



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
DISTRICT NANKANA SAHIB**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
CCB	Citizen Community Board
CFT	Cubic Feet
DAC	Departmental Accounts Committee
I&S	Infrastructure and Services
IPSAS	International Public Sector Accounting Standards
MB	Measurement Book
NAM	New Accounting Model
P&C	Planning & Coordination
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PFR	Punjab Financial Rules
PLA	Personal Ledger Account
PLGO	Punjab Local Government Ordinance
RCC	Re-inforced Cement Concrete
RDA	Regional Director Audit
SAP	System Application Product
SFT	Square Feet
TMA	Town/Tehsil Municipal Administration
TO	Town Officer
TS	Technical Sanction
T&P	Tools & Plants
UA	Union Administration
UIP	Urban Immoveable Property

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of the Provincial Government. Accordingly, the audit of all receipts and expenditures of the Local Fund and Public Accounts of Tehsil / Town Municipal Administrations of the Districts is the responsibility of the Auditor General of Pakistan.

The Report is based on audit of accounts of various offices of Tehsil Municipal Administrations of District Nankana Sahib for the Financial Year 2015-16. The Directorate General of Audit District Governments Punjab (North) Lahore, conducted audit during 2016-17 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 1.00 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.

The audit results indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to prevent recurrence of such violations and irregularities.

The observations included in this Report have been finalized in the light of intimated responses without DAC meetings which the respondent entities did not convene despite repeated reminders.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of District Governments, Tehsil / Town Municipal Administrations and Union Administrations of nineteen (19) districts. Its Regional Directorate of Audit, Lahore has Audit jurisdiction of District Governments, TMAs and UAs of five districts i.e. Lahore, Kasur, Sheikhpura, Okara and Nankana Sahib.

The Regional Directorate of Audit Lahore had a human resource of 23 officers and staff, with a total of 5,727 man days and annual budget of Rs 28.982 million for the Financial Year 2016-17. It had a mandate to conduct Financial Attest, Regularity Audit, Compliance with Authority and Performance Audit of programmes & projects. Accordingly, Directorate General Audit, District Governments Punjab (North), Lahore carried out audit of various offices of three (03) TMAs of District Nankana Sahib for the Financial Year 2015-16.

Each Tehsil Municipal Administration in District Nankana Sahib conducts its operations under Punjab Local Government Ordinance, 2001 (Now defunct). It comprises one Principal Accounting Officer (PAO) i.e. Tehsil Municipal Officer acting as coordinating and administrative officer, responsible to control land use, its division, development and to enforce all laws including Municipal Laws, Rules and Bye-laws. The Punjab Local Government Ordinance, 2001 (Now defunct) requires the establishment of Tehsil/Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil / Town Nazim / Tehsil / Town Council / Administrator in the form of budgetary grants.

Audit of TMAs of District Nankana Sahib was carried out with a view to ascertaining that the expenditure was incurred with proper authorization and in conformity with laws / rules.

Audit of receipts was also conducted to verify whether the assessment, collection, reconciliation and accounting of revenues were made in accordance with Laws and Rules.

a) Scope of Audit

Total expenditure of three (3) TMAs of District Nankana Sahib for the Financial Year 2015-16 under the jurisdiction of DG District Audit (North) Punjab was Rs 400.181 million covering three (3) PAOs and three

entities. Out of this, the Directorate General Audit (North), Punjab audited an expenditure of Rs 280.127 million, which in terms of percentage, was 70% of the auditable expenditure.

Total own source receipts of the Tehsil Municipal Administrations of Nankana Sahib District for the Financial Year 2015-16, were Rs 380.880 million. Directorate General (North) Punjab audited receipts of Rs 285.660 million which was 75% of total receipts.

b) Recoveries at the Instance of Audit

Recovery of Rs 20.182 million was pointed out, which was not in the notice of executive before audit. However, no recovery was got affected till compilation of report.

c) Audit Methodology

Audit was performed through understanding the business processes of TMAs with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment and the audited entity before starting field audit activity. Formations were selected for audit in accordance with risks analyzed. Audit was planned and executed accordingly.

d) Audit Impact

A number of improvements, as suggested by audit, in maintenance of record and procedures, have been initiated by the concerned Departments. However, audit impact in the shape of change in rules has not been significant due to non-convening of regular PAC meetings.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of TMAs of District Nankana Sahib 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 like withdrawal of public funds without advertisement at PPRA website. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001 empowers Nazim/Administrator of each TMA to appoint an Internal Auditor but the same was not appointed in TMAs of District Nankana Sahib.

f) Key Audit Findings

- i. Non-production of record was noted in three cases.¹
- ii. Violation of Rules with financial effect worth Rs 169.298 million was noted in eighteen cases.²
- iii. Weak Internal Controls of Rs 158.585 million was noted in twenty five cases.³
- iv. Recovery of Rs 20.182 million were pointed out in six cases.⁴
- v. Poor performance of TMA with its financial effect amounting to Rs 36.380 million was noted in sixteen cases.⁵

Audit paras for the audit year 2016-17 involving procedural violations including internal control weaknesses and poor financial management not considered worth reporting are included in MFDAC (Annex-A).

g) Recommendations

- i. The PAO concerned needs to take appropriate action to promptly remedy remedying non-production of record.
- ii. Departments need to comply with the Public Procurement Rules for economical and rational purchases of goods and services.
- iii. The PAO needs to make efforts for expediting the realization of various Government receipts.
- iv. Inquiries need to be held to fix responsibility for losses, unauthorized/irregular payments and wasteful expenditure.

¹ Para: 1.2.1.1, 1.3.1.1, 1.4.1.1

² Para: 1.2.2.1, 1.2.2.4-5, 1.2.2.9, 1.2.2.12-13, 1.2.2.16, 1.3.2.1-4, 1.3.2.6, 1.3.2.11-14, 1.4.2.8, 1.4.2.12-13

³ Para: 1.2.2.2-3, 1.2.2.6-8, 1.2.2.10, 1.2.2.15, 1.2.2.17-19, 1.3.2.5-7, 1.3.2.7-10, 1.3.2.16-19, 1.4.2.1, 1.4.2.2, 1.4.2.3-7, 1.4.2.9-11, 1.4.2.14-20

⁴ Para: 1.3.2.8, 1.3.2.10-11, 1.4.2.2-3, 1.4.2.5

⁵ Para 1.2.3.1-5, 1.3.3.1-2, 1.4.3.1-9

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

Rs in million

Sr. No.	Description	Number	Budget		
			Expenditure	Receipts	Total
1	Total Entities (PAOs) under Audit Jurisdiction	03	473.414	385.550	858.964
2	Total formations under Audit Jurisdiction	03	473.414	385.550	858.964
3	Total Entities (PAOs) Audited	03	473.414	385.550	868.964
4	Total formations Audited	03	473.414	285.660	759.074
5	Audit & Inspection Reports	03	473.414	285.660	759.074
6	Special Audit Reports	-	-		
7	Performance Audit Reports	-	-		
8	Other Reports (Relating to TMAs)	-	-		

Table 2: Audit Observations Classified by Categories

Rs in million

Sr. No.	Description	Amount under Audit observation
1	Asset management	-
2	Financial management	20.182
3	Internal controls	158.585
4	Violation of rules	173.828
5	Others	-
Total		352.595

Table 3: Outcome Statistics**Rs in million**

Sr. No.	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last Year
1	Outlays audited	-	47.854	285.660	352.327	685.841*	619.029
2	Amount placed under audit observations/irregularities of Audit	-	18.602	68.044	265.949	352.595	96.489
3	Recoveries pointed out at the instance of Audit	-	1.030	18.901	0.251	20.182	43.49
4	Recoveries accepted / established at the instance of Audit	-	-	-	-	-	0.583
5	Recoveries realized at the instance of Audit	-	-	-	-	-	0.021

* The amount in serial No. 1 column of “Total Current Year” is the sum of expenditure and receipt whereas the total expenditure audited for the current year was Rs 400.181 million.

Table 4: Irregularities Pointed Out**Rs in million**

Sr. No.	Description	Amount under Audit Observation
1	Violation of rules and regulations, principle of propriety and probity.	173.828
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public resources	-
4	Quantification of weaknesses of internal control systems	158.585
5	Recoveries, overpayments and loss to government	20.182
6	Non-production of record to Audit	-
7	Others, including cases of accidents, negligence etc.	-
Total		352.595

Table 5: Cost-Benefit**Rs in million**

Sr. No	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	685.841
2	Expenditure on Audit	1.260
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	-

CHAPTER-1

1.1 Tehsil Municipal Administration, Nankana Sahib

1.1.1 Introduction

TMA consists of Tehsil Nazim / Administrator, Tehsil Naib Nazim and Tehsil Municipal Officer. Each TMA comprises of five Drawing & Disbursing Officers i.e. TMO, TO-Finance, TO-I & S, TO-Municipal Regulation, and TO-P & C. As per section 54 of PLGO, 2001, the main functions of TMAs are as following:

- i. To prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible;
- ii. To exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- iii. To enforce all Municipal Laws, rules and bye-laws governing TMA's functioning;
- iv. To prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils;
- v. To propose taxes, cess, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule and notify the same;
- vi. To collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties;
- vii. To manage properties, assets and funds vested in the Tehsil Municipal Administration;
- viii. To develop and manage schemes, including site development in collaboration with District Government and Union Administration;
- ix. To issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice;
- x. To prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction;

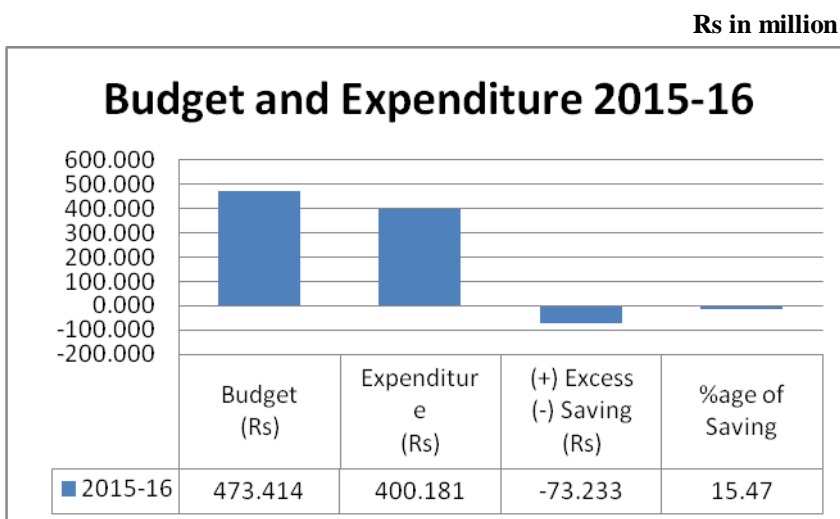
xi. To maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total Budget of three TMAs of District Nankana Sahib was Rs 473.414 million (inclusive Salary, Non-salary and development) whereas the expenditure incurred (inclusive Salary, Non-salary and development) was Rs 400.181 million showing savings of Rs 73.233 million which in terms of percentage was 15.47% of the final budget as detailed below:

Rs in million

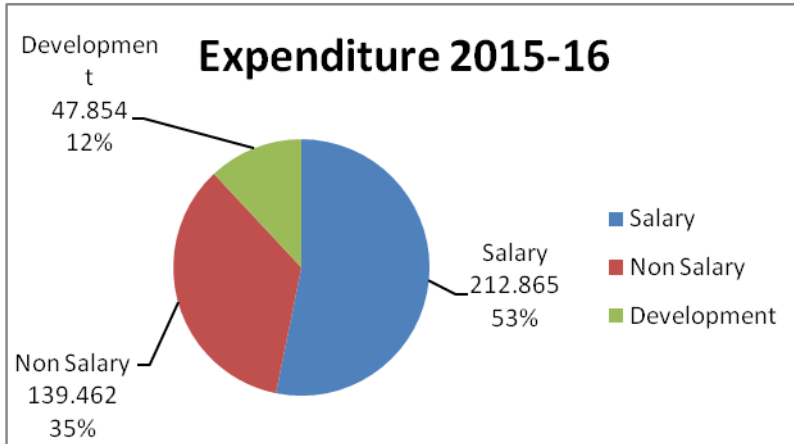
2015-16	Budget	Expenditure	(+) Excess (-) Saving	%age of Savings
Salary	238.314	212.865	-25.449	10.68
Non Salary	171.737	139.462	-32.275	18.79
Development	63.363	47.854	-15.509	24.48
TOTAL	473.414	400.181	-73.233	15.47



Detail of budget allocation, expenditure and savings of TMA, Nankana Sahib for the financial year 2015-2016 is at Annex-B.

