



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
DISTRICT CHAKWAL
AUDIT YEAR 2016-17**

AUDITOR GENERAL OF PAKISTAN

Table of Contents

ABBREVIATIONS AND ACRONYMS	i
PREFACE	ii
EXECUTIVE SUMMARY	iii
SUMMARY TABLES & CHARTS	vi
Table 1: Audit Work Statistics	vi
Table 2: Audit Observations Regarding Financial Management	vi
Table3: Outcome Statistics	vii
Table4: Irregularities Pointed Out.....	vii
Table 5: Cost-Benefit.....	viii
CHAPTER 1	1
1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT CHAKWAL	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis)	2
1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2015-16..	4
1.1.4 Brief Comments on the Status of Compliance with PAC Directives	4
1.2. TEHSIL MUNICIPAL ADMINISTRATION CHAKWAL	6
1.2.1 Irregularity and Non-compliance	7
1.2.2 Performance	12
1.2.3 Internal Controls Weakness	14
1.3 THE SIL MUNICIPAL ADMINISTRATION CHOA SAIDAN SHAH	16
1.3.1 Irregularity and Non-compliance	17
1.3.2 Performance	20
1.3.3 Internal Controls Weakness	21
1.4 TEHSIL MUNICIPAL ADMINISTRATION TALAGANG	23
1.4.2 Irregularity and Non-compliance	24
1.4.3 Internal Controls Weakness	28
1.5 THE SIL MUNICIPAL ADMINISTRATION KALLAR KAHAR	32
1.5.1 Weak Internal Controls	33
ANNEXURE	34 to 51

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
FD	Finance Department
IPSAS	International Public Sector Accounting Standards
LG &CD	Local Government & Community Development
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PDG	Punjab District Governments
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
PDSSP	Punjab Devolved Social Sector Program
PPRA	Punjab Procurement Regulatory Authority
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (R)	Tehsil Officer (Regulations)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TTIP	Tax on Transfer of Immoveable Property

PREFACE

Articles 169 & 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 Municipal Administrations of the Districts is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of Tehsil Municipal Administrations of District Chakwal 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 observations of serious nature. 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 Officers 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, District Governments, Punjab (North), Lahore is responsible to carry out the audit of District Governments, Tehsil Municipal Administrations and Union Administrations of nineteen (19) districts. Its Regional Directorate of Audit, Rawalpindi has audit jurisdiction of District Governments, Town / Tehsil Municipal Administrations and Union Administrations of four Districts i.e. Rawalpindi, Jhelum, Chakwal and Attock.

The Regional Directorate of Audit, Rawalpindi had a human resource of sixteen officers and staff, total 3,984 man-days and the annual budget of Rs 19.22 million for the Audit Year 2016-17. It had mandate to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including program / projects & receipts. Accordingly, the Directorate General of Audit District Governments Punjab (North), Lahore carried out audit of the accounts of four (04) Tehsil Municipal Administrations of District Chakwal for the Financial Year 2015-16.

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

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

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were

made in accordance with laws and rules, resulting in no leakage of revenue and it did not remain outside Government Account/Local Fund.

a. Scope of Audit

Total budget of Four TMAs of District Chakwal for the Financial Year 2015-16 was Rs 710.59 million. Total expenditure for the financial year 2015-16 was Rs 578.30 million, covering 4 PAOs, and 4 entities. Out of this, DG Audit District Governments (N) Punjab audited expenditure of Rs 364.33 million which in terms of percentage was 63 % of auditable expenditure.

Total budgeted receipts of four TMAs of District Chakwal for the Financial Year 2015-16 was Rs 585.54 million. Total actual receipts of the four (4) TMAs of District Chakwal for the financial year 2015-16, were Rs 585.41 million. Directorate General of District Audit (N) Punjab audited receipts of Rs 351.25 million which was 60 % of total receipts.

b. Recoveries at the instance of audit

Recovery of Rs 16.37 million was pointed out through various audit paras, out of which Rs 3.42 million was not in the notice of the executive before audit but no recovery was effected till compilation of report.

c. Audit Methodology

Audit was performed through understanding the business process of TMAs with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity.

d. Audit Impact

A number of improvements as suggested by audit, in maintenance of record and procedures had been initiated by the concerned departments, however audit impact in shape of change in rules, had been less materialized due to non-convening of regular PAC meetings.

e. Comments on Internal Controls and Internal Audit Department

Internal controls mechanism of District Government Chakwal was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit such as non-reconciliation of receipts with bank and irregular recording of works in more than one MBs. Negligence on the part of TMAs authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001 empowers Tehsil Municipal Administration to appoint an Internal Auditor but the same were not appointed in four (04) Tehsil Municipal Administrations of District Chakwal.

f. Key Audit Findings of the Report

- i. Non Compliance of Rules of Rs 92.20 million noted in twelve cases¹
- ii. Issues of poor Performance of Rs 113.52 million noted in four cases².
- iii. Internal Controls Weaknesses of Rs 66.52 million noted in seven cases³

Audit paras for the audit year 2016-17 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC have been included in Memorandum For Departmental Accounts Committee (Annex-A).

g. Recommendations

Audit recommends that the PAO / Management of TMAs should ensure the following:

- i. Strengthening of internal controls
- ii. Holding of DAC meetings well in time
- iii. Expediting recoveries pointed-out by Audit
- iv. Compliance of relevant laws, rules, instructions and procedures, etc.
- v. Taking appropriate action against officers/officials responsible for violation of rules, losses and poor performance.

¹ Para 1.2.1.1 to 1.2.1.5, 1.3.1.1 to 1.3.1.3 and 1.4.1.1 to 1.4.1.4

² Para 1.2.2.1 to 1.2.2.3 and 1.3.2.1

³ Para 1.2.3.1 to 1.2.3.2, 1.3.3.1 to 1.3.3.2, 1.4.2.1 to 1.4.2.5 and 1.5.1.1

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No.	Description	No.	Budgeted Figure FY 2015-16		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	4	710.49	585.54	1,296.03
2	Total formations in audit jurisdiction	4	710.49	585.54	1,296.03
3	Total Entities (PAOs) Audited	4	578.30	585.41	1,163.71
4	Total formations Audited	4	578.30	585.41	1,163.71
5	Audit & Inspection Reports	4	578.30	585.41	1,163.71
6	Special Audit Reports	-	--	-	-
7	Performance Audit Reports	-	--	-	-
8	Other Reports	-	--	-	-

*Figures at Serial No.03, 04 & 05 represent expenditure.

Table 2: Audit Observations Regarding Financial Management

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	0
2	Weak financial management	92.20
3	Weak internal controls relating to financial management	73.29
4	Others	127.50
Total		292.99

Table3: Outcome Statistics

(Rs in

million)

Sr. No.	Description	Expenditure on Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last year
1	Outlays Audited	17.19	306.58	585.41	254.53	1163.71	1,156.07
2	Amount Placed under Audit Observation/ Irregularities of Audit	0.000	100.96	146.70	6.77	292.99	186.21
3	Recoveries Pointed Out at the instance of Audit	0.00	2.82	12.96	0.58	16.37	14.38
4	Recoveries Accepted/ Established at the instance of Audit	0	0	0	0	0	15.89
5	Recoveries Realized at the instance of Audit	0	0	0	0	0	0

* The amount at serial No 1 in column "total 2015-16" is the sum of expenditure and receipts, whereas the total expenditure for the year 2015-16 was Rs 578.30 million

Table4: Irregularities Pointed Out

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	92.20
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	0
3	Accounting errors (accounting policy departure from NAM, misclassification, overstatement or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems	6.77
5	Recoveries and overpayments, representing cases of established overpayment of misappropriation of public money.	16.37
7	Others, including cases of accidents, negligence etc.	111.13
	Total	292.99

Table 5: Cost-Benefit

(Rs in million)

Sr No.	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	1,163.71
2	Expenditure on Audit	0.98
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

CHAPTER 1

1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT CHAKWAL

1.1.1 Introduction

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

- 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, commercial 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 by-laws governing TMA's functioning;
- iv. To prepare budget, long term and annual municipal development program 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 four TMAs of District Chakwal was Rs 710.49 million including salary component of Rs 232.04 million, non salary component of Rs 171.87 million and development component of Rs 306.58 million. Expenditure against salary component was Rs 200.80 million, Non salary component was Rs 115.57 million and development component was Rs 261.93 million. Overall savings were Rs 132.19 million which was 18.61% of total budget.

