



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

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
FD	Finance Department
LG&CD	Local Government and Community Development
MFDAC	Memorandum for Department Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PLG	Punjab Local Government
PLGO	Punjab Local Government Ordinance
POL	Petrol, Oil and Lubricants
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TS	Technical Sanction
RCC	Reinforced Concrete Cement
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure and Services)
TO (P&C)	Tehsil Officer (Planning and Coordination)
TO (R)	Tehsil Officer (Regulations)

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 Town / 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 various offices of Tehsil Municipal Administrations of District Gujrat for the Financial Year 2015-16. The Directorate General 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 Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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 without responses of the entities because concerned departments did not convene DAC meetings despite repeated reminders.

The Audit Report is submitted to the Governor of Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 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, Town / Tehsil Municipal Administrations and Union Administrations of nineteen (19) districts. Its Regional Directorate of Audit, Gujranwala has Audit jurisdiction of District Governments, TMAs and UAs of six districts i.e. Gujranwala, Gujrat, Hafizabad, Mandi Baha-ud-Din, Narowal and Sialkot.

The Regional Directorate had a human resource of seventeen (17) officers and staff, total 4,760 man-days and the annual budget of Rs 25.20 million for the Financial Year 2016-17. It had the mandate to conduct Financial Attest Audit, Regularity Audit and Compliance with Authority and Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, Director General Audit District Governments Punjab (North) Lahore carried out audit of the accounts of three (03) TMAs of District Gujrat for the Financial Year 2015-16.

Each Tehsil Municipal Administration in District Gujrat conducts its operations under 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, development and to enforce all laws including Municipal Laws, Rules and Bye-laws. The PLGO, 2001 requires the establishment of Tehsil / Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil / Town Nazim, Tehsil / Town Council / Administrator in the form of Budgetary Grant.

Audit of TMAs of District Gujrat was carried out with a view to ascertaining that the expenditure was incurred with proper authorization, in conformity to laws/rule/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.

a. Scope of Audit

The expenditure of three (03) audited TMAs of District Gujrat for the Financial Year 2015-16 under the jurisdiction of DG District Audit (N) Punjab was Rs 1,044.95 million, covering three (03) PAO and three entities. Out of this the Directorate General Audit (N) Punjab

audited expenditure of Rs 174.87 million which in term of percentage was 17% of auditable expenditure.

Total receipts of the three (03) TMAs of District Gujrat for the Financial Year 2015-16 were budgeted Rs 1,084.55 million and were realized Rs 1,053.93 million. Directorate General Audit Punjab (N) audited receipts of Rs 212.20 million which was 22% of total receipts.

b. Recoveries at the Instance of Audit

Recovery of Rs 149.44 million was pointed out during audit but no recovery was effected 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 the 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 shape of change in rules has not been significant due to non-convening of regular PAC meetings.

e. Comments on Internal Controls and Internal Audit Department

Internal control mechanism of Tehsil Municipal Administrations of District Gujrat 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 Town / Tehsil Administration to appoint an Internal Auditor but the same was not appointed in Tehsil Municipal Administration.

f. Key Audit Findings of the report

- i. Irregularity/ Non-compliance of Rs 50.49 million was noted in seven cases¹
- ii. Internal Control Weakness & Non-realization of Government revenue of Rs 106.71 million was noted in twelve cases.²

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

¹ Para: 1.2.1.1, 1.2.1.2, 1.3.1.1, 1.3.1.2, 1.4.1.1, 1.4.1.2 & 1.4.1.3

² Para: 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.2.2.7, 1.2.2.8, 1.2.2.9 1.3.2.1, 1.3.2.2 & 1.4.2.1

g. Recommendations

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

- i. Departments need to comply with the Public Procurement Rules for economical and rational purchases of goods and services.
- ii. The PAO needs to make efforts for expediting the realization of various Government receipts.
- iii. Compliance of relevant laws, rules, instructions and procedures, etc

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. #	Description	Number	Budgeted Figure FY 2015-16		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	3	1,044.95	1,053.93	2,101.88
2	Total formations in audit jurisdiction	3	1,044.95	1,053.93	2,101.88
3	Total Entities (PAOs) Audited	3	1,044.95	1,053.93	2,101.88
4	Total formations Audited	3	1,044.95	1,053.93	2,101.88
5	Audit & Inspection Reports	3	1,044.95	1,053.93	2,101.88
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