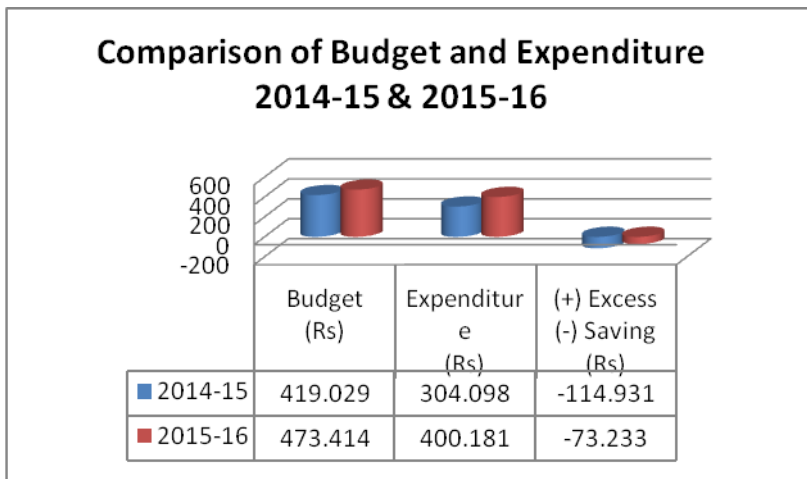
As per Budget Book of three TMAs of District Nankana Sahib, the original and final budget for the financial year 2015-16 was Rs 473.414 million. Against the final budget, total expenditure incurred was Rs 400.181 million. There was a saving of Rs 73.233 million the reasons for which should be explained by the PAO and management of TMA.

Rs in million



The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

Rs in million



There was savings in the budget allocation of the financial years 2014-15 and 2015-16 as follows:

Rs in million

Fin. Year	Budget	Expenditure	(+) Excess (-) Saving	%age of Savings
2014-15	419.029	304.098	-114.931	27.43
2015-16	473.414	400.181	-73.233	15.47

The justification of saving when the development schemes have remained incomplete is required to be provided, explained by the administrator and management.

1.1.3 Brief Comments on the Status of Compliance on MFDAC Audit Paras of Audit Report of the Financial Year 2015-16

Audit paras reported in MFDAC 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:

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC meetings
1	2009-12	09	Not convened
2	2012-13	02	Not convened
3	2013-14	26	Not convened
4	2014-15	03	Not convened
5	2015-16	22	Not convened

1 AUDIT PARAS

1.2 TMA NANKANA SAHIB

1.2.1 Non production of record

1.2.1.1 Non production of record

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Section-115(5) & (6) of PLGO 2001, at the time of audit, the official concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all expedition.

TMA Nankana Sahib did not produce for audit scrutiny the copies of FIRs, notices issued to owners of illegally constructed building and structures as well as other related documentation for cognizance of unlawful and illegal construction Classified register, budget control register, scheme wise expenditure register, pension contribution register, liability register, Income tax register, GST Returns filed as withholding agents, Register for registered/un registered firms, Advance register for employees and contractor, DGPR Register, Benevolent Fund register, and all register as provided by relevant Accounts rules.

Audit holds that relevant record was not maintained and hence not produced for verification, which may lead to misappropriation and misuse of public resources.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility against the officers / officials at fault besides early production of record for audit verification.

1.2.2 Irregularities and Non-compliance

1.2.2.1 Irregular sale of wastewater without treatment - Rs 1.057 million

According to the Section 11(1) of Environment Protection Act 1997, for enforcement of National Environmental Quality Standard Act, no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the National Environmental Quality Standards.

During scrutiny of the accounts record of TMA Nankana Sahib for the year 2015-16 it was observed that TMA sold waste water to the contractor without its treatment. Use of wastewater in agriculture was a main source to poison the vegetables and crops which are essential part of food chain for human beings.

Audit was of the view that irregular sale of wastewater was due to weak internal controls.

This resulted in irregular sale of wastewater for Rs 1.057 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends remedial action to take stock of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.2 Irregular payments out of PLA - Rs 16.368 million

Para 4.2.7.1 of APPM stated that every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer.

During the Audit of TMA Nankana Sahib for the financial year 2015-16, it was observed that out of PLA account of TMA, a payment amounting to Rs 16.368 million was made. Payment was held irregular because the account of PLA was not got post audited by the competent authority. In the absence of the post audit, the authenticity of the payments could not be verified.

Audit was of the view that irregular payment had been made out of PLA account without post audit due to defective financial management and internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in the manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.3 Non-reconciliation of receipts – Rs 188.182 million

According to Rule 77 of PDG and TMA Budget Rules 2003, the collecting officers shall furnish monthly reconciled statements of actual collections under the heads for which they are responsible to the head of office in forms BM-3 and BM-4. Further according to Rule 78 of PDG and TMA Budget Rules 2003, the collecting officer shall reconcile his figure of receipts with the record maintained by the accounts officer by the 10th day of the month following the month to which the statement relates.

During scrutiny of the record of TMA Nankana Sahib for financial year 2015-16, it was observed that receipts worth Rs 188.181 million, were not recorded in cash book by the DDOs and there was no reconciliation of receipts with the Tehsil Account Office and the bank accounts. Besides the collection system of the receipt had no internal control system, the receipt books /challan books for the collection of fines were got printed by the concerned officials themselves so the chances of non-deposit of full receipts could not be ignored. Similarly, in case of fees the complete list / with assessed demand was not prepared avoiding the presentation of CNIC number phone number and address of the recipients.

Audit was of the view that non-reconciliation of receipts was due to defective financial management and internal controls. This resulted in non-reconciliation of receipts to the tune of Rs 188.182 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends reconciliation of the receipts besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.4 Unjustified expenditure on purchase of diesel - Rs 7.099 million

According to Clause 48(1)(i) and 49 of Appendix 14-Miscellaneous Rulings relating to Contingent Charges of PFR Vol-II, the purchase and replacement of vehicles including commercial vehicles shall be made subject to the condition that the strength of vehicles in the Department shall be sanctioned by the Finance Department. The accounts of petrol, oil, lubricant and spare parts should be maintained separately for each vehicle. Full particulars of the journeys and distances between two places should be correctly exhibited. The purpose of journey indicating the brief particulars of the journey performed should be recorded. The term “official” is not sufficient. The officer using the vehicle should sign the relevant entries in the Log Book.

TMA Nankana Sahib incurred expenses worth Rs 7.099 million on the purchase of diesel for the vehicles used for disposal of solid waste without observing codal formalities such as seeking approval of the sanctioned strength of Vehicles from Finance Department, average consumption certificate, route of each vehicles. This lapse was further aggravated improper maintenance of log books etc, and absence of repair history of vehicles and machines etc,. **Annex-C**

Audit was of the view that unjustified expenditure on purchase of diesel due to defective financial management and internal controls. This resulted in unjustified expenditure on purchase of diesel worth Rs 7.099 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.5 Irregular expenditure on account of POL - Rs 2.109 million

According to Rule 23 of Motor Vehicles Ordinance, 1965 requires that no person shall drive any motor vehicle and no owner of a motor vehicle shall cause the vehicle to be driven in any place unless the vehicle

is registered in accordance with this chapter and the vehicle carries a registration mark displayed in the prescribed manner.

During scrutiny of the accounts record of TMA Nankana Sahib for the year 2015-16, it was observed that an expenditure of Rs 2.109 million was incurred on account of POL during 2015-16 whereas the deployed vehicles were not got registered with Excise Department. This resulted in violation of the ibid rule. Detail of the un-registered vehicles is as under;

Sr. No.	Description	Name of Machine	POL Amount (Rs)
1	MF Bucket	Tractor	535,410
2	MF240	Tractor	531,900
3		Sucker Machine	1,041,660
	Total		2,108,970

Audit was of the view that irregular expenditure on purchase POL was due to defective financial management and internal controls. This resulted in unjustified expenditure on purchase POL worth Rs 2.109 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking registration of the vehicles with the Excise department/ Motor Registration Authority and regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.6 Un-authorized expenditure on account of non-schedule item - Rs 6.751 million

The rates for various components of the Non-Scheduled items of work shall be based on Composite Schedule of Rates (CSR) 1998 Vol-III, Part-II, (now MRS) and where such components of item of work are not contained in the CSR 1998 Vol-III, Part-II (MRS) average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Copies of the analysis and of composite rates sanctioned by the Superintending Engineer for non-Schedule items shall be sent to the Secretary, Standing Rates Committee, according to para 4(iii & iv) of Composite Schedule Rates.

TO (I&S), TMA Nankana Sahib made payment of Rs 6.751 million on account of non-schedule item during 2015-16. Neither copies of the rates analysis nor approval of composite rates obtained from SE

were sent to Secretary Standing Rates Committee in violation of above directions as detailed below:

Sr. No.	Name of work	T.S	Items	Amount (Rs in million)
1.	Repair of water Filtration plant office Club TMA office Shad bagh Colony Nankana Sahib	390,000	Misc	0.390
2	Installation of New Tube well for water supply scheme at ladies Park Nankana Sahib	4,389,000	Tube well	4.389
3	Construction of Drain & Soling Itanwali & Kot Sulman.	310,,000	Misc. items	0.310
4	Rehabilitation of water supply & Sewer line Housing colony Nankana Sahib	1,662,000		1.662
	Total			6.751

Audit was of the view that un-authorized expenditure on account of non-schedule item was incurred due to defective financial management and internal controls.

This resulted in un-authorized expenditure on account of non-schedule items worth Rs 6.751 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides seeking regularization of expenditure from competent authority in a manner prescribed.

1.2.2.7 Un-justified payment for PCC work without test report - Rs 21.686 million

As per para 511-4(a)(b)(c) of book of vspecification prior to start of works, contractor will carry out test of soils to be used to determine the exact percentage of cement to be used in consultation with engineer.

Similarly, both heavy and normal compaction Test may be called in accordance with AASHO T99 or T180. The completion of sample shall be carried out one hour after the soil has been mixed with water and cement. On the basis of strength of the field mixed soil cement shall be determined in confined compression cylindrical specimens. At least 5 specimens shall be made at 100% AASHO density and tested after 7 days of curing. The mean strength shall be 80% of that specified for the laboratories mix or no result shall be less than 70% of the means.

An audit scrutiny of accounts record of TO (I&S), TMA Nankana Sahib revealed that eight PCC schemes were executed during 2015-2016.

The works were reckoned not conforming to prescribed standard because:

1. No soil test before executing work was taken by contractor and similarly PCC item 1:7:20, 1:2:4 and 1:6:12 were advised without advertent to requisite lab test results.
2. Two cubic pieces of PCC 2 test were obtained instead of 5 cylindrical pieces test.
3. Lab report remained silent in all cases regarding the mean strength of the PCC.

Sr. No.	Name of Scheme	Estimated Cost	Contractor Name
1	Const of PCC at street Hira School NNS	12,540,000	JavaidAkhtar& Co
2	Const of OCC Street PCC shad Bagh colony NNS	750,000	Malik Shahjahan Construction Co
3	Construction of PCC Drain New Abadi Muhallah Eid Gha City Warburton	2,010,000	Sarfraz Ahmed
4	Const. PCC and Nala Thtaa Bhadar Shah	1,505,000	Sarfraz Ahmed
5	Const. PCC&Nalla Soling Atkhiary Kalan NNS	1,520,000	M. Liaqat& Co
6	Const. of severage/PCC at shad Bagh colony NNS	1,400,000	JavaidAkhtar&Co
7	Const. of PCC Drain /Soling at village Kirchpur NNS	461,200	Sarfraz Ahmed
8	Const. of PCC GaliNali ,Soling Village KirchPur	1,500,000	
	Total	21,686,200	

Audit was of the view that Un-justified payment had been made against sub-standard PCC work due to defective financial management and internal controls. This resulted in Un-justified payment against sub-standard PCC work Rs 21.686 million disregarding requisite lab reports.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides seeking regularization of expenditure from competent authority in the manner prescribed.