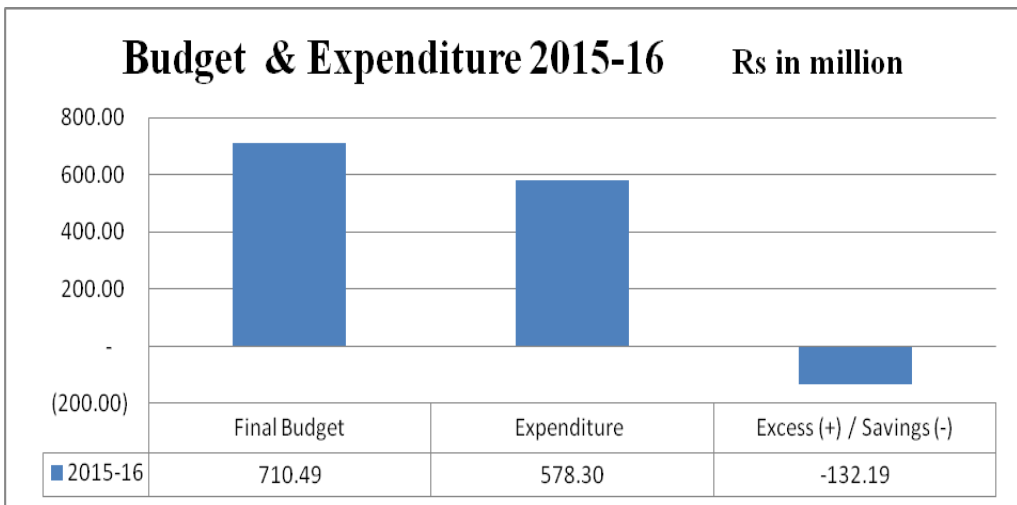
(Rs in million)

Financial Year 2015-16	Budget	Expenditure	Excess (+) / Saving (-)	% (Saving)
Salary	232.04	200.80	-31.24	13.46
Non-salary	171.87	115.57	-56.30	32.76
Development	306.58	261.93	-44.65	14.56
Total	710.49	578.30	-132.19	18.61

The budgeted outlay for Rs 710.49 million of four TMAs includes PFC award of Rs 174.03 million whereas total expenditure incurred by the TMAs during 2015-16 was Rs 578.30 million with a savings of Rs 132.19 million (detailed below). This is indicative of the fact that the TMAs had sufficient funds to meet the expenditure from their own sources and there was no need of any injection of PFC award.

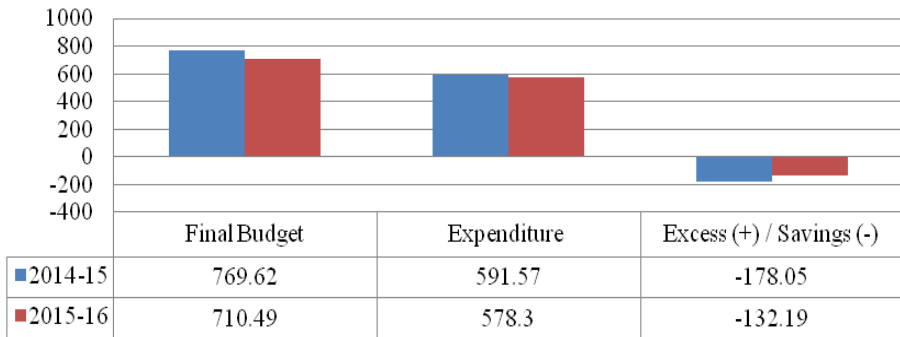
(Rs in million)

Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
TMA Chakwal	231.24	75.06	306.30	414.11	341.48	72.63	17.54
TMA Talagang	151.31	57.99	209.30	194.13	172.93	21.20	10.92
TMA K Kahar	14.69	18.00	32.69	48.13	41.35	6.78	14.09
TMA C S Shah	14.28	22.97	37.25	54.12	22.54	31.58	58.35
Total	411.52	174.02	585.54	710.49	578.30	132.19	18.61



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

Comparison of Budget & Expenditure 2014-15 and 2015-16 Rs in million



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

(Rs in million)

Financial Years	Budget Allocation	Expenditure	Saving	% of saving
2014-15	769.62	591.57	178.05	23.14
2015-16	710.49	578.30	132.19	18.61

The justification of savings, when the development schemes have remained incomplete, is required to be provided, explained by PAOs/TMOs and TOs concerned.

1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 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

S. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2009-12	13	Not convened
2	2012-13	3	Not convened
3	2013-14	12	Not convened
4	2014-15	16	Not convened
5	2015-16	21	Not convened

**1.2. TEHSIL MUNICIPAL ADMINISTRATION
CHAKWAL**

1.2.1 Irregularity and Non-compliance

1.2.1.1 Un-authorized payment without cubic test of concrete-Rs 7.83 million

As per condition No.6 of the agreement, the contractor will perform the laboratory test on his own costs if required and considered essential by the Municipal In charge.

TMO Chakwal paid Rs 7,827,444 for lying of PCC (1:2:4), being maximum cost of item under development scheme, were paid but as per rule above, the cubic test to check the concrete workability was not on record. In absence of said test, the payment made for PCC was considered as un-authorized as detailed in **Annex-C**.

Audit holds that due to poor internal control and weak financial mismanagement, irregular payment was made without Cubic Test, resulting in possibility of sub-standard work.

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

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

[AIR Para No.23]

1.2.1.2 Non-transparent / un-authorized expenditure -Rs 4.22 million non-deduction of sales tax on services - Rs 0.67 million

As per Rule 9 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. The annual requirements thus determined would be advertised in advance on the PPRA's website

TMO Chakwal incurred expenditure of Rs 4,241,400 on account of Fair and Exhibition Activities. The expenditure was not justified due to the following:

- i. Out of total expenditure, amount of Rs 3.48 million booked under fair and exhibition was un authorized since, expenditure should have been classified objectively instead of subjectively taking all the different object heads like Advertising, Sanitation, Gifts, Security Arrangements, Sports and tentage etc under the single head of Fair & Exhibition as detailed in **Annex-D**.
- ii. Notification in this regard by the local government and Administrative Dept was not on record. Moreover, expenditure on security arrangements was not justified, since policing / security issues were under the control of provincial government.
- iii. The expenditure was split up and regrouped to avoid open tendering in violation of above and without planning for annual requirements in advance.
- iv. Service Sales Tax @ 16% had not been deducted from the bills amounting _____ to Rs 4,217,830 resulting in loss of Rs 674,853 to the government.