Table 2: Audit Observations regarding Financial Management

(Rs in million)

Sr. #	Description	Amount Placed under Audit Observation
1	Asset management	-
2	Financial management	106.71
3	Internal controls	50.49
4	Violation of rules	-
5	Others	-
Total		157.20

Table 3: Outcome Statistics

(Rs in million)

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Others	Receipts	Total current year	Total Last year
1	Outlays audited	-	698.63	349.32	1053.93	2,101.88*	2,209.08
2	Amount placed under audit observation / Irregularities of audit	-	6.66	43.83	106.71	157.20	112.09

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Others	Receipts	Total current year	Total Last year
3	Recoveries pointed out at the instance of audit	-	7.28	-	142.16	149.44	90.16
4	Recoveries accepted / established at the instance of audit	-	7.28	-	142.16	149.44	90.16
5	Recoveries realized at the instance of audit	-	-	-	-	-	-

* The amount in serial No.1 column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs1,044.95 million.

Table 4: Irregularities Pointed Out

(Rs in million)

Sr. #	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations.	50.49
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors ¹ (accounting policy, departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	-
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	106.71
6	Non-production of record.	-
7	Others, including cases of accidents, negligence etc.	-
TOTAL		157.20

Table 5: Cost-Benefit

(Rs in million)

Sr. No.	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	2,101.88
2	Expenditure on Audit	2.10
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1 : 0

¹The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan

CHAPTER-1

1.1 TEHSIL MUNICIPAL ADMINISTRATIONS DISTRICT GUJRAT

1.1.1 INTRODUCTION

TMA consists of Tehsil Nazim / Administrator, Tehsil Naib Nazim and Tehsil Municipal Officer. Each TMA comprises of five (5) Drawing & Disbursing Officers i.e. TMO, TO-(Finance), TO-(I&S), TO-(Regulation) and TO-(P&C). As per Section 54 of PLGO, 2001 the main functions of TMAs are as follows;

- i. Prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible.
- ii. 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. Enforce all municipal laws, rules and bye-laws governing TMAs functioning.
- iv. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
- v. 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. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.
- vii. Manage properties, assets and funds vested in the Tehsil Municipal Administration.
- viii. Develop and manage schemes, including site development in collaboration with District Government and Union Administration.
- ix. 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. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
- xi. Maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total Budget of three TMAs selected for audit was Rs 1705.99 million (inclusive salary, non-salary and development) whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 1044.95 million showing savings of Rs 599.18 million which in terms of percentage was 39% of the final budget (detailed below). Less utilization of development budget (48%) deprived the community from getting better municipal facilities.

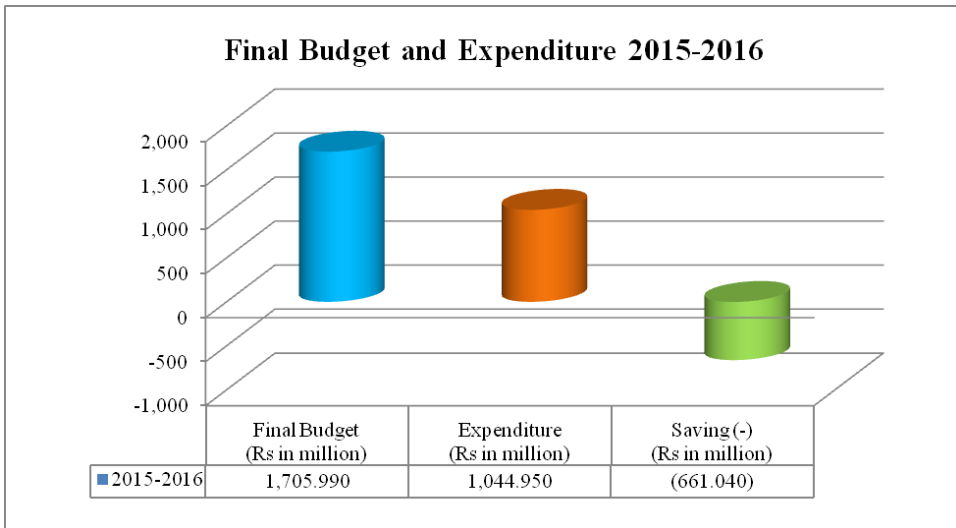
(Rs in million)