1.2.2.8 Irregular block allocation for ADP schemes - Rs 34.155 million

According to Rule 70 of the Punjab Local Governments TMA / District Government (Budget) Rules 2003, no lump sum provision shall be made in the estimates, the detail of which cannot be explained, justified and classified.

An audit scrutiny of Sanction Budget for the year 2014-16 of TMA Nankana Sahib revealed that an amount of Rs 34.155 million was reflected in the budget as block allocation for development schemes in violation of rule ibid. The scheme-wise details of development schemes (New ADP) were not prepared and hence not got approved from competent forum.

Audit was of the view that irregular block allocation for ADP schemes due to defective financial management and internal controls. This resulted in irregular block allocation for ADP schemes Rs 34.155 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides regularization of the expenditure.

1.2.2.9 Irregular execution of development schemes - Rs 14.14 million

As per instructions contained in F.D letter No FD (F-R) ii 2/89 dated 27-03-1990, the work has been technically sanctioned by the component authority prior to start of the work so the number, date and amount of TS Estimate and name of authority who Technically Sanctioned estimates should be mentioned in the notice of press advertisement. Further, FD letter No RO (tech) 1-2/83-iv dated 29-03-2009 also laid down that a certificate should be obtained from end user that the repair / execution has been carried out satisfactorily before releasing the final payment to the contractor.

While reviewing the execution record of the different development schemes, it was noticed that expenditure of Rs 14.140 million was incurred as no amount of TS Estimate and name of authority sanctioning the technical estimates was mentioned in the tender notices advertised in the press. Further, requisite certificates of satisfactory repair / execution of schemes from the inhabitants of sites or end users were also neither available on record nor shown to audit..

Audit was of the view that irregular execution of development schemes occasioned due to defective financial management and internal controls. This resulted in irregular execution of development schemes Rs 14.14 million..

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides seeking regularization of expenditure from competent authority in the manner prescribed.

1.2.2.10 Irregular expenditure on repair works - Rs 1.180 million

According to section 2(XVII)(b) of PLGO 2001, “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities or avoidance of disciplinary action against an officer or official whose action is held by a competent authority to be biased, capricious, patently illegal or vindictive”.

During scrutiny of the accounts record of TMA Nankana Sahib for the year 2015-16, it was observed that an expenditure on repair of machinery was incurred but history of repair of machinery was not prepared. Estimate of annual repair was not maintained. Work was completed from the contractor instead of workshop. Replacement of the parts is not taken on dead stock register. **Annex-D**

Audit was of the view that irregular expenditure due to weak internal controls. This resulted in irregular expenditure worth Rs 1.180 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.11 Mis-procurement / irregular execution of schemes - Rs 23.512 million

According to terms of Rule 66 of PP Rules, 2014 read with freedom of information Act, 2014 as soon as contract has been awarded,

the procuring agency shall make all documents related to the evaluation of the bid and award of contract should be made public.

During scrutiny of the accounts record of TMA Nankana Sahib for the year 2015-16, it was observed that bid evaluations of the contracts awarded were not uploaded in PPRA website in violation of the above rule. This resulted in mis-procurement/ of supplies and services. **Annex-E**

Audit was of the view that irregular expenditure was made due to weak internal controls. This resulted in irregular expenditure worth Rs 23.541 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.12 Unjustified expenditure on account of pension contribution - Rs 2.342 million

As per LG & RD Department's letter No. SO IV (LG) 1-10/2002 dated 15th March 2003, employees adjusted in Local Governments fall in four categories for which there is a bar on TMA regarding payment of Pension and Commutation and issuance of P.P.O's. According to Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During scrutiny of the accounts record of TMA Nankana Sahib for the year 2015-16, it was observed that an expenditure of Rs 2.342 million was incurred on account of transfer of Pension contribution to PLGB fund without maintaining register for transfer of pension. Further, detail of employee's monthly pension contribution had not been prepared for verification of audit.

Audit was of the view that un-justified expenditure was made due to weak internal controls. This resulted in irregular expenditure of Rs 2.342 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter from competent authority besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.13 Improper maintenance of recovery record of advertisement tax – Rs 3.699 million

As per rule 76(1) of the PDG & TMA (Budget) Rules, 2003, the Collecting Officer is to ensure that all revenue due is claimed, realized and credited to local government fund.

During audit of TMA Nankana Sahib for the period 2015-16, it was observed that the contractor did not submit the original record of collection of tax charged against advertising boards and flexes to TMA authorities. In the absence of the original record, reserve price could not be verified and fixed.

Audit was of the view that non-maintenance of original record of advertisement was due to poor financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends collection of record from the contractors and revisions of minimum prices for collection rights in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.2.14 Doubtful appointment of Contingent paid staff- Rs 25.228 million

As per Wage Rate 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003 dated 17.9.2004.

The accounts record of TMA Nankana revealed an expenditure of Rs 25.229 million was incurred on 146 persons recruited on wages @ Rs 480 per day without open advertisement in the press and without observing codal formalities in violation of the above instructions during the financial year 2015-16. Application in pursuance of recruitment like appointment letters, joining reports, medical fitness certificates, CNIC

No., domicile etc., was not provided to audit for verification and authentication.

Audit was of the view that doubtful expenditure on engaging contingent paid staff was due to defective financial management and internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter upon referral of the matter to Finance Department to validate creation of specific posts coupled in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3 Performance

1.2.3.1 Wasteful expenditure on pay and allowances - Rs 7.207 million

According to Rule 76 of the Punjab D.G. & TMA(BUDGET) RULES, the primary obligation of the collecting officer shall to ensure that all revenue due is claimed, realized and credited into the Govt. Treasury under proper head.

During audit of TMA Nankana Sahib, it was observed that an expenditure of Rs 7.207 million was incurred on pay & allowances of P&C and Regulation branch without performing their duties as required under the law. Main function of the P&C branch is planning and coordination with the other branches, whereas P&C branch neglected preparation of the survey register of construction of building, commercial plazas, shops, housing schemes, cellular towers, commercial markets, irregular construction plazas, irregular construction without approved map, illegal installation of cellular towers without NOC, Illegal construction of domestic map, scrutiny of the sub division land of the housing scheme. Main role of TO (Regulation) is to utilize the available sources in most efficient, economical and suitable way. Contrary to that TO (Regulation) failed to maintain accuracy of budget, check and balance of income and expenditure and service delivery to general public.

Audit was of the view that payment of salaries without performing duties was due to improper monitoring and poor internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3.2 Loss of local fund due to non-receipt of conversion fee

As Per Notification of TMA, approval fee for housing society is @ Rs 2,000 per kanal and Conversion fee from agriculture to residential area @ 1% of average sale price.

During the Audit of TMA Nankana Sahib for the year 2015-16, it was observed that no plan was formulated for implementation of land use plan within six months of the promulgation of these rules. Due to negligence of the authorities and non-compliance of the rules, an important function of town planning was ignored. Due to non-implementation of plan and violation of the above rules, conversion fee

was not received from the land owners which also resulted in loss of local fund receipt.

Audit was of the view that poor town planning led to a loss of local fund due to non-receipt of conversion fee due to defective financial management and internal controls. This resulted in unauthorized land use in residential, commercial and industrial areas of TMA.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends proper town planning and recovery of the conversion fee besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3.3 Non observance of benchmark for the housing schemes

Rule 10 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, prescribe that a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall ensure that a housing scheme is planned and sanctioned in accordance with the National Reference Manual on Planning and Infrastructure Standards, prepared by Ministry of Housing & Ministry of Environment Government of Pakistan. (2) Notwithstanding the generality of the sub-rule (1) above, the developer while planning a housing scheme shall adhere to following requirements: (a) open space or park, seven percent and above; (b) graveyard, two percent and above; (c) commercial area, fixed five percent; (d) public buildings from two percent to ten percent; As Per Notification of TMA Approval fee for housing society is @ Rs 2,000 per canal and Conversion fee from agriculture to residential area @ 1% of average sale price.

During the Audit of TMA Nankana Sahib for the year 2015-16, it was observed that benchmark set for the private housing schemes was not observed by the authorities in TMA. In case of private housing schemes the total area of the schemes were not properly worked out. A large number of schemes remained unapproved and no action was taken against these illegal schemes. It was a case of providing logistic support to defaulting developers of illegal housing societies. A detailed survey of the area was required to find out the establishment of illegal housing colonies.

Audit was of the view that non-observance of benchmark for the housing schemes due to defective financial management and internal controls. This resulted in non-observance of benchmark for the housing schemes.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends remedial action to take stock of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3.4 Unauthorized and doubtful payments to incomplete CCBs schemes

As per rule 17 of CCB (FORM-5), the CCB shall implement the project within allocated funds and allowed time frame and installments shall be released to the CCB as per agreed schedule. According to Rule 17 (4) of part IV of CCB guide lines, upon submission of the documents to be filed, the CCB official shall, in accordance with the disbursement schedule in the agreement transfer the first installment into the account specified by the CCB. The release of subsequent installment shall be subject to the approval of the concerned local government.

TMA Nankana Sahib for the financial year 2015-16, made payments to CCBs as 1st and 2nd installments. Payment made out of local fund was wasted / likely embezzled due to non-monitoring of the progress of the CCBs. CCBs deposited 20% share and got the 1st installment released from local fund. Due to improper backup of the client department, completion of schemes were compromised without execution of works.

Audit was of the view that unauthorized and doubtful payments to incomplete CCB was due to defective financial management and internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3.5 Unauthorized payments due to improper monitoring of CCBs

According to Rule 21 of CCB rule 2003, the CCB shall follow the procurement and executing procedure approved by its General Body. Such procedure shall be based on the principle of financial propriety and sound procurement practices. (3) The respective local government may require the CCB to furnish such financial information, as it may deem necessary, or maintain accounts in the prescribed manner.

TMA Nankana Sahib for the year 2015-16 made payments to CCBs in various sectors. Payments were held unauthorized and wastage of public money because in violation of the CCB rules and poor monitoring, the assets of the projects were not transferred in the name of CCBs. There was no report about the existence of the assets after completion of CCBs. Sectoral offices of the CCBs did not monitor the businesses of the CCBs. Audit holds that due to negligence of those responsible, government funds were wasted and value for money was not achieved.

Audit was of the view that unauthorized and doubtful payments to incomplete CCB scheme was occasioned due to defective financial management and internal controls..

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.3 TMA SHAHKOT

1.3.1 Non production of record

1.3.1.1 Non production of record

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Section-115(5) & (6) of PLGO 2001, at the time of audit, the official concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all expedition.

An audit scrutiny revealed that the record of notices of illegal housing colonies, action taken against and details of show causes notices issued were not made privy to audit. TMA did not maintain record against the building plans failing to stop the construction of illegal buildings and recovery of fine. No survey of buildings was carried out to object the illegal construction of buildings. Further, in case of private housing schemes, the evidence for the transfer of ownership of the public areas like parks, graveyards, school and gymnasium etc., in the name of TMA was not available on record.

Audit was of the view that due to weak internal control and defective financial management, legitimate duties by public functionaries were not performed.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends prompt production of record besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2 Irregularities and non-compliance

1.3.2.1 Unauthorized purchase of diesel for tractors – Rs 3.476 million

Para 20 of west Pakistan staff vehicle (use and maintenance) Rule 1969 laid down that log book containing petrol account, history sheet and all expenditure incurred thereon should be maintained for each Government vehicle. As per annexure 7.1 and 7(9) of B&R Manual, annual estimate of repair and maintenance of each Govt. Vehicle taking both direct and indirect charges should be prepared for TS by competent authority and Art.162-163 of A/c code Vol-III laid down that operation and out turn charges should be closed / adjusted at the end of year.

TMA Shahkot incurred expenditure worth Rs 3.476 million on the purchase of diesel for the vehicles used for disposal of solid waste without observing the codal formalities such as preparation of annual estimates, obtaining average consumption certificate, maintaining log books and repair history of vehicles and machines with financial worth of funds consumed as follows;

Sr. No.	Year	Description	Amount (Rs in million)
1.	2015-16	CO Unit Shahkot	1.779
2.	2014-15	-do-	1.697
Total			3.476

Audit was of the view that the unauthorized payment was made due to defective internal controls. This resulted into irregular/wasteful expenditure of Rs 3.476 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.2 Irregular expenditure by violating Public Procurement Rules, 2014 - Rs 4.678 million

As per Rule 9 &12 of PP Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of procurement so planned. Procurement over 100,000 and up to 2.00 million should be advertised on PPRA's website as well as in print media, if deemed necessary by the procuring agency. Moreover, according

to Chapter VII rule 41(c)-iv of PPRA Rules, procuring agency cannot place repeat order exceeding 15% of the original procurement.