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault along with recovery under intimation to Audit.

[AIR Para No.02]

1.2.1.3 Irregular procurement of items without pre-qualification of firms and non-transparent tendering- Rs 2.72 million

As per Rule 9 of PPRA Rules 2014, 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.

TMO Chakwal for the F.Y. 2015-16 incurred an expenditure amounting to Rs 2,722,813, on account of purchase of different items as detailed in **Annex-E**. Following irregularities were observed:-

- i. Firms Pre-qualification procedure was not adopted
- ii. Specification of the items purchased was not shown in newspaper.
- iii. Warranty certificate was not provided by the supplier.
- iv. Purchase was made by splitting the bills /by calling quotations instead of uploading on PPRA website for obtaining economical rates. Inspection committee was not constituted to verify that the items were actually received and entered in the stock register.

Audit holds that due to weak internal control, tendering process was non-transparent and in violation of rules.

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

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

[AIR Para No.25]

1.2.1.4 Irregular execution of plain cement concrete in violation of specifications – Rs 1.16 million

According to the Public Health Engineering Department Drains instructions, circulated by the Government of the Punjab LG & CD Department vide No.(DG(I&M)-Standing Committee242/2014 dated 13.08.2014”, “PCC 1:7:20 is being provided in the bed of PCC in the streets & roads whereas PCC 1:6:12 is specified in the bed.

TMO Chakwal executed following development schemes during 2015-16. It was noticed that in construction of PCC streets 24,635.27 cft , PCC 1:7:20 was executed in the bed, in violation of the approved specifications amounting to Rs 1,160,685 as detailed below

Sr. No.	Name of scheme	Qty	Amount (Rs)
1	Const of Nullah Dk Punjian Dakhli Farid Mouza Farid Chak Umra	2674.00	195,306
2	Const of street, drain and culvert in UC 4	4409.47	322,063
3	Const of streets and drains from main chowk Bun to H/O Zafar village	8059.90	208,510
4	Const of streets and drains in village Langah, UC ChakAwan	1432.00	104,592
5	Const. of streets and drains in UC Jand Awan	8059.90	330,214
Total		24635.27	1,160,685

Audit holds that due to weak internal control, irregular payments were made without execution of approved specifications, resulting in irregular execution of work.

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

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

[AIR Para No.24]

1.2.1.5 Irregular expenditure on purchases – Rs 1.08 million

According to Rule 12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA.

TMO Chakwal incurred expenditure amounting to Rs 1,078,175 during 2015-16. The expenditure was un-justified, irregular and non-transparent as detailed below:

(a) Packing material / printed bags for sale of sugar in Ramzan Bazar purchased for Rs 443,175 from M/s Unique Trading Services was not justified due to the following:

- i. Supply of food items along with the packing material was the responsibility of the food supplying vendor.
 - ii. Sales tax amounting to Rs 75340 was not included / levied in the bill. Resultantly, amount of Rs 15,068 required to be withheld was not deposited in government treasury.
 - iii. Tender was not uploaded on the PPRA website.
- (b) An amount of Rs 250,000 was paid on account of Poet Competition on the topic of Martyrs of Army Public School but neither jury was constituted for nomination of the winners nor the results of the same were announced as required under the notification issued vide No.7014/HC(G)/28 Dated 14-12-15 by DCO Chakwal. Thus, the payment was doubtful and unjustified. Moreover, any budget was not approved for this purpose.
- (c) An expenditure of Rs 385,000 was incurred on provision of CCTV and DVD recorders on rental basis for recording under security measures of Moharram procession in 2015. The payment was not justified since security arrangements were provincial subject under Punjab Police Order 2002 and Police Rules 1934 and hence expenditure was not justified under the TMA.

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.01]

1.2.2 Performance

1.2.2.1 Less utilization of funds - Rs 72.63million

According to Rule 64(ii) of the TMA Budget Rule, 2003, the resources of the govt.should be utilized efficiently &effectively.

TMO Chakwal retained funds mounting to Rs 72,626,102 during 2015-16 under following heads of development account which should be utilized for the welfare of general public on the development schemes. However, TMA did not spend the funds against the budget allocation to achieve the desired objective of service delivery through execution of socio-economic and development schemes as detailed in **Annex-F**.

Audit holds that due to mismanagement and negligence, the funds were not efficiently utilized. This resulted in blockage of government resources and loss to the public.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No 15]

1.2.2.2 Less collection of income under fines / penalties / encroachment activities - Rs 7.55 million

According to rule 64(iv) of PDG & TMA (budget) Rule 2003 district Government shall utilize its resources effectively & efficiently.

Regulations Branch of TMA Chakwal could generate receipt of Rs 83,000 only under fines / penalties for encroachment activities during the period Aug.2015 to June 2016. Whereas, expenditure of Rs 7,545,053 was incurred during the F.Y. 2015-16 against the running of the said branch.

Audit is of the view that due to weak internal controls of regulation staff resulted in wastage of government resources and less collection of government revenue.

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

Audit recommends that appropriate action be taken besides fixing responsibility of the person(s) held responsible under intimation to Audit.

[AIR Para No 11]

1.2.2.3 Delay in completion of works - Rs 28.24 million

Non-imposition of penalty - Rs 2.82 million

According to Clause 39 read with Clause 37 of Contract agreement, 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 Incharge to be worked out per day but not exceeding maximum of 10% of the cost of contract.

TMO Chakwal allotted various works amounting to Rs 28.24 million to different contractors during 2015-16 but these works were not completed within the stipulated time. No penalty was imposed on the contractors on account of delay. This delay in completion of scheme had resulted in poor delivery of services / non recovery of penalty of Rs 2.82 million as detailed in **Annex-G**.

Audit holds that due to poor financial management and negligence, penalty was not imposed on the defaulting contractors resulting in loss to the government.

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

Audit recommends recovery besides fixing responsibility of person(s) at fault under intimation to audit.

[AIR Para No.8]

1.2.3 Internal Controls Weakness

1.2.3.1 Loss due to non-realization of receipt targets – Rs 4.73 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.

TMO Chakwal could not realize the income under different heads as per set receipt targets during the F.Y. 2015-16. This resulted in loss to the government amounting to Rs 4,725,696 as detailed below:

(Amount in Rs)

Account Code	Description of receipt head	Budget	Actual Receipt	Short fall
CO 388028	Fee for change in land use	23,400,000	19,617,171	3,782,829
CO 388034	Fine for encroachment	200,000	-	200,000
CO 388047	Water rate residential	7,000,000	6,662,310	337,690
CO 388071	Enlistment fee of contractor	500,000	285,000	215,000
CO 388091	Misc income	1,500,000	1,309,823	190,177
Total		32,600,000	27,874,304	4,725,696

Audit holds that due to poor financial management, budgeted receipt targets could not be achieved. This resulted in shortfall in realized income.

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

Audit recommends that appropriate action be taken besides fixing responsibility of the person(s) under intimation to Audit.

[AIR Para No. 9]

1.2.3.2 Unlawful Transfer of Local Fund-Rs 2.169 million

No local Government shall transfer monies to a higher level except by way of re payment of debts contracted before the coming into force of this ordinance, as per section 109(3) of PLGO, 2001.

TMA Chakwal transferred an amount of Rs 2.169 million to Punjab Local Government Board during 2015-16 as contribution from income, in violation of above rules.