F.Y. 2015-16	Budget (Rs)	Expenditure (Rs)	(-) Saving (Rs)	%age Saving
Salary	567.40	378.55	-188.85	33
Non Salary	637.45	404.62	-232.83	37
Development	501.14	261.78	-239.36	48
TOTAL	1,705.99	1,044.95	-661.04	39

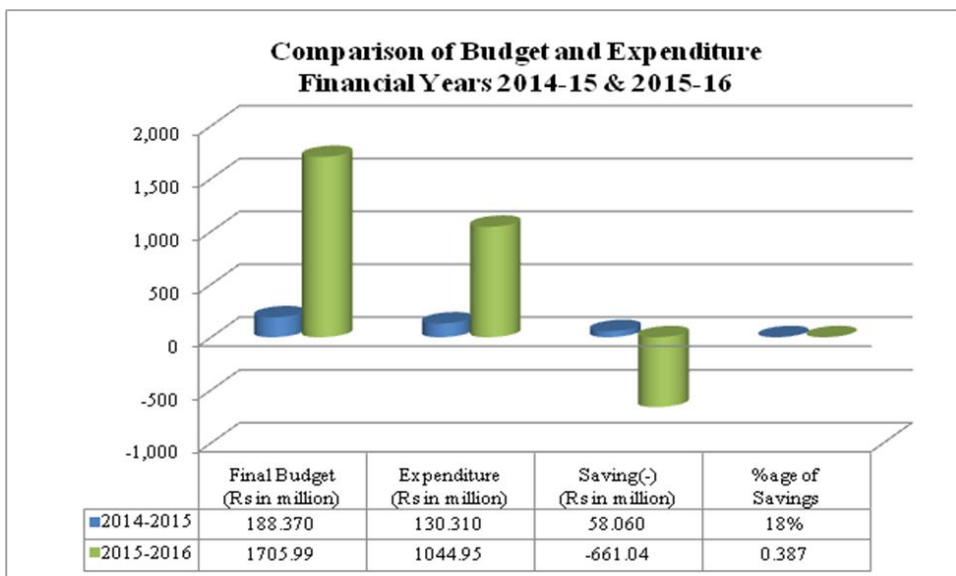
The budgeted outlay of Rs 1,705.99 million of three TMAs includes PFC award of Rs 439.54 million whereas total expenditure incurred by the TMAs during 2015-16 was Rs 1,044.95 million with a savings of (-) Rs 661.04 million (detailed below). This is indicative of the fact that the TMAs had sufficient 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	Saving	%age of Saving
	Own receipt including OB	PFC award	Total Receipts				
Gujrat	482.28	231.78	714.06	1167.41	658.23	509.18	44
Kharian	165.91	150.00	315.92	337.93	247.93	90.01	27
S. Alamghir	80.68	57.76	138.44	200.65	138.79	61.85	31
Total	728.87	439.54	1168.42	1705.99	1044.95	661.04	39



The comparative analysis of the budget and expenditure of current and previous Financial Year is depicted as under:



There were overall savings in the budget allocation of the Financial Years 2014-15 and 2015-16 as follows:

(Rs in million)

Financial Year	Final Budget	Expenditure	Saving (-)	%age Saving
2014-15	188.370	130.310	58.060	18%
2015-16	1705.99	1044.95	-661.04	39%

The justification of saving when the development schemes have remained incomplete is required to be explained by the Principal Accounting Officer, Administrator and management of TMAs.

1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit 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 Annexure-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. #	Audit Year	No. of Paras	Status of PAC meetings
1	2009-10 to 2011-12	18	Not convened
2	2012-13	12	Not convened
3	2013-14	13	Not convened
4	2014-15	12	Not convened
5	2015-16	15	Not convened

1.2 AUDIT PARAS

1.2.1 TMA GUJRAT

1.2.1 Irregularity / Non-compliance

1.2.1.1 Non-approval of lead chart for earth work - Rs 5.57 million

Government of Punjab, Finance Department letter No.RO (Tech)FD.18-23/.2004 dated 21st September 2014, set forth the procedure for preparation and approval of rate analysis other than standardized items:

- i. Standardized analysis shall be used to work out the rate of an item as far as possible.
- ii. The item rates (non-standardized) shall be prepared by the Executive Engineer clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer before the work is undertaken.
- iii. A copy of each analysis approved by the competent authority shall be sent to the Technical Cell of FD for scrutiny/ standardization.