An audit scrutiny of accounts record of TMA Shahkot revealed that an expenditure of Rs 4.678 million was incurred for the purchase of different items during Ramzan during Financial year 2014-15 and 2015-16. The expenditure was incurred by calling quotations instead of adopting procedure through PP Rules 2014. Further purchase was made by repeat orders which were against the rule ibid as detailed below;

Sr. No.	Year	Description	Expenditure (Rs in million)
1.	2015-16	Ramzan Bazar	2.320
2.	2014-15	Ramzan Bazar	2.358
Total			4.678

Audit holds that purchases made without advertisement at PPRA's website were due to defective financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault under intimation to Audit.

1.3.2.4 Non-reconciliation of income - Rs 75.077 million

According to Rule 77 of PDG and TMA Budget Rules 2003, the collecting officers shall furnish monthly reconciled statements of actual collections under the heads for which they are responsible to the head of office in forms BM-3 and BM-4. Further according to Rule 78 of PDG and TMA Budget Rules 2003, the collecting officer shall reconcile his figure of receipts with the record maintained by the accounts officer by the 10th day of the month following the month to which the statement relates.

An audit scrutiny of accounts record of TMO Shahkot revealed that an amount of Rs 75.077 million was realized on account of different receipts/income during 2014-15 and 2015-16 but the same was not got reconciled with the Tehsil Accounts Office as well as with the bank. Bank statements were not produced to audit to verify the Income. Moreover, the receipt of TTIP was not reconciled with the scheduled rates notified by DDO (Revenue) in respect of following receipts heads.

Sr. No.	Name of receipt heads	2014-15 (Rs)	2015-16 (Rs)	Total (Rs)
1	TTIP Income	24,970,576	24,343,365	49,313,941
2	License Fee	88,100	237,300	325,400
3	Fines	5200	10,500	15,700
4	Parking fee	5,123,630	9,631,225	14,754,855
5	Rent of shops	2141329	2,071,228	4,212,557
6	Map Fee	2354640	929,670	3,284,310
7	Board Tax	2144880	1,025,860	3,170,740
Total		36,828,355	38,249,148	75,077,503

Audit holds that management was responsible for the reconciliation of income which was not carried out due to defective financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends early reconciliation of the income besides fixing responsibility against the person(s) at fault under intimation to Audit.

1.3.2.5 Irregular repair of disposal pumps - Rs 6.918 million

According to Rule 12 of PPRA, 2104, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

An audit scrutiny of accounts record of TMA Shahkot revealed that an expenditure of Rs 4.019 million was incurred on the repair & overhauling of the disposal pumps, electric motors and tractors during 2014-15 and 2015-16. The expenditure was incurred on the basis of quotations to avoid open tender competition and without preparation of estimates. The bills submitted by the vendor were without details of parts repaired / replaced. Further, Satisfactory report of end user was not attached about the status of machinery and vehicles repaired. The satisfactory repair report of the motor was also not available to justify the expenditure.

Sr. No.	Description	Year	Amount (Rs in million)
1	Repair of disposal pump	2015-16	2.586
2	Repair of disposal pump	2014-15	1.433
3	Reapir of tractors, tyres and machinery	2015-16	1.731
4	Reapir of tractors, tyres and machinery	2014-15	1.168
	Total		6.918

Audit was of the view that the expenditure was incurred by violating the procedure due to weak internal controls and financial discipline.

This resulted in irregular and unjustified expenditure of Rs 6.918 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.3.2.6 Unjustified payment to work charge employees - Rs 2.073 million

As per wage rate 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide para 11 of recruitment policy issued by the S&GAD vide No. SOR-IV (S&GAD)10-1/2003 dated 17.9.2004.

TMA Shahkot incurred an expenditure of Rs 2.073 million on account of salary of sanitary workers @ Rs 14,400 for the period of 24 months retention during the financial years 2014-16 for successive spells of 89 days. Payment was held unauthorized and doubtful. Joining reports were not provided to audit for verification. No muster roll was prepared to allocate the place of duty and no report of incharge regarding attendance and work done was available in the case of the following workers.

Sr. No.	Name of Sanitary Worker
1	Abbas S/O Muhammad Khan
2	Tariq S/O Muktar Masih
3	Tahir Shahzad S/O Muhamad Riaz

4	Pervaiz Jan S/O Aslam Masih
5	Azzar Masih S/O Address Masih
6	Sajid Imran S/O Abdul Reasheed
	Total:-

Audit holds that payment on account of daily paid staff without approval was made due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure from the Local Fund to the tune of Rs 2.073 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends holding of an inquiry in to the matter for appointment of daily wage staff without prescribed procedure besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.7 Non-imposition of liquidated damages - Rs 1.030 million

If a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out per day but not exceeding maximum of 10% of the construction of contract. Further, as per Rule 52 (2) of Tehsil / Town Municipal Administration (Works) Rules, 2003, If due to any unavoidable circumstances, a work cannot be completed within the period specified in a contract an extension in such period may be allowed as per contract conditions by- (a) the Tehsil Officer (I&S) if the period of extension does not exceed one month; (b) the Tehsil Municipal Officer if the period of extension does not exceed two months; (c) the Tehsil / Town Nazims if the period of extension does not exceed three months; and (d) the concerned Tehsil / Town Council if the period of extension exceeds three months.

An audit scrutiny of accounts record of TMA Shahkot revealed that the schemes were not completed within stipulated period of time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor penalty imposed on the contractors on account of delay. **Annex-F**

Audit was of the view that due to weak internal control payment was made to the contractors without deduction of penalty for delay in completion of work.

This resulted in loss of Rs 1.030 million to the public exchequer.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends imposition and recovery of the liquidated damages besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.8 Irregular payment on account of PCC - Rs 3.094 million

As per Section 511-4(a)(b)(c) of Book of Specification, prior to start of works contractor will carry out test of soils to be used to determine the exact percentage of cement to be used in consultation with engineer.

TMA Shahkot executed PCC schemes at a cost of Rs 3.094 million without having following quality strength test reports during 2014-15 and 2015-16 (detail at Annex-G)

1. No soil test report before execution of work was obtained by the contractors and similarly PCC item 1:7:20, 1:2:4 and 1:6:12 were advised without any consultation.
2. Five (5) cylindrical pieces test and laboratory report was not obtained regarding the mean strength of the PCC.

Audit was of the view that due to weak internal control and defective financial management, payment was made to the contractors without strength test reports.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to audit.

1.3.2.9 Non-realization of arrears worth – Rs 7.60 million

According to rule 76 of PGD and TMA budget rule 2003 , the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited into the Govt. treasury under proper head.

TMA Shahkot made receipt target of Rs 7.60 in the Annual as well as Revised Budget Books for the Financial Year 2014-15 and 2015-16 on account of Board Tax Arrear, Water Rates and Share from TMA

Safdarabad. TMA failed to realize the arrears till the date of audit which resulted in loss to TMA as detailed below;

Sr. No.	Description	Amount (Rs in million)
1.	Board Tax Arrear	0.900
2.	Water Rates	1.000
3.	Share from TMA Safdar Abad	5.700
Total		7.600

Audit was of the view that the due to weak internal controls and financial discipline arrears were not realized from the guarantor.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the outstanding amount besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.10 Non transparent purchase - Rs 1.257 million

According to Rule 4 of Punjab procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Under definition clause within the meaning of Section 2(ae) of the Rules ibid 'value for money' means the best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency's requirements.

Furthermore, the stock entry, further disbursements and pointed where installed was not available in record.

Sr. No.	Token # & date	Description	Expenditure (Rs)	20% profit (Rs)
1.	73 dt 19.06.2015	2 Nos Generators of 6 kv	294,500	58,900
2.	74 dt 19.06.2015	18 Nos. Air-coolers	216,000	43,200
3.	75 dt 19.06.2015	Bans, Rassa and cloth for tables	352,300	70,460
4.	76 dt 19.06.2015	Razien for tents	225,000	45,000
5.	79 dt 19.06.2015	Pipe for generator	170,000	34,000
Total			1,257,800	251,560

Audit was of the view that the expenditure was incurred by violating the procedure due to weak internal and financial discipline.

Irregular purchase of above mentioned items resulted in overpayment of Rs 0.251 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed and recovery of the overpayment besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.11 Irregular splitting of development projects - Rs 3.617 million

As per Rule 9 &12 of PPRA Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of procurement so planned. Procurement over 100,000 and up to 2.00 million should be advertised on PPRA's website as well as in print media, if deemed necessary by the procuring agency.

TMA Shahkot incurred Rs 3.617 million on the following schemes by splitting the indent to avoid advertisement on the PPRA website and sanction of the competent authority.

Sr. No.	Name of project	Contractor	Date of commencement	T.S cost (Rs in million)
1	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-I	Muhammad Anwar	17.03.2015	1.000
2	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-II	Muhammad Anwar	17.03.2015	0.317
3	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Majoran wali, Phase-I	Muhammad Hussain	17.03.2015	1.000
4	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Majoran wali, Phase-II	Muhammad Hussain	17.03.2015	0.500
5	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Chak Barala Phase-I	Muhammad Iftikhar Ahmed	17.03.2015	0.400
6	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at	Muhammad Iftikhar	17.03.2015	0.400

	Chak Barala Phase-II	Ahmed		
	Total			3.617

Audit was of the view that the irregular payment was made due to defective internal controls.

This resulted in irregular expenditure of Rs 3.617 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of expenditure in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.3.2.12 Irregular expenditure on civil works – Rs 20.0 million

As per Rule 12 of PP Rules 2014, Procurement over Rs 100,000 and up to 2.00 million should be advertised on PPRA's website as well as in print media, if deemed necessary by the procuring agency. Further, as per amended TMA Works Rules 2003 issued vide letter No dated 2/2012 the photo of the site prior to execution of works should be obtained kept in file before obtaining Administrative Approval.

TMA Shahkot executed ADP schemes and other development schemes during 2014-16 but the tender was not advertised on the PPRA website. Further, as per government instructions, the ADP schemes should be approved only when pictures of the scheme prior to its execution are attached with the estimates. Similarly, photos after completion should also be kept in files. TS No & date was not mentioned in the advertisement.

Audit was of the view that due to weak internal control schemes were executed without advertisement on PPRA website defecting the purpose of open advertised bidding.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.13 Non allocation of funds for CCBs -Rs 5.0 million

According to Sub Section sub section 5 (a) & (b) of Section 109 of PLGO 2001, Twenty five percent of the development budget may be set apart for utilization in community development scheme. The development budget shall be prioritized in accordance with the bottom up planning system & funds allocated to for CCBs is required to be expended on development projects with public participation.

TMA Shahkot did not allocate an amount of Rs 5.0 million as 25% of the Annual Development Budget of Rs 20.00 million for CCB and the objective of the government i.e., development from gross root level through CCB was not achieved.

Audit was of the view that due to weak administrative control allocation for CCB schemes was not made in the budget.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.14 Irregular expenditure on account of POL - Rs 9.575 million

According to Rule 20 of West Pakistan Staff Vehicle (Use and Maintenance) Rules, 1969, Log book, history sheet and petrol consumption account register is required to be maintained for each government owned vehicle.

During audit of TMO Shahkot for the year 2014-16, it was observed that an amount of Rs 9.575 million was incurred on purchase of diesel for the generators installed at disposal pumps. The expenditure was held irregular as the average consumption certificate was not on record. The log books were not compared with the load shedding of WAPDA authorities as detailed below:

Rs in million					
Sr. No.	Year	Description	Diesel for generators	Diesel for other vehicle	Total
1.	2015-16	CO Unit Shahkot	2.882	2.655	5.537
2.	2014-15	-do-	2.205	1.833	4.038
Total			5.087	4.488	9.575

Audit was of the view that due to loose internal control the pilferage of diesel cannot be ruled out.

This resulted into unjustified expenditure of Rs 5.086 million on account POL.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

1.3.2.15 Un-authentic payment of electricity bills - Rs 6.963 million

According to section 2(XVII)(b) of PLGO 2001, “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities.