Audit holds that due to weak internal controls and negligence, the funds were transferred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.12]

**1.3 THESIL MUNICIPAL ADMINISTRATION
CHOA SAIDAN SHAH**

1.3.1 Irregularity and Non-compliance

1.3.1.1 Irregular execution of development schemes–Rs 48.20 million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)5-48/2002 dated 05.03.2012, All the tenders shall be opened at the time and place specified in the public notice, in the presence of such contractors as may be present, by the committee comprising the following:

Sr No	Particulars	Designation
01	TMO	Convener
02	Representative of DCO	Member
03	Assistant Eng. LG&CD of the District	Member
04	TO(F)	Member
05	TO(I&S)	Member/Secretary

For the execution of ADP 2015-16, TMA Choa Saden Shah, opened all the tenders opened in absence of two members i.e representative of DCO and Assistant Engineer LG&CD, which resulted in irregular expenditure as detailed in **Annex-H**.

Audit holds that due to weak internal control, the tenders were not opened in the presence of approved members, resulting in doubtful tendering process.

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

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

[AIR Para No 8]

1.3.1.2 Doubtful completion of work without satisfactory end users certificate - Rs 8.80 million

As per Finance Department Govt., of the Punjab letter No.RO(Tech)1-2/83-iv dated 29.03.2009 “a certificate should be obtained from end user that the repair / execution has been carried out satisfactory before releasing the final payment to the contractor”. Further Rule

2.115(1) of B&R Codes states that “a detailed Completion Report or a completion statement must be prepared on the completion of works.

TMO Choa Saden Shah executed different development schemes costing Rs 8.80 million during 2015-16 but neither completion certificates from end users was obtained nor shown to Audit for authenticity of expenditure. Non-obtaining the completion certificate of the schemes from end users/institutions, incurrence of following expenditure in phases I&II and release of securities was doubtful as detailed in **Annex-I(I &II)**.

Sr No	Financial Year	Particulars	Amount (Rs in million)
1	2015-16	Phase – I	3.785
2		Phase – II	5.017
Total			8.802

Audit holds that without end users certificates, completion of works was doubtful and could not be verified by the Audit.

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

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

[AIR Para No.3]

1.3.1.3 Irregular and non-transparent expenditure on purchases Rs 1.31 million

According to the Rule 10 (1) of PPRA, 2014 “A procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage”.

TMA Choa Saden Shah incurred expenditure on account of “Establishing of Ramzan Bazars” and other during FY 2013-16, as detailed below:-

Period	Nature of Expenditure	Amount (Rs)
2013-14	Ramzan Bazar	271,759
-do-	Tractor Trolley	235,000
2014-15	Ramzan Bazar	433,296
2015-16	Razan Bazar	251,545
-do-	Machinery& Equipment	115,180
Total		1,306,780

It was noticed that neither any advertisement was uploaded on the PPRA website nor supplier was shortlisted/ prequalified for said procurement of services. Moreover, specifications were not shown to be intimated to the contractors before the tender inquiry. Scrutiny of invoice also revealed that payment was made against the lump sum bill instead of having broken in to different services provided.

Audit holds that due to poor internal control and mismanagement, purchases were made without completion of codal formalities.

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

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

[AIR Para No 1]

1.3.2 Performance

1.3.2.1 Non-conducting survey of manufacturer, vendor and trader resulting in un-authentic receipts - Rs 2.28 million

According to section 13 of The Tehsil Municipal Administration Licensing Bylaws, 2007, the TO(R) shall cause the survey to be conducted at the beginning of each financial year to have complete list and particulars of all the manufacturers, vendors traders and the other persons carrying on any occupation or operation in the local area of the T.M.A and maintain a complete record on “form T.L.10” as appended to these bylaws.

TMO Choa Saiden Shah did not conduct the survey during 2013-16, to have complete list and particulars of all the manufacturers, vendors, traders and the other persons carrying on any occupation or operation in the local area of the TMA and did not maintain a complete record on “form T.L.10”.

This resulted in less recovery and decreasing trend of receipts during financial years 2013-16 further No survey report was shown to the audit for any preceding financial year to verify the current year receipt and arrears as detailed below.

Financial Year	Amount of receipt (Rs)
2013-14	935,280
2014-15	635,050
2015-16	713,960
Total	2,284,290

Audit holds that non-conducting of survey caused less collection of revenue.

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

Audit recommends that the responsibility may be fixed of person(s) at fault under intimation to Audit.

[AIR Para No 9]

1.3.3 Internal Controls Weakness

1.3.3.1 Non-recovery on account of arrears and short recovery of water rate –Rs 1.54 million

According to Rule 76(1) read with Rule 77, 78 & 79 of PDG & TMA (Budget) Rules, 2003 the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Choa Saiden Shah did not realize recoverable amount of Rs 0.95 million on account of water rate arrears. This resulted in non recovery of water charges up to 30.06.2016 as detailed below.

Particulars	Recoverable Arrears(Rs)
Water rate arears 2013-14	352,478
Water rate arears 2014-15	309,953
Water rate arears 2015-16	286,868
Total	949,299

Similarly, TMA did not make efforts to recover due amounts from water users which resulted into short realization of Rs 0.59 million during period under audit as detailed below.

(Amount in Rs)

Financial Year	Receipts Head	To Be Recovered	Recovered	Short recovery
2013-14	water rate	359,870	258,505	101,365
2014-15	water rate	300,000	70,680	229,320
2015-16	water rate	312,000	53,140	258,860
Total		971,870	382,325	589,545

Audit holds that due to poor internal control and mismanagement Rs 1.54 million was not recovered.

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

Audit recommends recovery of water rates besides fixing responsibility of the persons at fault under intimation to Audit.

[AIR Para No 6 & 14]

1.3.3.2 Unlawful Transfer of Local Fund-Rs 1.245 million

No local Government shall transfer monies to a higher level except by way of re payment of debts contracted before the coming into force of this ordinance, as per section 109(3) of PLGO, 2001.

TMA Choa Saiden Shah transferred an amount of Rs 1.245 million to Punjab Local Government Board during 2015-16 as contribution from income, in violation of above rules.

Audit holds that due to weak internal controls and negligence, the funds were transferred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.8]

1.4

**TEHSIL MUNICIPAL ADMINISTRATION
TALAGANG**

1.4.1 Irregularity and Non-compliance

1.4.1.1 Irregular payment of pension contribution - Rs 10.00 million

According to rule 13.2(ii)(c) of The Punjab Budget Manual, 2008 “The expenditure incurred is regular and proper, when the expenditure is incurred only in the public interest and upon objects for which the money was provided. Further according to rule 15.3(b)(xiii)(a) of The Punjab Budget Manual, 2008 “In the case of development scheme, funds cannot be transferred from ADP even through re-appropriation, except for approved schemes”

TMO Talagang paid Rs 10.00 million for pension contribution from ADP during the year 2014-15. The payment of pension contribution from ADP was against the government rules.

Audit is of the view that due to weak financial management, irregular payment of pension contribution was made out of ADP.

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

Audit recommends regularization besides fixing responsibility for negligence against the person(s) at fault.

[AIR Para No 19]

1.4.1.2 Un-authorized payment –Rs 2.72 million

According to Rule 2.33 of PFR Volume-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

Scrutiny of record of development schemes of TMA Talagang for the F.Y 2015-16, revealed that an item tuff tile was paid as non scheduled item but the analysis of rate duly approved by the competent authority was not provided to audit. Without such approval, the payment of Rs

2,720,658 made against the non-scheduled items was irregular and unauthorized as detailed below.

