and recovery thereof	0.517
	128	11	Irregular payment of holiday allowance and recovery thereof	2.192
	129	12	Irregular execution of roads works	6.883
	130	13	Irregular payment and possible loss to government in term of sales tax	2.146
	131	14	Undue favour to the contractor by non obtaining of additional performance security	2.363
	132	18	Loss to govt. Due to allowing purchase of t.s.t material from far quarry and loss due to not deducting shrinkage	0.08
	133	19	Irregular grant of contractor profit @ 20 % to the contractor for tuff tile work. Recovery	0.015
	134	21	Over payment due to claiming unjustified width of trench	0.105
	135	22	Irregular refund of security	0.126



Name of TMA	Sr. No.	Para No.	Description	Amount
	136	23	Non recovery of professional Tax	0.084
	137	24	Non maintenance of accounts and official record	6.644
	138	25	Loss to govt. by awarding contract of “disposal water” on low rates, and loss to TMA	12.876
	139	27	Misappropriation on account of license permit fee and loss to govt. due to non-conducting survey of new shops regarding “license permit fee ” approximating	2.64
	140	28	Loss due to non recovery of penal rent	0.115
	141	29	Loss to govt. due to non allotment of govt. residences	0.24
	142	30	Loss to govt. due to non deduction house rent and recovery	0.035
	143	31	Non credit of unclaimed security and bank profit to govt	1.359
	144	32	Irregular use of funds received from the rent of shops and plots	23.157
	145	33	Loss to govt. treasury due to unjustified usage of fire brigade vehicles	0.788
	146	34	Loss to govt. due to purchase of pol at higher rates than the rates fixed by OGRA	0.35
Ahmedpur East	147	2	Overpayment due to unjustified payment of contractor profit	0.396
	148	3	Non accountal of stock	0.728
	149	5	Misappropriation in purchases of electric material	0.891
	150	6	Irregular purchase of hand carts	0.7
	151	8	Undue favour to the contractor	0.368
	152	11	Doubtful/ bogus repair of vehicle	0.223
	153	12	Irregular payment on works and loss	11.769
	154	15	Unjustified/irregular payment of time barred claim	0.602
	155	17	Loss to TMA Due to Inefficiency of Collection Staff	21.039
	156	18	Irregular use of funds received from rent of shops	10.104
	157	19	Irregular payment to work charge / contingent paid staff	7.345
	158	20	Unauthorized expenditure on beyond financial competency	7.397
	159	21	Doubtful/ bogus repair of sucker/ jetter machine and overpayment as contractor profit/overhead charges	4

<b>Name of TMA</b>	<b>Sr. No.</b>	<b>Para No.</b>	<b>Description</b>	<b>Amount</b>
	160	22	Loss to govt. Treasury due to unjustified usage of fire brigade vehicles	0.414
	161	24	Receipt on account of transfer of immovable property tax without backup record	12.3
	162	25	Non recovery of professional tax	0.131
	163	26	Intensely less collection of license& permit fee	0.391
	164	27	Loss to govt. Due to non-deduction of income tax from pol bills	0.352
	165	28	Unauthorized retention and refund of additional performance securities before prescribed period	3.777
	166	30	Abnormal delay in completion of work and non/less imposing of penalty	0.505
	167	32	Unjustified exercising of powers / wrong payments	69.23
	168	33	Doubtful expenditure on purchase of CC TV cameras	0.542

**Part-II**  
**[Para 1.1.3]**

**Memorandum for Departmental Accounts Committee Paras not attended in Accordance  
with the Directives of DAC Pertaining to Audit Year 2013-14**

(Rupees in Million)