An audit scrutiny of accounts record of TMA Shahkot revealed that payment of electricity bills amounting to Rs 6.963 million was made during 2014-15 and 2015-16. The paid copies of electricity bills were not available / attached with the contingent bill forms. In some cases arrear of previous months paid for drawn instead of current electricity claims. Further, the payment of electricity bills did depict that the street lights were under the jurisdiction of TMA with duly accounted for sanctioned loads against approved points.

Audit was of the view unauthorized payment of electricity bills was made due to defective internal controls and poor financial discipline.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.3.3 Performance

1.3.3.1 Loss to the government due to less realization of receipts – Rs 18.678 million

According to Rule 13 (i & ii) read with 16 of the PDG & TMA Budget Rules 2003, the collecting officer shall prepare the estimates of receipts diligently and accurately and in relation to revised estimates, he shall take into consideration the actual receipts of the first eight months and head of office shall finalize and consolidate the figures.

TMA Shahkot set a receipt target of Rs 31.120 million in the Budget Book 2014-15 and 2015-16 for auction and departmental collection of following “Parking Addas etc”. TMA realized Rs 11.718 million during the financial years and remaining amount of Rs 18.678 million was not realized which resulted in loss to government as detailed below;

Commodity	Targets (Rs)	Recovery (Rs)	Loss (Rs)
2014-15			
Fines	150,000	5,200	144,800
Parking fee	5,620,000	5,153,630	466,370
License fee	200,000	88,100	111,900
2015-16	0	0	
TTIP income	2,750,000	2,434,365	315,635
Rent of shops	2,800,000	2,071,228	728,772
Map Fee	2,500,000	929,670	1,570,330
Fine	100,000	10,500	89,500
Board Tax	17,000,000	1,025,860	15,974,140
Total:-	31,120,000	11,718,553	18,678,377

Audit holds that management was responsible for the targets which were not achieved due to defective financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault under intimation to Audit.

1.3.3.2 Non-compliance of provisions of PEPA 1997

According to Environment Protection Act 1997, Section 11(1) thereof requires that for enforcement of National Environmental Quality Standard and section 16(2) of the act ibid envisages taking corrective measures against defaulters of the Act.

TMA Shahkot for the year 2015-16 did not follow provisions of PEPA, especially under section 11(1) for enforcement of National Environmental Quality Standards and also failed for taking corrective action against the defaulters.

In addition to above, following irregularities were noticed;

1. TMA was doing open dumping of solid waste collected from the community. Environmental Impact Assessment (EIA) was not obtained from the Environment Protection Department in violation of section 11 of PEPA 1997. The open dumping caused air pollution, land pollution and water pollution etc., against which no action was taken.
2. No action plan was prepared for the treatment of Liquid waste water in violation of 54-A(P)(iii) of PLGO 2001. Liquid wastes were flowing into the drains and sewerage of the area and after collection through disposals polluted waste water was being used for irrigation of crops without treatment. This resulted in direct destruction of public health.
3. Segregation of hazardous waste from non-hazardous waste is not made. Moreover, facility for the treatment of such waste is not available.
4. No survey was made for initiation of steps against the persons responsible for polluting the environment.
5. No waste recycling facility was available.
6. Modern sewerage system is not introduced to avoid contamination and pollution of air / water and spread of diseases.
7. The vehicles under use of the TMA were not being regularly checked by the vehicle examiners.

Audit was of the view that due to weak internal control and defective financial management legitimate duties were not performed.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends inquiry in to the matter for not following the provisions of PEPA besides fixing responsibilities against the persons at fault under intimation to Audit.

1.4 TMA SANGLA HILL

1.4.1 Non-production of Record

1.4.1.1 Non production of record

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Section-115(5) & (6) of PLGO 2001, at the time of audit, the official concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all expedition.

An audit scrutiny of accounts record of TMA Sanglahill during 2015-16 revealed that Enforcement Inspection working under the control of TO (P&C) did not provide the record pertaining to issuance of notices of illegal construction / action taken against and details of show cause notices issued during 2015-16. The details of maps approved, outstanding, fine imposed and amount realized etc., could not be verified due to withheld production of record.

Audit holds that the relevant record was not maintained and hence not produced to Audit for verification which may lead to apprehension of misappropriation and misuse of public resources.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility and initiating disciplinary action for non-production of record against the officers/ officials at fault under intimation to Audit.

1.4.2 Irregularities and Non-compliance

1.4.2.1 Non-recovery of rent of shops - Rs 2.149 million

According to Section 118 of the PLGO 2001 read with Rule 12 of Punjab Local Government (Taxation) Rules 2001, failure to pay any tax and other money claimable under this ordinance shall be an offence and amount shall be recoverable as arrears of land revenue.

During audit of TMA Sangla Hill for the year 2015-16, it was observed that arrears on account of rent of shops amounting to Rs 2.149 million were not recovered from the shop owners. **Annex-I**

Audit holds that recovery of arrears on account of shops rent was not made due to poor financial management.

Non-recovery of rent of shops resulted in loss of Rs 2.149 million to the public exchequer.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends prompt recovery of rent of shops besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.2.2 Non recovery of government receipts - Rs 1.335 million

According to Section 118 of the PLGO 2001 read with Rule 12 of Punjab Local Government (Taxation) Rules 2001, failure to pay any tax and other money claimable under this ordinance shall be an offence and amount shall be recoverable as arrears of land revenue.

During audit of TMA Sangla Hill for the year 2015-16, it was observed that following outstanding amount of Rs 1.335 million were not recovered from the defaulters during the Financial Year 2015-16.

Head of receipt	Amount (Rs)
Housing Scheme	1,000,000
Registration Fee Contractor/ Renewal of Contractor	15,000
Profit of fund TMA (BANK)	320,000
Total	1,335,000

Audit was of the view that outstanding amount was not recovered due to poor financial management.

This resulted in loss of revenue of Rs 1.335 million to the public exchequer.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the outstanding amount besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.2.3 Non-reconciliation of receipt and expenditure - Rs 117.913 million

According to Rule 77 of PDG and TMA Budget Rules 2003, the collecting officers shall furnish monthly reconciled statements of actual collections under the heads for which they are responsible to the head of office in forms BM-3 and BM-4. Further according to Rule 78 of PDG and TMA Budget Rules 2003, the collecting officer shall reconcile his figure of receipts with the record maintained by the accounts officer by the 10th day of the month following the month to which the statement relates.

An audit scrutiny of accounts record of TMO Sangla hill revealed that an amount of Rs 75.504 million realized on account of specific receipt heads and expenditure of Rs 58.680 million incurred during 2015-16 was not reconciled with the Tehsil Accounts Office as well as with the bank. Moreover, the receipt was not reconciled with the scheduled rates notified by DO(Revenue).

Sr. No.	Description of Receipts / Expenditure	Amount (Rs)
1	TTIP and other Receipts	59.233
2	Expenditure	58.680
	Total	117.913

Audit was of the view that non-reconciliation of receipt and expenditure was due to poor financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Non-reconciliation of receipt and expenditure may lead to misappropriation of government funds amounting to Rs 117.913 million.

Audit recommends reconciliation of receipt and expenditure with bank and TAO besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.4.2.4 Loss due to non-auction of shops - Rs 7.817 million

According to Section 118 of the PLGO 2001 read with Rule 12 of Punjab Local Government (Taxation) Rules 2001, failure to pay any tax and other money claimable under this ordinance shall be an offence and amount shall be recoverable as arrears of land revenue.

During audit of TMA Sangla Hill for the financial year 2015-16, it was found that 288 shops owned by TMA were not auctioned @ Rs 2,262 per month despite receiving securities from the bidders.

Audit was of the view that auction of shops was not made due to poor asset and financial management.

Due to non-auction of shops, Local fund sustained a loss of Rs 7.817 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends prompt recovery to make good the losses besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.2.5 Unjustified payment to daily wages staff - Rs 1.844 million

As per wage rate 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide para 11 of recruitment policy issued by the S&GAD vide No. SOR-IV (S&GAD)10-1/2003 dated 17.9.2004. Further as per instruction of government permission of austerity committee was required for the payment to daily wages staff.

TMO Sangla Hill incurred an expenditure of Rs 1.844 million on salary of daily wages staff during 2015-16. Scrutiny of the record revealed that approval of austerity committee was not obtained for appointment of work charge employees. Joining reports were not on record to prove that the person actually joined the duty and received salary. No muster roll was prepared to allocate the place of duty and report of incharge regarding attendance of the employee.

Sr. No.	Token No. & date	Month of salary	Amount (Rs)
1	495 dated 29.1.16	Dec-15	0.480
2	357 dated 3.12.15	Nov-15	0.440
3	357 dated 3.12.15	Aug-15	0.464
4	75 dated 25.8.15	Jul-15	0.460
	Total		1.844

Audit was of the view that due to poor financial discipline and weak administrative controls, non-transparent recruitment process was adopted resulting in irregular expenditure of Rs 1.844 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.2.6 Un-authentic payment of electricity bills - Rs 1.684 million

According to section 2(XVII)(b) of PLGO 2001 “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities.

An audit scrutiny of accounts record of TMA Shahkot revealed that payment of electricity bills amounting to Rs 1.684 million as detailed below was made during 2015-16. The paid copies of electricity bills were not available / attached with the contingent bill forms. In some cases arrear of previous months were accounted for instead of current electricity claims. Further, the payment of electricity bills did not depict that the street lights were under the jurisdiction of TMA.

Sr. No.	Token No. & date	Description	Location	Bill Month	Amount (Rs)
1	678 dated 26.4.16	payment to LESCO for street lights bills	Street lights near Railway station	Jan-16	211,514
			Street lights Madina chowk		125,237
2	679 dated 26.4.16	payment of demand notice for shifting of meter	Islam Pura to Ghous Pura		38,880
3	594 dated 9.3.16	payment to LESCO for electricity consumption in different offices under TMA S.H	Old TMA office, lady children park, slaughter house, street lights Sharif Pura, Janaz Gaah etc	12/2015, 01/2016	485,418

4	522 dated 29.12.15	payment to LESCO for electricity consumption in different offices under TMA S.H	Old TMA office,lady children park,slaughter house, street lights Sharif Pura, Janaz Gaah etc	Dec-15	197,460
5	400 dated 20.11.15	payment to LESCO for electricity consumption in different offices under TMA S.H	Old TMA office,lady children park,slaughter house, street lights Sharif Pura, Janaz Gaah etc	Sep-15	625,778
Total:-					1,684,287

Audit was of the view that the relevant record was not maintained and hence not produced to Audit for verification which may lead to misappropriation and misuse of public resources.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.4.2.7 Un-authorized and doubtful payment of electricity charges - Rs 2.573 million

According to section 2(XVII)(b) of PLGO 2001 “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities or avoidance of disciplinary action against an officer or official whose action is held by a competent authority to be biased, capricious, patently illegal or vindictive”.

Scrutiny of record revealed that out of the PFC grant allocable to TMA Sangla Hill, a sum of Rs 42.780 million was deducted by Finance Department because of electricity charges of streetlights and other equipment consuming electricity on behalf of TMA during financial year 2014-16. The amount was deducted without actual calculation of electric load / detail of streetlights and other equipment running on WAPDA / LESCO.

Audit holds that non-recovery of amount deducted by Finance Department was due to poor financial discipline and poor management.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends adjustment of the units charged against actual consumption through energy amount in the manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

1.4.2.8 Loss to government due to non-utilization of property - Rs 1.114 million

According to Section 118 of the PLGO 2001 read with Rule 12 of Punjab Local Government (Taxation) Rules 2001, failure to pay any tax and other money claimable under this ordinance shall be an offence and amount shall be recoverable as arrears of land revenue.

During audit of TMA Sangla Hill for the year 2015-16, it was noticed that government sustained an approximate loss of Rs 1.113 million on account of non-utilization of valuable TMA property leading to denial of rental proceeds. **Annex-J**

Audit was of the view that non-utilization of valuable property was due to poor asset management and weak internal controls.

This resulted in loss of revenue of Rs 1.113 million

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends proper utilization of government assets besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.2.9 Irregular expenditure on purchase of diesel - Rs 4.265 million

According to Para 20 of west Pakistan staff vehicle (use and maintenance) Rule 1969 log book containing petrol account, history sheet and all expenditure incurred there on should be maintained for each Government vehicle. As per annexure 7.1 and 7(9) of B&R Manual, annual estimate of repair and maintenance of each Govt Vehicle taking both direct and indirect charges should be prepared and TS by competent authority and Art.162-163 of A/c code Vol-III laid down that operation and out turn charges should be closed / adjusted at the end of year.