(Amount in Rs)

Sr. No	Name of Scheme	Estimated cost	Amount paid for tuff tile
1	Construction of street /drain Jhatla	1300,000	747,996
2	Construction of street /drain UC Dhurna	1300,000	445,043
3	Construction of street /drain UC Gulshan-e-Bewal	500,000	290,567
4	Construction of street /drain UC ThoaMehram Khan	1300,000	784,998
5	Construction of street /drain UC Dudial	700,000	452,054
Total			2,720,658

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.07]

1.4.1.3 Irregular & doubtful expenditure - Rs 2.38 million

According to rule 9 read with rule 12 (1) of Punjab Procurement Rules, of PPRA 2009 procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA'S from time to time. Further, 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 the procurement so planned.

TMO Talagang paid amount of Rs 2,384,947 on account of purchase of different items under following heads of account during 2014-16 without tender. Therefore, tender documents and other relevant record were not provided to verify the expenditure. In addition, procurements were also split up. The purchases done without observing PPRA rule were

irregular and un-authorized. Moreover the register of purchased material was not available in the record as detailed below.

Sr. No	Heads of Accounts	Amount (Rs)
1	Water supply purchase and repair	904,666
2	Fire brigade purchase	926,506
3	Ramzan Bazar	298,639
4	Repair/sanitation	255,136
TOTAL		2,384,947

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the Codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit

[AIR Para No 18]

1.4.1.4. Un-authorized payment without cubic test - Rs 1.20 million

As per condition No.6 of the Agreement the contractor will perform the laboratory test on his costs.

TMO Talagang paid Rs 2,500,000 on the execution of various schemes during 2015-16. Scrutiny of record revealed that the maximum cost of these schemes of Rs 1,195,493 was paid for laying of PCC(1:2:4) but as per rule the cubic test to check the concrete workability was not performed from the government laboratory. In absence of said test, the payment made for PCC(1:2:4) was un-authorized.

(Amount in Rs)

Sr. No	Name of Scheme	TS Cost	PCC(1:2:4)
1	Construction of street /drain Patwali	800,000	465,947
2	Construction of street/drain Mirjan	400,000	229,648
3	Construction of street /drain UC Dhurnal	1300,000	499,898
Total		2,500,000	1,195,493

Audit is of the view that due to weak internal control and defective managerial planning, the payment was made without the cubic test to check the concrete workability un-authorized.

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

Audit recommends regularization besides fixing responsibility against person(s) at fault

[AIR Para No.4]

1.4.2 Internal Controls Weakness

1.4.2.1 Non-reconciliation of receipt with bank - Rs 48.84 million

According to Para 5 of local Government Accounts Manual, the cash balance of each local government should be reconciled by the Accounts Officer with the Bank on daily and Monthly Basis.

TMO Talagang, did not reconcile the receipt amounting to Rs 48,837,887 with the bank and Tehsil Accounts Officer during 2015-16. In absence of reconciliation, transaction amounting to Rs 48.84 million of TMA could not be verified as detailed in **Annex-J**.

Audit holds that due to poor internal control and financial mismanagement, reconciliation was not made.

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

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

[AIR Para No. 13]

1.4.2.2 Non-realization of water rate charges – Rs 5.17 million

According to Rule 76(1) read with Rule 77, 78 & 79 of PDG & TMA (Budget) Rules 2003, the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMO Talagang realized only amount of Rs 2,347,674 against the total recoverable amount of Rs 7,513,504 on account of current water rate charges. This resulted in less recovery of Rs 5,165,830 against the water charges up to 30.06.2016 as detailed below:

(Amount in Rs)

Name of Scheme	Recoverable	Recovered	Outstanding
Water Rate arrear upto 6/2015	5,107,804	791,878	4,315,926
Water rate current demand 2015-16	2,405,700	1,555,796	849,904
Total	7,513,504	2,347,674	5,165,830

Audit holds that due to weak internal controls, the amount of rent of shops was not recovered. Government sustained loss of Rs 5.17 million due to less realization of water rates.

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

Audit recommends for fixing responsibility for lapses and negligence against the person(s) at fault besides recovery.

[AIR Para No.08]

1.4.2.3 Loss to government due to non realization of arrears- Rs 3.77 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under the proper receipt head.

TMO Talagang prepared budget estimates for the F.Y. 2015-16 showing income recoverable under-mentioned head of arrears to tune of Rs 3.77 million during 2015-16. Neither, the detail of arrear of following heads was provided nor, any recovery was made during the period under audit:

Head	Budget Estimates	Recovery
Arrear of District Govt. 03687	3,771,500	0

Audit holds that due to weak managerial controls, arrears of District government receipt were not recovered.

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

Audit recommends recovery besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.10]

1.4.2.4 Non-recovery of Raksha fee from the defaulter contractors Rs 1.06 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under the proper receipt head.

TMO Talagang did not recovered an amount of Rs1.06 million during 2014-15 from the contractor (defaulter) who did not pay the contract amount of raksha fee in spite of passage of more than 6 months period. Neither, concrete steps were taken against the defaulting contractor to recover the government dues nor the concerned department made any effort to recover the amount from guarantor of the contractor as detailed below:

Amount
in Rs

FY	Auction value	Recover	Recoverable	Wages payable by contractor	Total recoverable
2014-15	3,305,500	2,331,940	973,560	82,598	1,056,158

Audit holds that due to poor internal control and financial mismanagement, government instructions were not followed.

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

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

[AIR Para No 2]

1.4.2.5 Unlawful Transfer of Local Fund-Rs 3.359 million

No local Government shall transfer monies to a higher level except by way of re payment of debts contracted before the coming into force of this ordinance, as per section 109(3) of PLGO, 2001.

TMA Talagang transferred an amount of Rs 3.359 million to Punjab Local Government Board during 2015-16 as contribution from income, in violation of above rules.

Audit holds that due to weak internal controls and negligence, the funds were transferred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault under intimation to Audit.

[AIR Para No.9]

**1.5 THESIL MUNICIPAL ADMINISTRATION
KALLAR KAHAR**

1.5.1 Weak Internal Controls

1.5.1.1 Loss to government due to non collection of outstanding fee of tax on transfer of immovable property (TTIP) - Rs 1.43 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under the proper receipt head.

During the audit of accounts of TMA Kalar Kahar for the year 2015-16, it was observed that a sum of Rs 1,429,088 was outstanding against twelve cases on account of TTIP fee up to 06/2016 since, most of the mutation cases and registries were found without recovery of TMA fee as detailed in **Annex-K**.

Audit is of the view that due to weak financial management, the outstanding amount of TTIP fee was not recovered resulting in loss of Rs 1.43 million to the government.

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

Audit recommends fixing responsibility of person(s) at fault besides recovery under intimation to Audit.