Name of TMA	Sr. No.	Para No.	Description	Amount	Nature
<b>Bahawalpur (City)</b>	1	26	Loss to TMA due to non recovery of advances	0.958	Irregularity
<b>Paras of Audit Reports of Remaining TMAs for the Audit Year 2012-13</b>					
<b>Bahawalpur (Sadar)</b>	2	7	Over Payment due to non deduction of different items.	0.421	Overpayment
	3	28	Non Recovery of Electricity Charges and Rent of Building from BDA.	0.445	Overpayment
<b>Ahmadpur East</b>	4	15	Unjustified payment on account of work "Mettle Road remaining portion Dera Nawab Sahib	0.500	Violation of Rule
	5	19	Misappropriation of POL.	0.455	Misappropriation
	6	41	Non Deduction / Recovery of Trade / Professional tax.	0.288	Overpayment
	7	45	Loss to TMA due to non collection of Conversion fee.	0.685	Violation of Rule

## Annex-B

**TMA of District Bahawalpur**  
**Consolidated Budget and Expenditure for TMAs District Bahawalpur**

## TMA Bahawalpur (City)

(Rupees in Million)

2013-14	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	309.69	277.481	(-)32.209	-10%
Non-salary	148.074	133.882	(-)14.192	-10%
Development	45.5	30.157	(-)15.343	-34%
Revenue	495.49	413.751	(-)81.739	-16%
<b>Total</b>	<b>998.754</b>	<b>855.271</b>	<b>(-)143.483</b>	<b>-14%</b>

## TMA Bahawalpur (Saddar)

(Rupees in Million)

2013-14	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	44.809	34.629	(-)10.18	-23%
Non-salary	31.074	19.66	(-)11.414	-37%
Development	66.498	66.498	-	-
Revenue	36.178	36.178	-	-
<b>Total</b>	<b>178.559</b>	<b>156.965</b>	<b>(-)21.594</b>	<b>-12%</b>

## TMA Yazman

(Rupees in Million)

2013-14	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	50.816	34.578	(-)16.238	-32%
Non-salary	108.298	59.977	(-)48.321	-45%
Development	150	87.987	(-)62.013	-41%
Revenue	267.463	267.463	-	-
<b>Total</b>	<b>576.577</b>	<b>450.005</b>	<b>(-)126.572</b>	<b>-22%</b>

**TMA Khairpur Tamewali****(Rupees in Million)**

<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	37.478	33.580	(-)3.898	-10%
Non-salary	21.585	18.444	(-)3.141	-15%
Development	33.048	28.118	(-)4.930	-15%
Revenue	305.087	65.261	(-)239.826	-79%
<b>Total</b>	<b>397.198</b>	<b>145.403</b>	<b>(-)251.795</b>	<b>-63%</b>

**TMA Ahmed Pur East****(Rupees in Million)**

<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	161.608	137.925	(-)23.683	-15%
Non-salary	79.145	68.691	(-)10.454	-13%
Development	71.884	69.312	(-)2.572	-4%
Revenue	235.197	237.277	(+)2.08	1%
<b>Total</b>	<b>547.834</b>	<b>513.205</b>	<b>(-)34.629</b>	<b>-6%</b>

**TMA Hasilpur****(Rupees in Million)**

<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	104.029	99.819	(-)4.210	-4%
Non-salary	60.500	44.833	(-)15.667	-26%
Development	35.368	29.013	(-)6.355	-18%
Revenue	179.012	152.305	(-)26.707	-15%
<b>Total</b>	<b>378.909</b>	<b>325.97</b>	<b>(-)52.939</b>	<b>-14%</b>