TMA Sangla hill incurred an expenditure of Rs 4.265 million on the purchase of diesel for tractors used for disposal of solid waste without observing codal formalities (**Annex-K**). The expenditure was held unauthorized because annual estimate was not prepared, log books of the vehicles mentioning the detail of journey were not maintained and average

consumption certificate was also not available on record. It was further observed that claims amounting to Rs 0.589 million relating to the previous financial year was cleared from the current year budget in breach of financial rules governing disbursement of previous years liability.

Audit was of the view that unauthorized expenditure was incurred due to poor financial discipline and weak internal controls.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers/officials at fault under intimation to Audit.

1.4.3 Performance

1.4.3.1 Less collection of receipt targets - Rs 10.495 million

According to the PDP (1) of the Punjab District Government & TMA (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 the local government fund under the proper receipt head.

An audit scrutiny of accounts record TMA Sangla Hill revealed that an amount of Rs 37.047 million was realized against the target of Rs 47.543 million. The remaining amount of Rs 10.495 million was not realized during 2015-16. This resulted in less realization of Rs 10.495 million. **Annex-H**

Audit holds that recovery on account of different receipts heads were not made due to negligence on part of the management.

This resulted in loss of revenue of Rs 10.495 million.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the outstanding amount besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.4.3.2 Loss to local fund due to non-auction of solid waste

According to Rule 17, the Punjab Local Government (Property) Rules 2003. "As far as possible, a local government shall sell the solid waste through open auction on the basis of competitive bidding.

During audit of TMA Sangla Hill during financial year 2014-16, it was observed that no efforts were made by the manager of government authority to generate the revenue from the auction / sale of solid waste. This is a case of negligence and poor management. All pre-requisites were in place, cost has been paid for collection of waste and transportation at one place. TMA did not realize the revenue after bearing cost which is a serious laps on the part of authority.

Audit was of the view that due to incompetence, inefficiency, ineptitude, negligence in the administration and non-discharge of duties local fund sustained a loss of revenue from the sale of solid waste.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends auction of the solid waste management according to the government procedure besides fixing responsibility against the persons at a fault under intimation to audit.

1.4.3.3 Non-compliance of provisions of PEPA 1997

According to Pakistan Environment Protection Act 1997 Section 11(1) requires that for enforcement of National Environmental Quality Standard and section 16(2) for taking corrective measures against defaulters of the Act.

TMA Sanglahill for the year 2015-16 did not follow provisions of PEPA, especially under section 11(1) for enforcement of National Environmental Quality Standards and 16(2) for taking action against the defaulters and corrective action as well as per following:

1. No campaign has been introduced to produce general awareness in the masses.
2. Segregation of hazardous waste from non hazardous waste is not made. Moreover, facility for the treatment of such waste is not available.
3. No survey was made for initiation of steps against the persons responsible for polluting the environment.
4. No waste recycling facility was available.
5. Modern sewerage system is not introduced to avoid contamination and pollution of air / water and spread of diseases.
6. The vehicles under use of the TMA are not being regularly checked by the vehicle examiners.

Audit holds that provisions of PEPA were not followed due to poor management and lack of interest by the TMA authorities in providing clean environment to the general public.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter besides fixing responsibility against the persons at fault under intimation to Audit.

1.4.3.4 Non-preparation of fixed assets register

As per rule 15.4 (a) & 15.7 of PFR Vol-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate Stock Register.

An audit scrutiny of accounts record of TMA Sangla Hill during 2015-16 revealed that Fixed Assets Register pertaining of the property received from Defunct Zila Council and the fixed asset purchased since long. All Fixed Assets immoveable and moveable (Land & Buildings, Plants & Machinery, Furniture & Fixture, Office Equipment, IT equipment, tentage, air coolers, pedestal fans, plastic pipe, tree etc.) purchased from time to time were not incorporated in the Fixed Assets Register. In the absence of Fixed Assets Register the chance of theft / misuse of government property cannot be eliminated.

Audit was of the view that the relevant record was not maintained and hence not produced to Audit for verification which may lead to apprehension of misappropriation and misuse of public resources.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends preparation of fixed asset register in order to keep record of government assets besides fixing responsibility against the officers/ officials at fault under intimation to Audit.

1.4.3.5 Non-classification of land under the jurisdiction of TMA

According to Rule 4 of Land Use Rules 2009 “A City District Government or a Tehsil Municipal Administration shall classify and sub-classify the areas under its control into the following land use classes: (a) residential; (b) commercial (including institutional); (c) industrial; (d) peri-urban; (e) agricultural; and (f) notified area.

During audit of TMA Sangla Hill during financial year 2015-16, it was observed that the area of TMA was not classified and sub classified in residential, commercial, industrial, peri Urban and agriculture. Due to non-classification of the land / area serious violations of the land use could not be stopped. Non-compliance of the rules resulted in development of un-planned, dangerous and illegal housing schemes, commercial areas. Cost of the food items have also increased due to decrease in agriculture land around the city. Serious environmental hazardous have been generated in the areas. The problems in handling / addressing /

management of solid and liquid wastes have become strongly challenging in the municipal areas of TMA Sangla Hill.

Audit holds that classification of land under the use of TMA was not done due to poor asset management.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends classification of areas under the control of TMA besides fixing responsibility against the persons at fault under intimation to Audit.

1.4.3.6 Unauthorized land use in residential, commercial and industrial areas

According to Rule 7,8 and 9 of Land Use rules 2009 A City District Government or a Tehsil Municipal Administration shall ensure that the following land use provisions under permitted, permissible and prohibited uses are strictly followed in a residential area: (a) permitted uses: a City District Government or a Tehsil Municipal Administration shall permit following uses in a residential area: (i) detached house; (ii) semi- detached house; (iii) town house; (iv) residential apartment; (v) neighborhood level park and playground; (vi) place of worship or prayer; (vii) place of burial or cremation; and (viii) horticultural nursery: (b) permissible uses: subject to rule 18, a competent authority may grant permission for any of the following uses: (i) daycare centre or preschool; (ii) primary school; (iii) secondary school; (iv) dispensary with no bed and laboratory facilities; (v) library; (vi) guest house having not more than ten rooms; (vii) small size corner shop at the ground floor; (viii) office of a professional not exceeding twenty five percent of the floor area, as office associated with resident professional; this facility shall be available to a resident holding both a professional degree, diploma or certificate and a registration with a statutory body established under a law for the time being in force; and (ix) base transceiver station or communication tower. (c) prohibited uses: a City District Government or a Tehsil Municipal Administration shall not allow a person to use a property in a residential area for a purpose which is neither permitted nor permissible..

During audit of TMA Sangla Hill during financial year 2015-16, it was observed that the residential area of the TMA was not protected from the prohibited uses. No policies were devised to identify and stop the prohibited use of residential, commercial and industrial areas of TMA. There was no reliable system in the TMA to identify the violation of land use rules in residential areas. In this miserable situation even there was no

integration of TMA with LESCO and Excise and taxation department to identify the commercial and prohibited use of land.

Audit holds that misuse of land was due to poor asset management.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends proper use of land besides fixing responsibility against the persons the fault under intimation to Audit.

1.4.3.7 Loss of local fund due to non-receipt of conversion fee

According to Rule 19 of Land use Rules 2009 “A City District Government or a Tehsil Municipal Administration shall, within six months from the notification of these rules: (a) prepare a land use classification map of the area under its control in accordance with the land use classification and sub-classification under rule 4 i.e residential commercial industrial and peri Urban; (b) prepare a land use classification map using satellite imagery of the area; and (c) digitize the satellite imagery of the area and use it as a base map for the required field survey to complete the land use classification map but such map may be prepared in parts, each part map may be prepared for a part of the area under its control:

During the Audit of TMA Sangla Hill during financial year 2015-16, it was observed that no plan was formulated for implementation of land use plan within six months of the promulgation of these rules. Due to negligence of the authorities and non-compliance of the rules an important function of town planning was seriously ignored and area under the territory of the TMA was allowed to be used unauthorizedly under the umbrella of government authorities. Due to non-implementation of plan and violation of the above rules conversion fee was not received from the land owners which also resulted in loss of local fund receipt.

Audit holds that conversion fee was not collected due to poor financial discipline.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the conversion fee besides fixing responsibility against the persons at fault under intimation to Audit.

1.4.3.8 Non observance of benchmark for the housing schemes

Rule 10 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, prescribe that (1) a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall ensure that a housing scheme is planned and sanctioned in accordance with the National Reference Manual on Planning and Infrastructure Standards, prepared by Ministry of Housing & Ministry of Environment Government of Pakistan. (2) Notwithstanding the generality of the sub-rule (1) above, the developer while planning a housing scheme shall adhere to following requirements: (a) open space or park, seven percent and above; (b) graveyard, two percent and above; (c) commercial area, fixed five percent; (d) public buildings from two percent to ten percent; As Per Notification of TMA Approval fee for housing society is @ Rs 2,000 per canal and Conversion fee from agriculture to residential area @ 1% of average sale price.

During the Audit of TMA Sangla Hill during financial year 2015-16, it was observed that benchmark set for the private housing schemes was not observed by the authorities in TMA. In case of private housing schemes the total area of the schemes were not properly worked out. A large number of schemes remained unapproved and no action was taken against these illegal schemes. It was a case of providing logistic support for the running of illegal colonies against the laws of town planning. A detailed survey and complete integration of the area is required to find out the establishment of illegal housing colonies and fixing of responsibility against the responsible for non taking action against them.

Audit holds that due to negligence on the part of TMA authorities benchmark set for housing schemes was not followed.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter besides fixing responsibility against the persons at fault under intimation to Audit.

1.4.3.9 Unauthorized management of government properties

According to Rule 8 of The Punjab Local Government (Property) Rules 2003 captioned provide that the following Committee shall be constituted to identify, prepare and send report to the Government and dispose of the Redundant/Encroached Property. Sr. No. Designation Status
1. Zila Nazim. Chairman
2. District Coordination Officer. Secretary
3. Executive District Officer (F&P). Member
4. Tehsil/Town Nazim concerned. Member
5. Tehsil Municipal Officer concerned. Member (2)

The Committee shall send its report to the Government in the form of Schedule-I, requesting the Government to declare the Property as Redundant or Encroached, as the case may be, and grant of permission for its disposal. (3) The Government may declare the Property as Redundant/Encroached, as the case may be, and accord permission for its disposal: Provided that the Government shall give due regard to the master plan of the concerned city or town, as the case may be, while declaring Property as Redundant/ Encroached.

During audit of TMA Sangla Hill during financial year 2015-16, it was observed that there was no property registers for the account of different classes of government properties. Manager of the government property does not know about the existence valuation ownership and demarcation of the properties. In violation of the property rules monitoring was not done at all and the valuable government property was left at the stake. Audit holds that the government property might have been encroached or mis-used and needs to be managed properly.

Audit holds that non-maintenance of property register was due to poor monitoring of asset management.

The matter was also reported to PAO concerned in March, 2017 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends the investigation of matter and identification and demarcation of government property under intimation to audit.