[AIR Para No 6]

Annexure

Annex-A**Current Audit Year 2016-17****Memorandum for Departmental Accounts Committee**

(Rs in million)

Sr No	Name of TMA	Description	Nature of Para	Amount
1	TMA Chakwal	Irregular Release Of Securities	Non compliance of Rule	35.268
2		Non recovery of Renewal Fee of Registration of Contractor	Weak internal controls	1.11
3		Non recovery of Professional Tax from Contractors		0.11
4		Non-Accounting Of Receipts / Payments On Account Of Encroachment		0.852
5		Non Recovery On Account Of Commercialization And Building Charges		0.717
6		Un-authorized Payment of TST without Invoices of Bitumen	Non compliance of Rule	1.873
7		Irregular Execution Of Schemes		155.572
8		Non Passing of Building Plans	Poor Performance	2.644
9		Non-recovery of Additional Performance Security	Weak internal controls	0.536
10		Doubtful Consumption of POL	Non compliance of Rule	3.757
11		Non Conduction Of Annual Stock Taking Of Assets	Weak internal controls	-
12		Un-Authorized Operation Of Bank Account	Non compliance of Rule	9.939
13		Non-Reconciliation Of Expenditure By DDOs With TAO	Weak internal controls	341.48
14		Unauthorized Expenditure On POL & Repair	Non compliance of Rule	8.946
15		Un-authorized Payment Due To Non Maintaining Lead Chart Of Earth/ Road Material		0.975
16		Non reconciliation of receipts	Weak internal controls	305.251
17	TMA Choa Saidan Shah	Irregular/Un-authorized release of securities	Non compliance of Rule	0.189
18		Irregular/Un-authorized award of work due to Site Dispute	-do-	0.200
19		Irregular execution of Development Schemes	-do-	48.196
20		Irregular payment of street light electricity	-do-	0.760

Sr No	Name of TMA	Description	Nature of Para	Amount
		bill		
21		Loss To Government Due to Non Realization of License Fee	Weak Internal Controls	0.35
22		Non –reconciliation of receipt with Bank	-do-	111.124
23		Irregular creation of liability	Non compliance of Rule	17.492
24		Non Production of record	Non Production	13.98
25	TMA Talagang	Loss To Government Due To Non Recovery Of Outstanding Rent Of Shops	Weak Internal Controls	0.539
26		Loss To The Government Due To Non Auction Of Collection Rights		0.172
27		Non-obtaining Of Additional Performance Security		0.589
28		Non-submission Of Completion Reports Of Development Projects	Poor performance	0.526
29		Loss to Government Due to Non-Imposing pf Penalty		0.15
30		Un-Matched Departmental Figure With Annual Accounts	Weak Internal Controls	5.13
31		Doubtful Payment of CDR		7.5
32		Non-Compliance Of Policy For Installation Of BTS Towers	Non compliance of Rule	-
33		Loss To Government due To Closed Shops		0.084
35		Irregular Expenditure due to Non-revision of TSE		0.705
36	TMA Kallar Kahar	Loss to Government Due To Non-Imposing Of Penalty	Performance	0.2
37		Irregular Transfer Of Funds To Punjab Local Government Board	Non compliance of Rule	0.227
38		Loss Due To Change In Scope Of Work Without Approval	Weak Internal Control	0.225
39		Overpayment Due To Excess Quantity Of PCC (1:2:4)		0.071
40		Non-Compliance Of Policy For Installation of BTS Towers	Non compliance of Rule	-
42		Unjustified Expenditure without Calling Tenders	Non compliance of Rule	0.36
43		Non-Verification of GST	Weak Internal Control	0.113
44		Irregular Expenditure	Non compliance of Rule	0.321

1.1.3**Part-II****MFDAC Paras pertaining to Audit Year 2015-16****(Rs in million)**

Sr. No.	Name of Formation	Title of Para	Nature of Irregularity	Amount
1	TMA Chakwal	Doubtful payment due to Non execution of drain	Non compliance of Rules	0.317
2		Less Deposit of Income Tax	Poor performance	0.701
3	TMA KallarKahar	Unlawful Transfer of Local Fund	Non compliance of Rules	0.633
4		Irregular release of salary without service	Poor performance	0.535

Annex-B

TMAs of District Chakwal

Budget and Expenditure Statement for Financial Year 2015-16

(Amount in Rs)

TMA Chakwal				
Financial Year 2015-16				
Description	Budget	Expenditure	Excess (+) / Saving (-)	% (Saving)
Salary	123,498,189	108,398,083	15,100,106	
Non-salary	114,569,007	77,509,406	37,059,601	
Development	176,039,209	155,572,814	20,466,395	
Total	414,106,405	341,480,303	72,626,102	17.54
TMA Talagang				
Financial Year 2015-16				
Description	Budget	Expenditure	Excess (+) / Saving (-)	% (Saving)
Salary	71,513,524	62,904,639	8,608,885	22.37
Non-salary	44,061,006	31,574,527	12,486,479	36.4
Development	78,556,000	78,449,464	106,536	18.45
Total	194,130,530	172,928,630	21,201,900	10.92
TMA Kallar Kahar				
Financial Year 2015-16				
Description	Budget	Expenditure	Excess (+) / Saving (-)	% (Saving)
Salary	11,685,150	11,427,390	257,760	22.37
Non-salary	5,999,000	3,195,306	2,803,694	36.4
Development	30,448,636	26,729,056	3,719,580	18.45
Total	48,132,786	41,351,752	6,781,034	14.09
TMA Choa Saidan Shah				
Financial Year 2015-16				
Description	Budget	Expenditure	Excess (+) / Saving (-)	% (Saving)
Salary	25,347,276	18,070,058	7,277,218	22.37
Non-salary	7,237,000	3,290,906	3,946,094	36.4
Development	21,534,174	1,179,880	20,354,294	18.45
Total	54,118,450	22,540,844	31,577,606	58.35

Annex-C
Para No. 1.2.1.1

Vr. No	Billing Month	Name of scheme	Qty	Amount (Rs)
32	July 15	Const. of street from Thanil road to H.O Sufi Aziz, Nawab Town, Ckwl	2921	550,597
77	Aug 15	Const of path from pacca road to village dhoke Ghazi UC Jand	8349	1,500,244
91	Aug 15	Const of Nullah Dk Punjian Dakhli Farid Mouza Farid Chak Umra	2674	480,495
37	Jun 16	Const of street no 6 from H.O Aftab to H.O Yousaf Allama Iqbal Town	2659	501,211
301	Jun 16	Const. of street and drain in village Jandala Phakral UC Mulal Mughlan	2014	379,631
296	Jun 16	Const of streets and drain in UC JandAwan	5353	1,009,019
271	Jun 16	Const of streets and drain and other allied works in Chak Naurag and Chak Malook	5535	1,043,325
57	May 16	Const of street Drain and culverts in UC 4, Chakwal	5729.27	1,029,501
35	Apr 16	Const of road /street & Drain from office XEN, PHED to Girls College in Union Council 4, Chakwal	7074	1,333,421
Total			42308.27	7,827,444

Annex-D
Para
1.2.1.2

(Amount in Rs)

Vr.No	Month	Name	Nature	Amount (Rs)	Actual Head of classification
3	Oct-15	Shafee Advertising	Providing pana flexbaners independence day	84,000	Advertising
217	Nov-15	Unique Trading Services	Providing pana flexbaners Cattle market eiduladha	92,190	Advertising
218	Nov-15	Unique Trading Services	Providing dividing pumflet for convanche cleanes filth eiduladha	62,000	Advertising
169	Jan-16	Ali & Co	Providing panaflexbaners Martyrs Day	35,600	Advertising
214	Jan-16		Baners for martyrs day Peshawar	3,300	Advertising
91	Feb-16	Shafee Advertising	Making Baners for convanche Christmas Day	5,500	Advertising
181	Mar-16	Shafee Advertising	Providing panaflexbaners	30,000	Advertising
132	Jan-16	Khawaja Backers	Providing dividing gift pack for christian Christmas Day	98,600	Gifts
215	Nov-15	Unique Trading Services	Providing divide Offering filth EidulAdha	70,000	Sanitation
216	Nov-15	Unique Trading Services	Providing sound sstem for cleans filth EidulAdha	22,000	Sanitation
147	Oct-15	Bashir Hussain	Providing BearerMoharrumul haram	89,820	Security
148	Oct-15	Bashir Hussain	Providing BearerMoharrumul haram	89,910	Security
219	Nov-15	Unique Trading Services	Providing CCTV camera for security eiduladha	97,900	Security
129	Jan-16	Unique Trading Services	Providing CCTV camera for security	285,600	Security
130	Jan-16	Unique Trading Services	Providing CCTV camera for security	274,900	Security
131	Jan-16	Unique Trading Services	Providing walk through gate Moharrumul haram	488,500	Security
168	Jan-16	Ali & Co	Providing Movie camera for monitoring jaloosmoharram	30,000	Security