TMA Gujrat awarded schemes to the various contractors which include an item of earth work for embankment with lead. Earth work for embankment with lead was executed by the contractors. However rate analysis was neither prepared by the management nor approved by the competent authority. Further department did not attach “Fard Malkiyat” showing particulars of land owner. Compaction test reports of earthwork for embankments were also not available in record. In the absence of approved lead chart, payment of lead for earth work embankment was unjustified, as detailed at **Annexure-C**.

Audit held that due to non compliance of rules, payment for earth filling was made without approval of lead chart from the competent authority.

It resulted into irregular payment of Rs.5.57 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.07]

1.2.1.2 Non-transparent expenditure Rs 3.18 million

According to Rule 12(1) and 9 of Punjab Procurement Rules 2014, 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 from time to time. 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 procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website.

TMA Gujrat incurred an expenditure amounting to Rs 3.18 million by splitting the indents to avoid advertising the tender on the website of PPRA. Due to violation of PPRA Rules incurrence of expenditure was non-transparent as detailed at **Annexure-D**.

Contractor	Item	Amount (Rs)
M. Samar Iqbal	Change of Water filters at filtration plant	946,993
Mirza Abdul Rauf	Purchase of Ramzan Bazaar items	1,730,247
M. Muhammad Iqbal	Change of Water filters at filtration plant	499,500
	TOTAL	3,176,740

Audit held that due to non-compliance of rule, expenditure was incurred by splitting indents which resulted violation of PPRA Rules.

It resulted into irregular payment of Rs.3.177 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.32]

1.2.2 Internal Control Weaknesses

1.2.2.1 Non-realization of arrear of water rate – Rs 61.67 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.

TMA Gujrat failed to collect arrears of water rates amounting to Rs 61.67 million from the defaulters after the close of the financial year. No efforts were made and no action initiated against the defaulters during the financial year to recover the outstanding amount.

Audit held that due to weak internal Controls, government sustained heavy financial loss.

It resulted into loss of Rs.61.67 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.12]

1.2.2.2 Non-recovery of building plan fee & conversion fee Rs 7.95 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.

TMA Gurjat issued notices to the following land owners/developers to deposit building plan fee & conversion fee amounting to Rs 7,937,132 but the building plan fee & conversion fee were not recovered as detailed below:

File No.	Name of Owner	Name of Building	Building Plan Fee (Amount in Rs)	Conversion Fee (Amount in Rs)
---	Muhammad Ashraf	Plaza Rehman Shaheed Road	15,805	918,000
698/2015-16	Ch Ijaz Ahmed	River Garden		2,735,132
575/2015-16	Yasir Javed	Nasrullah Marki		4,284,000
Total			15,805	7,937,132

Audit held that due to weak internal Controls, building plan fee and conversion fee were not realized which resulted in non-recovery of government revenues.

It resulted into loss of Rs.7.937 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 17]

1.2.2.3 Unauthorized payment of Income Tax Rs 6.07 million

According to Rule 2.33 of PFR Vol-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.

TMA Gujrat drawn an amount of Rs 6,073,781 vide cheque No.803558470 dated 05.10.2015 on account of 1% Income tax of M/s Moon Filling Station and paid to Deputy Commissioner Inland Revenue besides the fact that no tax was withheld from the payment made to the supplier and income tax was made out of grant of TMA instead of concerned supplier as detailed below:

Date	Name of DDO	Paid to	Account No.	Amount (Rs)	Remarks
06.10.2015	TO (P&C)	D.C Inland Revenue		3,334,541	1% income tax of M/s Moon Filling Station for 2009-13
-do-		TO (I&S) Gujrat	5387-1	902,417	Reimbursement of 1% income tax of M/s Moon Filling Station deducted by FBR out of bank account of TO (I&S) Gujrat
-do-		TO (F) Gujrat	5403-3	1,614,651	Reimbursement of 1% income tax of M/s Moon Filling Station deducted by FBR out of bank

Date	Name of DDO	Paid to	Account No.	Amount (Rs)	Remarks
					account of TO (F) Gujrat
05/2016	TO (I&S)	D.C Inland Revenue	5387-1	222,172	1% income tax of M/s Moon Filling Station
TOTAL				6,073,781	

Audit held that due to weak internal controls, un-authorized payment of Income Tax was made to Inland Revenue on account of purchase of POL.