ANNEXURE

MFDAC PARAS (AY 2016-17)

(Rs in million)

Sr. No.	Formation	Description of Para	Nature of Para	Amount
1	TMA, Nankana Sahib	Evasion of Environmental Impact Assessment (EIA)	Violation of rules	-
2		Non-addressing the management of liquid Waste	Violation of rules	-
3		Doubtful expenditure due to non-reconciliation of expenditures	Irregularity	198.273
4		Loss to local fund due to Construction of Illegal buildings in the territory of TMA	Recovery	
5		Construction of Illegal buildings in the territory of TMA	Violation of rules	
6		Unauthorized and Doubtful Collection of building plan fee	Violation of rules	0.705
7		Chances of mismanagement due to non transfer of Land in the name of TMA	Violation of rules	
8		Non Addition in Budget	Recovery	19.068
9		Loss to the Government due to Less Realization of Receipts Than Targets	Recovery	3.446
10		Non maintenance of register confiscated Material	Irregularity	1.000
11		Doubtful expenditure on purchase of Cloth	Recovery	0.140
12		Irregular expenditure	Violation of rules	0.767
13		Irregular payment to Railway crossing charges	Irregularity	
14		Irregular payment on rent of building/Land TMA	Irregularity	0.114
15		Irregular expenditure on plantation in Ramzan Bazar	Irregularity	0.384
16		Un authorized expenditure on POL	Irregularity	0.145
17		Irregular payment of family transfer grant	Irregularity	0.063
18		Non conducting of annual physical Verification	Violation of rules	-
19		Less-allocation/transfer of 2% budget for the promotion of sports activities	Violation of rules	0.570
20		Non-Classification of Land under the jurisdiction of TMA	Violation of rules	
21		Unauthorized land use in Residential, commercial and Industrial Areas	Violation of rules	
22		Unauthorized running of illegal schemes and loss	Violation of rules	
23		Unauthorized running of illegal schemes and loss	Violation of rules	
24		Unauthorized management of government properties	Violation of rules	
25		Unauthorized utilizing the closing balance of CCB fund	Violation of rules	
26		Non-preparation of PC-I of development schemes	Violation of rules	-

Sr. No.	Formation	Description of Para	Nature of Para	Amount
27		Irregular expenditure	Irregularity	0.882
		Non-allocation of funds for CCBs - Rs 8.038 million	Irregularity	8.038
		Doubtful payment on account of pension contribution - Rs 2.024 million	Irregularity	2.024
28	TMA SHAHKOT	Irregular expenditure	Irregularity	0.288
29		Non-imposition of Penal Rent	Recovery	0.745
30		Irregular and doubtful Expenditure on Account of Purchase of Plants	Irregularity	0.350
31		Doubtful expenditure on hiring of excavator	Irregularity	0.573
32		Non-recovery for delay in completion of Work	Recovery	1.030
33		Unauthorized Payment without Approval of Lead chart	Irregularity	0.260
34		Non deduction of shrinkage	Recovery	0.242
35		Irregular expenditure on hiring of CCTV	Irregularity	0.360
36		Unauthorized and Doubtful expenditure	Irregularity	0.935
37		Defective purchase of main whole covers	Violation of rules	0.173
38		Irregular and Doubtful Repair of Transformer	Irregularity	0.496
39		Expenditure with having Technical Sanction	Irregularity	0.239
40		Irregular and doubtful repair of tractor	Irregularity	2.898
41		Non-preparation of PC-I of development schemes	Violation of rules	-
42	Less recovery of Board Tax	Recovery	0.474	
		Non-allocation of funds for sports & youth activities – Rs 3.46 million	Irregularity	3.46
43	TMA SANGLAHIL	Loss due to non collection income tax	Recovery	0.150
44		Loss due to non collection of contract amount from contractors	Recovery	0.815
45		Non Recovery of arrears of water rates	Recovery	0.491
46		Non Recovery of government receipts	Recovery	1.335
47		Loss of government money due to non-completion of contract by defaulter	Recovery	0.215
48		Loss of Government receipts	Recovery	0.720
49		Irregular expenditure by violating PPRA	Irregularity	0.256
50		Irregular expenditure on hiring of CCVT	Irregularity	0.198
51		Non recovery of cost of old material on the repair of disposal pump and motors	Recovery	0.253
52		Payment evidence was not on record	Irregularity	0.118
53		Non transparent purchase of tentage	Irregularity	0.77
54		Unauthorized expenditure on account of Pay and allowances and deduction of SSAHIB	Recovery	0.381
55		Pending liability	Irregularity	0.127
56		Wasteful Expenditure on pay and allowances of Regulation Wing	Irregularity	

Sr. No.	Formation	Description of Para	Nature of Para	Amount
57		Non-appointment of Internal Auditor	Violation of Rules	
58		Non maintenance of public account	Violation of Rules	
59		Loss to government due to non-realization of water rates	Recovery	1.500
60		Unauthentic Govt. receipt due to non-conducting of survey	Irregularity	0.335
61		Unjustified expenditure on Itwar / Ramzan Bazar	Irregularity	4.319

MFDAC PARAS (AY 2015-16)

(Rs in million)

Sr. No.	Formation	Description of Para	Nature of Para	Amount
1	TMA, Nankana Sahib	Late Deposit of Government Money	Violation of rules	0.702
2.	-do-	Irregular & Doubtful Expenditure on Repair of Generator	Violation of rules	0.555
1	TMA Sangla hill	Loss of Government receipts of Due to Non non-auction of contracts	Loss to government	0.930
2	-do-	Wastage of public money on unnecessary item	Wastage of public money	0.791
3	-do-	Unauthorized Expenditure over and above Budget allocation	Violation of rules	0.751
4	-do-	Un-authorized purchase of Street lights / electric material	Recovery	0.884
5	-do-	Unjustified payment for RCC sewer Pipe	Violation of rules	0.637
6	-do-	Un-authorized purchase of tents	Recovery	0.480
7	-do-	Unauthorized expenditure on account of Pay and allowances and SSAHIB	Recovery	0.381
8	-do-	Irregular and doubtful Expenditure on Account of Refreshment	Irregularity	0.359
9	-do-	Loss due to non collection 10% advance income tax.	Recovery	0.312
10	-do-	Un-authorized payment of previous year liability	Violation of rules	0.364
11	-do-	Loss of government receipts due to non recovery	Recovery	0.224
12	-do-	Irregular and doubtful Expenditure on Account Of Purchase of Plants	Irregularity	0.265
13	-do-	Irregular and doubtful Expenditure during youth festival	Irregularity	0.241
14	-do-	Unauthorized and Doubtful expenditure for development works	Irregularity	0.209
15	-do-	Irregular expenditure without tender	Violation of	0.130

Sr. No.	Formation	Description of Para	Nature of Para	Amount
			rules	
16	-do-	Irregular and doubtful Expenditure on hire charges of generator	Irregularity	0.128
17	-do-	Less Recovery of Government Receipts Due to unauthorized award of Contract due to wrong calculation of reserve price	Recovery	0.349

Annex-B

TMA's Nankana Sahib Budget & Expenditure Statement for the Financial year 2015-16

Rs in million

Head	Budget	Expenditure	Excess (+)/ Savings (-)	% age	Comments
Salary	238.314	212.865	25.549	10.68	Due to Vacant posts.
Non- Salary	171.737	139.462	32.275	18.79	Funds were allocated but no procurement was made.
Development	63.363	47.854	15.509	24.48	Funds were not utilized for the welfare of public.
Total	473.414	400.181	73.333	15.47	

Budget and expenditure TMA Nankana, Shahkot and Sangla Hill

Description	BUDGET				EXPENDITURE			
	Salary	NS	Dev	Total	Salary	NS	Dev	Total
NNS	105.007	83.712	34.155	222.874	96.193	61.567	28.513	186.273
Shahkot 2014-15	40.115	33.195	11.90	85.21	34.251	30.154	8.617	73.022
2015-16	41.380	35.395	11.600	88.375	39.555	31.927	10.334	81.816
Sangla Hill	51.812	19.435	5.708	76.955	42.866	15.814	0.390	59.07
Total	238.314	171.737	63.363	473.414	212.865	139.462	47.854	400.181

Annex-C

Sr. No.	No	Description	Amount Rs
1	SAG2140	Tractor	1,047,330
2	SA2902	Tractor	531,630
3	NBG1037	Tractor	532,960
4	MF Bucket	Tractor	535,410
5	SAF3318	Tractor	533,790
6	NBG1036	Tractor	532,170
7	MF240	Tractor	531,900
8		Genrator	968,580
9	ShediKot	Genrator	492,210
10		Succker Machine	1,041,660
11	2494	Firebergade	124,830
12	NBJ1001	Firebergade	104,040
13	4509	Motor Cycle	57,975
14	1055	Motor Cycle	64,575
		Total	7,099,060

Annex-D

Date	Name of vehicle	Amount (Rs)
21-03-16	NBG1037	98,000
08-02-16	NBG1036	98,000
14-03-16	SAFSAF3318	98,000
12-03-16	MF240	98,000
13-11-15	MF240	98,000
28-04-16	SAF146	81,000
22-07-15	Water Tank	76,000
13-06-16	NBG1036	98,500
29-07-15	BaketMF240	46,000
28-08-15	MF3318	93,000
31-03-16	Repair of Pump No-4 Disposal	97,000
08-03-16	Repair of Pump No-03	99,500
08-03-16	Repair of pump No-02	99,500
Total		1,180,500

Annex-E

Sr. No.	Name of Scheme	Estimated Cost	Contractor Name
1	Const of PCC & Patch work City Warburton	332,500	Sarfrazahmed
2	Const of PCC Street and NalaKotAmeerali UC JahorPur	895,000	NadeemabbasBhatti & co
3	Const of PCC Street BaghWali Near Office MC Ward No.15 Nankana Sahib	628,000	M. Liaqat& CO
4	Const of PCC at street Hira School NNS	12,540,000	JavaidAkhtar& Co
5	Const of OCC Street PCC shad Bagh colony NNS	750,000	Malik Shahjahan Construction Co
6	Construction of PCC Drain New AbadiMuhallahEidGha City Warburton	2,010,000	Sarfraz Ahmed
7	Const. PCC and NalaThtaaBhadar Shah	1,505,000	Sarfraz Ahmed
8	Const. PCC&Nalla Soling AtkhiaryKalan NNS	1,520,000	M. Liaqat& Co
9	Const. of severage/PCC at shad Bagh colony NNS	1,400,000	JavaidAkhtar& co
9	Const. of PCC Drain /Soling at village Kirchpur NNS	461,200	Sarfraz Ahmed
10	Const. of PCC GaliNali ,Soling Village KirchPur	1,500,000	
	Total	23,541,700	

Annex-F

Sr. No.	Name of scheme	Contractor	T.S Amount	Date of start	Time period upto	Final bill paid on	10% Penalty
1.	Const. of drain, soling, resoling, PCC, Nallah, Slab, culvert at Muhammad Pura.	Raheel Amin Goraya	1.00	25.03.2014	30.06.2014	31.12.2014	100,000
2.	Const. of drain, soling, resoling, PCC, Nallah, Slab, culvert at Dala Germia	Kalik Khalil	0.70	25.03.2014	30.06.2014	24.11.2014	70,000
3	Const. of drain, soling, resoling, PCC, Nallah, Slab, culvert at Nodha chak	M. Amin & Co.	0.90	25.03.2014	30.06.2014	05.05.2015	90,000
4	Const. of drain, soling, resoling, PCC, Nallah, Slab, culvert at wantoia wali Daira Syed Waseem Shah	Ghulam Murtaza Chatta	0.70	25.03.2014	30.06.2014	09.01.215	70,000
5	Const. of drain, soling, resoling, PCC, Nallah, Slab, culvert at Nazam pur Dewa Singh	Raheel Amin Goraya	1.2	12.5.2014	15.08.2014	20.01.2015	120,000
6	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-I City Shahkot	M Anwar	1.0	17.03.2015	30.06.2015	10.11.2015	100,000
7	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-II City Shahkot	M Anwar	0.317	17.03.2015	30.06.2015	10.11.2015	31,700
8	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Abadi Masjid Khajoor Wali War No. 1 City Shahkot	M Anwar	0983	17.03.2015	30.06.2015	10.11.2015	98,300
9	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts near House Ch. Adress Kahloon Nizam pura Baqaya	M Anwar	0.20	17.03.2015	30.06.2015	27.08.2015	20000
10	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Majoran wali Phase-I	M. Hussain	1.00	17.03.2015	30.06.2015	28.10.2015	100,000
11	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Majoran wali Phase-II	M. Hussain	0.50	17.03.2015	30.06.2015	28.10.2015	50,000
12	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Saith wala Daira Basheer Pehlwan.	Ghulam Murtaza Chatta	1.00	17.03.2015	30.06.2015	05.08.2015	100,000
13	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Chak Barala Phase-I	M. Iftikhar Ahmed	0.400	17.03.2015	30.06.2015	02.09.2015	40,000
14	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Chak Barala Phase-II	M. Iftikhar Ahmed	0.400	17.03.2015	30.06.2015	02.09.2015	40,000