Vr.No	Month	Name	Nature	Amount (Rs)	Actual Head of classification
191	Jan-16	Rizwan International	Purchase barbed wire for security	258,125	Security
193	Jan-16	Unique Trading Services	Providing movi camera for covergejaloos Eid Milad un Nabi	30,000	Security
116	Jun-16	Safdar Hussain	Providing CCTV cameras DVD player Security Chelum	385,000	Security
192	Jan-16	Unique Trading Services	Arrangement kabbadi match martyrs day Peshawar	44,460	Sports
53	Apr-16	SafdarHussain	Bill Tent marquee cattle mandieiduladha	900,000	Tentage
Total				3,477,405	

Total expenditure Rs4, 217,830/-

Service sales tax@16% Rs 674,853/-

Annex-E
Para 1.2.1.3

Vr. No.	Month/ Year	Items / Vendor	Description	Amount (Rs.)
86.	Oct,15	Excavator on rent	For removing gabage (M.S.N.H) Enterprises	99,000
85	Oct,15	Excavator on rent	For excavation and disposal of solid waste material (M.S.N.H) Enterprises	99,000
191	Aug 15	Energy Savers / Tufail Sons		100,000
187	Aug 15	Printed bags / Unique Tdg Services	46650 kg @Rs9.5/kg	443,175
184	Aug 15	LED Screen for Ramzan Bazar / Unique Tdg Services	01	54,500
185	Aug 15	Installation charges of Fans for Ramzan Bazar & services charges/ Unique Tdg Services	803 Nos	49,715
186	Aug 15	Sound System for Ramzan / Unique Tdg Services		34,450
182	Aug 15	Security Cameras / Unique Tdg Services	12 cameras with accessories	107,105
163	Aug 15	Panaflex for Ramzan Bazar / Unique Tdg Services	5930sft @Rs 30/sft & 25 @Rs 885/- each	185,000
289	Jun 16	Energy Savers / Unique Tdg Services	342@RS 292/-	99,864
122	Jun 16	Energy Savers / Unique Tdg Services	342@RS 292/-	99,864
147	Oct 15	Barriers at Moharram / Bashir Hussain	05 Nos@Rs18,000/-	89,820
148	Oct 15	Barriers at Moharram / Bashir Hussain	05 Nos@Rs18,000/-	89,820
70	May 16	Supply of sewer safety equipment / Kenwood Ashrafia Complex	Gas detector(1)@Rs 175,000/- tripod(01) @Rs449,000/- Air Line System(01)@Rs545,000/- Long Boots(01) @Rs2500/-	+
Total				2,722,813

Annex-F
Para 1.2.2.1

(Amount in Rs)

Branch	Budget		Expenditure	
	Salary	Non Salary	Salary	Non Salary
Nazim	2,234,244	330,000	1,736,396	157,083
NaibNazim	632,661	157,000	0	33,004
TMO	6,562,801	13,300,000	6,088,475	8,218,041
TO R	5,577,403	4,140,000	4,295,225	3,249,828
TO(F)-Accounts	4,582,712	2,700,866	3,338,618	2,371,735
TO(F)-Revenue	7,014,466	2,935,000	6,090,988	482,581
TO-P	5,953,037	1,745,000	5,303,992	753,305
TO-I&S-Tech	10,510,123	205,223,350	8,883,982	172,191,419
TO-I&S-Street light	1,598,844	12,005,000	1,257,503	8,602,398
TO-I&S-Fire Brigade	6,362,269	3,930,000	5,955,868	1,017,874
TO-I&S-Water Supply	14,768,432	23,980,000	14,408,379	21,145,493
CO HQ Tech	53,641,677	19,562,000	47,353,570	14,628,552
CO HQ Garden & Parks	3,987,520	300,000	3,646,087	230,907
CO HQ Slaughter House	72,000	300,000	39,000	0
Total	123,498,189	290,608,216	108,398,083	233,082,220
Savings		15,100,106		57,525,996

Annex-G
Para No. 1.2.2.3

(Amount in Rs)

Name of the work	Contractor	Target Date	Completion Date	Contract Amount	Penalty Due
Special Repair / Improvement of Pinal -ChakMalook Rd, Chakwal	Abid Hussain	11.12.14	30.05.15	2,265,000	226,500
Const. of path / protection wall from the house of Raja Maqbool to GPS Village SarkalMair UC Khulotian	Haji Munir Hussain	30.05.15	03.07.15	1,714,650	171,465
Const of Nullah Dk Punjian Dakhl iFarid MouzaFaridChakUmra	Awan Const.	30.05.15	28.06.15	891,000	89,100
Improvement of Behkrird Mohallah Chah Loharan, Const of street MohallahShumali UC 02	Asad& Bros.	15.06.15	WIP	920,000	92,000
Const of streets and drain in UC Dullah	Said Rasool	30.05.15	24.08.15	1,000,000	100,000
Laying of water supply pipe line tatral to KhumeniChowk, Chakwal	M. Amir Bajwa	28.02.16	14.04.16	2,300,000	230,000
Const of road and culverts from road to pcc village hasil	Hasnain Builders	31.12.15	WIP	4,247,800	424,780
Const of street no 6 from H.O Aftab to H.O YousafAllamalqbal Town	M. Amir Bajwa	31.12.15	15.05.16	805,000	80,500
Const of drain nullah in village Chattal and UdwalChakral	M. Ijaz Traders	30.09.15	23.05.16	1,400,000	140,000
Repair and Improvement of residneceis of TMA colony	Hassan Builders	20.06.16	WIP	1,200,000	120,000
Const of streets and drain in UC Jand Awan	Imtiaz Ahmad	31.12.15	08/03/16	2,500,000	250,000
Supply of street light material in Chakwal	Unique Tdg Services	15.01.16	WIP	2,278,570	227,857
Const. of road and culverts to road from road to PCC street lift village hasil, UC Warwal	Hasnain Builders	31.12.15	WIP	3,700,000	370,000
Repair of roads / patch work in chakwal city	Abid Hussain	31.12.15	WIP	1,000,000	100,000
Improvement of three filtration plants in Chakwal city	1722 dt06.10.2015	31.12.15	WIP	2,016,000	201,600
Total				28,238,020	2,823,802

Annex-H
Para 1.3.1.1

Sr .No	Financial year of the expenditure	Expenditure (Rs)
1	2014-15 (ADP)	13,053,354
2	CCB 2014-15	249,822
3	Liability 2014-15	8,402,815
4	Liability 2015-16	4,474,610
5	ADP2015-16	6,095,614
6	Liability of DDP	1,214,661
7	ADP2013-14	11,084,287
8	Liability 2013-14	3,399,453
9	CCB	221,535
Total		48,196,151

Annex-I (Part-I)
Para No. 1.3.1.2

**PHYSICAL & FINANCIAL PROGRESS REPORT OF ANNUAL
DEVELOPMENT PROGRAMME OF PHASE-I UP TO 30-06-2016 OF TEHSIL
MUNICIPAL ADMINISTRATION CHOA SAIDAN SHAH FOR THE YEAR
2015-2016**