**Annex-C**  
**[Para 1.5.1.1]**

**Loss due to Non-realization / non-collection of Conversion  
(Commercialization) Fees – Rs 9.200 Million**

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Name of School/ Hospital</b>	<b>Address</b>	<b>Area (marlas)</b>	<b>Commercial Value Per Marla</b>	<b>Total Commercial Value</b>	<b>Commercialization Fee @ 10%</b>
1	Bahawalpur Grammar School	Thana More Khair Pur Tamewali	20	442,000	8,840,000	884,000
2	Al-Noor Public School	Circular Road	15	144,840	2,172,600	217,260
3	Iqra Public School	Dr. Ashiq Ali Road	20	255,000	5,100,000	510,000
4	Tameer-e-Milat School	Near Alimia Masjid	25	255,000	6,375,000	637,500
5	Allied Public School	Dr. Ashiq Ali Road	20	255,000	5,100,000	510,000
6	Misali Vision School	Chungi No. 4 Road	30	144,840	4,345,200	434,520
7	Top Star Public School	-do-	30	144,840	4,345,200	434,520
8	Mustafa Public School	Chowk Sudia	20	161,500	3,230,000	323,000
9	B.C College	Main BWP Road	40	442,000	17,680,000	1,768,000
10	Dr. Altaf	Milat Road	2	255,000	510,000	51,000
11	Milat Hospital	-do-	20	255,000	5,100,000	510,000
12	Dr. Ashiq Ali Hospital	Dr. Ashiq Ali Road	40	255,000	10,200,000	1,020,000
13	Dr. ZafarIqbal	Main BWP Road	40	442,000	17,680,000	1,768,000
14	Dr. Iftikhar	Gani Pur	3	442,000	1,326,000	132,600
<b>Total</b>			<b>325</b>			<b>9,200,400</b>

**Annex-D****[Para 1.6.2.2]****Loss to TMA due to Less Realization of TMA Receipts – Rs 5.048 Million****(Amount in Rupees)**

<b>Sr. No.</b>	<b>Code</b>	<b>Particulars</b>	<b>2nd Revised Budget 2013-14</b>	<b>Actual Income 2013-14</b>	<b>Less Realization</b>
1	C388027	Fee for building plans	4,500,000	4,372,860	127,140
2	C388002	License Fee	330,000	254,220	75,780
3	C388047	Water rates	3,609,200	1,655,342	1,953,858
4	C388054	Sewerage	746,000	646,094	99,906
5	C388054	Fee for enlistment of contractor	150,000	30,000	120,000
<b>Total</b>			<b>9,335,200</b>	<b>6,958,516</b>	<b>2,376,684</b>

**Detail of Arrears****(Amount in Rupees)**

<b>S. No</b>	<b>Description</b>	<b>Amount Demanded</b>	<b>Amount Collection</b>	<b>Less collection</b>
1	Rent Property	18,202,600	16,550,900	1,651,700
2	Shops Quaid e Azam market	4,354,400	4,194,074	160,326
3	Shops Sabzimandi	706,020	684,636	21,384
4	Shops (KHOKHAS)	2,168,500	2,130,237	38,263
5	Sewerage Tax	630,670	561,125	69,545
6	Water rates	1,639,142	990,718	648,424
7	License permit fee	248,700	166,700	82,000
<b>Total</b>		<b>27,950,032</b>	<b>25,278,390</b>	<b>2,671,642</b>
<b>Grand Total</b>		<b>37,285,232</b>	<b>32,236,906</b>	<b>5,048,326</b>

## Annex-E

## [Para 1.7.1.1]

**Irregular Expenditure on account of Plantations – Rs 1.350 Million and  
Misappropriation - Rs 1.120 Million**

Sr. No	Name of Plant	Purchased as per bill	Actual available in the place	Missing	% of Misappropriation
1	Focus tail palm	18	9	9	50%
2	Kanghi Palm	11	9	2	20%
3	Aerokeria	12	6	6	50%
4	Maro	11	0	11	100%
5	Marvi	7	0	7	100%
6	Haibatkus	10	4	6	60%
7	Kaneez	11	0	11	100%
8	Saru	20	6	14	70%
9	Jhumka bail	08	0	8	100%
10	Foncus Palm	19	01	18	95%
11	More Punkh	4	0	4	100%
12	Konokarpics	07	0	7	100%
13	Fax	29	0	29	100%
14	Joni parsolor	02	0	2	100%
15	Motia bail	41	0	41	100%
<b>Total</b>		<b>210</b>	<b>35</b>	<b>175</b>	<b>83%</b>

Calculation of loss is given below:

Sr. No	Total plants purchased	Actual available in the place (taken one point as sample)	Total Missing plants	% of Misappropriation
1	15961	2713	13248	83%
Total expenditure 1,349,600				
Plants/ bails available as per physical verification of Rs 229,432 (1349600*17%)				
<b>Loss/ Misappropriation Rs 1,120,168 (1,349,600*83%)</b>				