15	Const. of drain, soling, re-soling, PCC Nallah slab culverts at Streets ward No 1 city Shahkot	Muhammad Anwar	0.70	12.08.2015	31.12.2015	03.05.2016	70,000
16	Const. of drain, soling, re-soling, PCC Nallah slab culverts at UC # 6 Urban city Shahkot	Muhammad Anwar	0.700	12.08.2015	31.12.2015	15.03.2016	70,000
17	Const. of drain, soling, re-soling, PCC Nallah slab culverts at UC # 7 urban city Shahkot	Muhammad Anwar	0.700	12.08.2015	31.12.2015	13.06.2016	70,000
18	Const. of drain, soling, re-soling, PCC Nallah slab culverts B/W at Graveyard at chak NO. 85	Mohsin Raxa	0.400	12.08.2015	31.12.2015	13.06.2016	40,000
19	Const. of drain, soling, re-soling, PCC Nallah slab culverts at ward No. 12 city Shahkot	Muhammad Hussain	1.00	12.08.2015	31.12.2015	13.06.2016	100,000
20	Const. of drain, soling, re-soling, PCC Nallah slab culverts at Muhallah Bilal Pura Ward No. 12 city shahkot	Muhammad Hussain	1.00	12.08.2015	31.12.2015	23.04.2016	100,000
21	Const. of drain, soling, re-soling, PCC Nallah slab culverts at ward No. 13 city shahkot	Muhammad Hussain	1.00	12.08.2015	31.12.2015	24.02.2016	100,000
22	Const. of drain, soling, re-soling, PCC Nallah slab culverts at	Muhammad Saeed	1.00	12.08.2015	31.12.2016	15.03.2016	100,000
23	Const. of drain, soling, re-soling, PCC Nallah slab culverts at UC 5 kot Nazim din UC 4.	Muhammad Amin & Co	1.00	12.08.2015	31.12.2016	13.06.2016	100,000

Annex-G

Sr. No.	Name of scheme	Contractor	T.S amount	Date of start	PCC item paid 1:2:4
1	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-I City Shahkot	M Anwar	1.0	17.03.2015	344920
2	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Street Zia Ullah to Gafoor Tangey wala Ward No. 7 Phase-II City Shahkot	M Anwar	0.317	17.03.2015	91668
3	Const. of drain, soling, resoling, PCC, Nallah, Slab, Culverts at Abadi Masjid Khajoor Wali War No. 1 City Shahkot	M Anwar	0983	17.03.2015	437947
4	Const. of drain, soling, re-soling, PCC Nallah slab culverts at Streets ward No 1 city Shahkot	Muhammad Anwar	0.70	12.08.2015	294576
5	Const. of drain, soling, re-soling, PCC Nallah slab culverts at UC # 6 Urban city Shahkot	Muhammad Anwar	0.700	12.08.2015	204640
7	Const. of drain, soling, re-soling, PCC Nallah slab culverts at UC # 7 urban city Shahkot	Muhammad Anwar	0.700	12.08.2015	339240
8	Const. of drain, soling, re-soling, PCC Nallah slab culverts at ward No. 12 city Shahkot	Muhammad Hussain	1.00	12.08.2015	462876
9	Const. of drain, soling, re-soling, PCC Nallah slab culverts at Muhallah Bilal Pura Ward No. 12 city Shahkot	Muhammad Hussain	1.00	12.08.2015	471606
10	Const. of drain, soling, re-soling, PCC Nallah slab culverts at ward No. 13 city Shahkot	Muhammad Hussain	1.00	12.08.2015	446838
	Total:-				3,094,311

Annex-H

Head of Account	Receipts Targets 2015-16 (Rs)	Actual Receipts during 2015-16 (Rs)	Short Fall / Less Realization (Rs)
Govt. PFC	34,452,000	31,191,750	3,260,250
Advertisement Fee	1,000,000	302,000	698,000
Adda Parking Fee	417,000	239,400	177,600
Bulding Fee	1,600,000	838,331	761,669
license Fee/ Professional and Trade Tax	650,000	274,250	375,750
Copying Fee	127,000	59,200	67,800
NOC Fee	90,000	45,110	44,890
Rent of Shop	3,328,000	3,141,164	186,836
laease of Agruculture land	250,000	80,000	170,000
Cost of Land Katchi Abadi pata Malkiat	130,000	2,016	127,984
Other Receipt / Misce:	700,000	164,349	535,651
Jula Jaat Hill Park	250,000	13,500	236,500
Parking Fee Hill Park	403,000	295,860	107,140
Fine etc	500,000	153,800	346,200
Arrear /Rent of Shop	1,200,000	30,000	1,170,000
Advances Deposits – Taxes	250,000	7,000	243,000
Housing Scheme	1,000,000	-	1,000,000
Registration Fee Contractor/ Renewal of Contrator	15,000	-	15,000
Profit of fund TMA (BANK)	320,000	-	320,000
Rakshaw Fees	361,000	201,800	159,200
Arears Water Rate	500,000	8,358	491,642
Total	47,543,000	37,047,888	10,495,112

Annex-I

Name of the market	Recoverable Amount	Recovered	Amount to be recovered
Sarkari Quarter Market	287,129	189,130	97,999
Hameed Nizami Road market	237,461	213,211	24,250
Gost Market	113,430	78,815	34,615
Poorani sabzi mandi market	353,281	197,981	155,300
Main Bazar market	639,088	261,775	377,313
Sabzi Mandi market	601,138	587,932	13,206
Garden market	287,797	236,918	50,879
Jamia Masjid market	67,599	40,335	27,264
Bus stand market No.1	19,839	14,824	5,015
Police Chowki market	228,033	94,520	133,513
Shopping Centre No.1	692,037	500,368	191,669
Shopping Centre No.2	154,842	136,040	18,802
Lari Adda Market	1,404,839	472,891	931,948
Modh Bolochoan road market	134,956	80,810	54,146
Lari Adda market No.II	53,085	20,000	33,085
TOTAL	5,274,554	3,125,550	2,149,004

Annex-J

Sr. No	Location	Area	Approx. Rent
1	MP High School	2K 10M	50Mx250=12,500
2	Yaka Adda	2K 5M	45Mx250=11,250
3	Municipal Choki	I K	20Mx250=,500
4	Water works	19 K 5 M	385x250=96,250
5	Dhobi Ghat	6 M	6Mx250=1,500
6	Talab Mawasiah	16 K 4 M	324x250=81,000
7	Kodi Band	31 K	620x250=155,000
8	Agriculture Land EidGah	56 K	1120x250=280,000
9	Agriculture Land Mazba Khana	35 K	700x250=175,000
10	Bhatta Kust	32 K	640x250=160,000
11	Fishing Tank	2K 18 M	58x250=14,500
12	Municipal park	25K 5 M	505x250=126,250
			1,113,750

Annex-K

Sr. No.	Token No. & date	Bill No. & date	Name of Vendor	Description	Amount (Rs)
1	515 dated 29.12.15	Nov-15	Al-Karim Petroleum Fsd Rd SHLHR Rd Skot	600 Ltr Diesel & 16 Ltr M.O	58,080
2	516 dated 1.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	868 Ltr Diesel & 12 Ltr M.O	76,570
3	517 dated 4.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,954
4	518 dated 4.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	58,242
5	519 dated 4.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	640 Ltr Diesel & 8 Ltr M.O & 3 Filter	56,598
6	520 dated 4.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	310 Ltr Diesel & 8 Ltr M.O	28,962
7	521 dated 4.2.16	Dec-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	390 Ltr Diesel & 10 Ltr M.O	36,408
8	7 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 8 Ltr M.O & 3 Filter	59,108
9	415	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,030
10	416	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	70 Ltr Diesel & 36 Ltr M.O	74,040
11	854	May-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	685 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,748
12	855	May-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	775 Ltr Diesel & 8 Ltr M.O	60,907
13	856	May-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1085 Ltr Diesel & 24 Ltr M.O	90,838
14	857	May-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	680 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,498
15	858	May-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	680 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,378
16	786	Apr-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	635 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,043
17	787	Apr-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	630 Ltr Diesel & 8 Ltr M.O & 3 Filter	50,793
18	788	Apr-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	450 Ltr Diesel & 10 Ltr M.O	37,695
19	789	Apr-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	640 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,414
20	790	Apr-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1260 Ltr Diesel & 12 Ltr M.O	98,586
21	680 dated 26.4.16	Mar-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	665 Ltr Diesel & 8 Ltr M.O & 3 Filter	52,335
22	681 dated 26.4.16	Mar-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	52,032
23	682 dated 26.4.16	Mar-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	310 Ltr Diesel & 10 Ltr M.O	26,887
24	683 dated 26.4.16	Mar-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1085 Ltr Diesel & 24 Ltr M.O	89,319
25	684 dated 26.4.16	Mar-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,972
26	636 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	290 Ltr Diesel & 8 Ltr M.O	25,868
27	637 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	615 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,468
28	638 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	630 Ltr Diesel & 8 Ltr M.O & 3 Filter	52,626
29	639 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,854
30	640 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1015 Ltr Diesel & 12 Ltr M.O	83,578
31	641 dated 10.3.16	Feb-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	630 Ltr Diesel & 10 Ltr M.O	52,986
32	6 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	635 Ltr Diesel & 8 Ltr M.O & 3 Filter	60,441
33	5 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	300 Ltr Diesel & 4 Ltr M.O	28,410
34	4 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1200 Ltr Diesel & 20 Ltr M.O	115,380
35	3 dated	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd	115 Ltr Diesel & 4 Ltr M.O & 1	10,963

	13.7.15		S.kot	Filter	
36	2 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	600 Ltr Diesel & 25 Ltr M.O	64,215
37	417	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	432 Ltr Diesel	36,028
38	412	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	107 Ltr Diesel & 4 Ltr M.O & 1 Filter	9,850
39	413	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	580 Ltr Diesel & 8 Ltr M.O & 3 Filter	52,362
40	414	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	570 Ltr Diesel & 8 Ltr M.O & 3 Filter	51,528
41	411 dated 24.11.15	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	150 Ltr Diesel	12,510
42	410	Oct-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 15 Ltr M.O	58,233
43	205	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	655 Ltr Diesel & 8 Ltr M.O & 3 Filter	60,582
44	206	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	600 Ltr Diesel & 10 Ltr M.O	56,190
45	207	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	310 Ltr Diesel & 4 Ltr M.O	28,524
46	204	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	61,014
47	202	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	655 Ltr Diesel & 8 Ltr M.O & 3 Filter	60,582
48	203	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	155 Ltr Diesel & 4 Ltr M.O & 1 Filter	13,907
49	201	Aug-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1240 Ltr Diesel & 24 Ltr M.O	117,576
50	84	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	215 Ltr Diesel & 4 Ltr M.O & 1 Filter	18,746
51	83 dated 25.8.15	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	1240 Ltr Diesel & 12 Ltr M.O	114,836
52	82	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	675 Ltr Diesel & 8 Ltr M.O & 3 Filter	63,660
53	81 dated 25.8.15	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	640 Ltr Diesel & 8 Ltr M.O & 3 Filter	60,566
54	80 dated 25.8.15	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	655 Ltr Diesel & 8 Ltr M.O & 3 Filter	61,892
55	78 dated 25.8.15	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	350 Ltr Diesel & 4 Ltr M.O & 1 Filter	29,303
56	79 dated 25.8.15	Jul-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 10 Ltr M.O	59,158
57	10 dated 13.7.15		Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	Previous year liability	589,099
58	8 dated 13.7.15	Jun-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	635 Ltr Diesel & 8 Ltr M.O & 3 Filter	60,441
59	596 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	640 Ltr Diesel & 8 Ltr M.O & 3 Filter	53,398
60	597 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	868 Ltr Diesel & 12 Ltr M.O	72,230
61	598 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	310 Ltr Diesel & 8 Ltr M.O	27,412
62	599 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	54,942
63	600 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	660 Ltr Diesel & 8 Ltr M.O & 3 Filter	55,107
64	595 dated 17.2.16	Jan-16	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 10 Ltr M.O	52,214
65	511 dated 29.12.15	Nov-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	605 Ltr Diesel & 8 Ltr M.O & 3 Filter	55,536
66	512 dated 29.12.15	Nov-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	620 Ltr Diesel & 8 Ltr M.O & 3 Filter	56,814
67	513 dated 29.12.15	Nov-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	610 Ltr Diesel & 8 Ltr M.O & 3 Filter	55,962
68	514 dated 29.12.15	Nov-15	Al-Karim Petroleum Fsd Rd S.H LHR Rd S.kot	750 Ltr Diesel & 20 Ltr M.O	72,600
Total					4,265,028