(Rs in million)

Sr No	Name of Schemes	Estimated Cost	Contract Amount	Exp. upto 06/16	Exp. upto date	Remarks	Name of Contract or
1	Const. of Janazagah of Village Dhok Wara Jalip Rajgan U/C Lehr Sultanpur.	0.700	0.698	0.682	0.682	100 % Complete	Raja Nusrat Kamal
2	Const. of Janazagah of Village Watli.	0.400	0.400	0.400	0.400	100 % Complete	SaqlainAs lam
3	Const. of Street & Drain from H/O Sub (R) Safdar to H/O Manzoor Hussain Village Maghal.	0.250	0.249	0.249	0.249	100 % Complete	Malik Muhammad Raffi
4	Const. of Street & Drain from H/O Tasadaq Hussain to H/O Saeed Village Maghal.	0.270	0.269	0.269	0.269	100 % Complete	Malik Muhammad Raffi
5	Const. of Street & Drain from H/O Sher Muhammad to H/O Tauqeer Village Maghal.	0.480	0.479	0.479	0.479	100 % Complete	Malik Muhammad Raffi
6	Const. of Street & Drain from H/O Sadiq to H/O Waseem Village DhokSar U/C Basharat.	0.100	0.100	0.100	0.100	100 % Complete	Muhammad Qadir
7	Construction of Way from Mohri Link Road towards Mohra Trela Khurd.	0.400	0.400	0.397	0.397	100 % Complete	Ch. Mola Dad
8	Const. of Street & Drain from H/O Numberdar Imdad to H/O Sijjad near House Maqbool Village WaghwalZer.	0.080	0.080	0.077	0.077	100 % Complete	M. Jameel
9	Const. of Street & Drain from H/O Mehboob to H/O Talaab Village LarriHajjal.	0.225	0.224	0.224	0.224	100 % Complete	M FarhanSid dique
10	Repair and Fixation of How (Jangla) around Well Village GorhaRajgan.	0.100	0.099	0.099	0.099	100 % Complete	Malik M Inayat
11	Const. of Street & Drain from H/O Raja Sher to	0.135	0.135	0.135	0.135	100 % Complete	M FarhanSid

Sr No	Name of Schemes	Estimated Cost	Contract Amount	Exp. upto 06/16	Exp. upto date	Remarks	Name of Contractor
	H/O Raja Imdad near House Raja Tanveer Village Phulahi.						dique
12	Const. of Street & Drain from H/O Sufi Lateef to main road Daira Rajgan U/C Basharat.	0.110	0.110	0.109	0.109	100 % Complete	M FarhanSid dique
13	Const. of Street & Drain from H/O Saeed to Mosque Village Khalwat U/C Basharat.	0.150	0.150	0.148	0.148	WIP	M FarhanSid dique
14	Const. of Street & Drain from H/O Zulfiqar Shah to H/O Akhtar and from H/O Haji Younis to H/O Haji Aalam Mohallah Chapper, ChoaSaidan Shah.	0.200	0.200	0.162	0.162	WIP	M.ImranT abasam
15	Const. of Street & Drain from H/O Ikram Waralay Wala to H/O Sohnda Khan Mohallah Chapper Choa Saidan Shah.	0.255	0.255	0.255	0.255	WIP	M. Jameel
Total		3.855	3.848	3.785	3.785		

Annex-I (Part-II)**Para No. 1.3.1.2****PHYSICAL & FINANCIAL PROGRESS REPORT OF ANNUAL
DEVELOPMENT PROGRAMME OF PHASE-II UP TO 30-06-2016 OF TMA
CHOA SAIDAN SHAH FOR THE YEAR 2015-2016**

(Rs in million)

Name of Schemes	Estimated Cost	Contract Amount	Exp. upto date	Remarks	Name of Contractor
Const. of S from H/O M. Khalid to H/O Nazeer Ahmed, Village Watli.	0.650	0.572	0.523	100 % Completed	Muhammad Qadir
Const. of S from H/O Malook, to H/O Arshad with link Street Ghulam Ali, Village Watli.	0.500	0.472	0.472	100 % Completed	SaqlainAslam
Const. of Street from main street to H/O Numberdar Manzoor, Main street to H/O Mazhar Hussain, main street to H/O Anwar and main street to H/O Nasir, Village Watli.	0.400	0.378	0.374	100 % Completed	MazharIqbal
Const. of Way from H/O Qayyum towards Thoa Raajgan, village BadshahPur.	1.500	1.232	1.224	100 % Completed	Raja Zeeshan Nawaz
Const. of Street from H/O Maqbool to Dera Bashir, DhokeGujjar, Village Arra.	0.500	0.41	0.408	100 % Completed	NasirMehmood
Const. of Street from H/O Younas (Late) to H/O Yousaf, Village Dalwal.	0.250	0.217	0.215	100 % Completed	Muhammad Ayoyb
Const. of Street from H/O Muhammad Afsar to Shop Jameel, H/O Zulfiqar to Malik Younas near Masjid Malkan, Village Dalwal.	0.250	0.216	0.212	100 % Completed	Malik Muhammad Inyat
Const. of Street from H/O Haji Afzal to H/O Aamir, H/O Mumtaz to Riaz and main street to H/O Azmat, Village Dulmial.	0.305	0.265	0.254	100 % Completed	Imran Tabasam
Const. of Street from H/O Malik Javed to H/O Ghaffar Shah and near H/O NasirShah, Village DehriSydan.	0.460	0.400	0.394	100 % Completed	Malik Muhammad Raffi
Const. of Street from H/O NumberdarTehseen to	0.235	0.205	0.205	100 % Completed	Imran Tabasam

Name of Schemes	Estimated Cost	Contract Amount	Exp. upto date	Remarks	Name of Contractor
BanglowRiaz, Village Dulmial.					
Total	5.950	5.104	5.017		

Annex-J
Para
1.4.2.1

Sr.No.	Name of items	Amount (Rs)
1	Slaughter house Talagang	765,710
2	Rickshaw Fee	1,827,410
3	Cart Fee	1,039,550
4	General Bus stand	6,830,000
5	Building Fee	2,927,953
6	Land conversion Fee	7,416,181
7	Registration Fee	761,300
8	UIP tax	13,960,750
9	License fee	606,250
10	Rent of property	10,740,199
11	Water rate	1,558,192
12	Fine Fee	73,500
13	Public latrine	600,110
	Total	48,837,887

Annex-K
Para
1.5.1.1

S.No	Name of Patwari	Mouza	Recoverable amount
1	Muhammad Amir	Kallar Kahar/Bhur Pur/Kalo	61,320
2	Asif/Abid	Bhoun	21,840
3	Muhammad Javed	Phar Khan/ Mani	168,500
4	Sardar Akhtar	Khair Pur	10,900
5	Asif	Kalo	106,440
6	Muhammad Iltaf	Kallar Kahar	309,780
7	Javed	Bola/Makhial/Sardi/Buchal Khurd Ghuffanawala/Gahi	127,225
8	Muhammad Ashfaq	Bhal/Sathi	129,100
9	Naeem Asghr	Runsial	130,000
10	M.Rafaqat	Khoker Bala	11,600
11	Raja Yousaf	Jamra/Laphi/Dhrukna/Rakh Samar Qand /	301,783
12	Muhammad	Khai/Shmsaabad/Thoa	50,600

	Riasat	Hammyun	
Total			1,429,088