It resulted into loss of Rs.6.074 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 15]

1.2.2.4 Non-recovery of arrears of rent-Rs 4.36 million

According to Section 118 of the Punjab Local Government Ordinance, 2001 read with Rule 12 of the 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 recovered as arrears of land revenue.

TMA Gujrat failed to recover Rs 4.36 million on account of rent of shops during 2015-16. Neither recovery was affected nor shops vacated from the defaulters, as detailed at **Annexure-E**.

Audit held that due to weak internal controls, arrears of rent of shops was not collected from the tenants.

It resulted into loss of Rs.4.36 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 13]

1.2.2.5 Less deduction of Income Tax Rs 4.10 million

According to Income tax ordinance 2001, income tax @ 10% should be deducted as withholding tax from non filer contractor.

TMA Gujrat incurred an expenditure of Rs 164.077 million on development schemes but Income Tax @ 7.5% amounting to Rs 12.306 million was deducted as withholding tax from non filer contractors instead of 10% amounting Rs 16.408 million.

Audit held that due to weak internal controls, less deduction of Income Tax was made from non filer contractors.

This resulted in less deduction of Income Tax amounting to Rs 4.102 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 06]

1.2.2.6 Non-recovery of Income Tax on rent - Rs 3.48 Million

According to Section-236 (A) of Income Tax Ordinance 2001, 10% advance income tax required to be collected from Sale of Property, goods or lease rights by public auction or tender.

TMA Gujrat did not recover Income Tax amounting Rs 3.48 million on account of rent of shops during the financial year 2015-16 as detailed below.

Unit	Amount of Rent 2015-16	Amount of Income Tax Recoverable @10%
Shops at Municipal Committee Gujrat	12,517,077	1,251,708
Shops at General Bus Stand Gujrat	13,974,388	1,397,439
Cannopies at General Bus Stand Gujrat	1,157,576	115,758
Shops & Plots at C.O Jalal Pur Jattan	7,134,099	713,410
Total	34,783,140	3,478,315

Audit held that due to weak internal controls, Income Tax was not recovered on account of rent of shops.

This resulted into loss of Rs. 3.48 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 14]

1.2.2.7 Non-recovery of liquidated damages Rs 2.92 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 in-charge to be worked out per day but not exceeding maximum of 10% of the construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

TMA Gujrat awarded the different schemes to various contractors. The schemes were neither completed within stipulated time nor were contractors apply for extension in time limit to the Engineer-in-charge. However penalty was not imposed due to delay in completion of schemes. This resulted in non-recovery of liquidated damages amounting Rs 2.92 million as detailed at **Annexure-F**

Audit held that due to weak internal controls, liquidated damages were not recovered from the contractors.

This resulted into loss of Rs. 2.92 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 14]

1.2.2.8 Excess expenditure on purchase of land Rs 1.87 million

According to Rule 2.33 of PFR Vol-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.

TMA Gurjat purchased land for slaughter house for Rs 6,647,000 vide voucher No.04 dated 31.07.2015 and voucher No.27 dated 17.03.2016 amounting to Rs 5,390,881 and Rs 1,256,119 respectively.

The following observations were noticed:

- i. Minutes of meeting of price assessment committee meeting held on 25.02.2016 shows that the average sale w.e.f. 19.01.2015 to 18.01.2016 of mix land calculated by revenue department was Rs 15,420 per Marla and Rs 24,444 per Marla of residential / Sikni land
- ii. The Scheduled rate fixed by District Collector Gujrat for the Financial Year 2015-16 was Rs 798,600 per acre
- iii. The price assessment committee recommended purchasing the land at higher rate of Rs 34,000 per marla.

Audit held that due to weak internal controls, land for slaughter house was purchased on higher rates.

This resulted into loss of Rs. 1.87 million.

The observation was discussed with the management but no reply was submitted. Matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 18]

1.2.2.9 Irregular payment of GST & PST Rs 1.24 million

As per Punjab Revenue Authority Finance Department instructions issued vide No.PRA/22477 dated 25-4-2014 sales tax @ Rs 16% is required to be deducted from the payments made to the engineering consultants w.e.f. July, 2013.

TMA Gujrat added GST and Punjab Services Tax separately while preparing Detailed Estimates of the schemes. However the rates of all items in MRS and Non Scheduled were inclusive of GST and PST. The detailed is at **Annexure-H**

Sr. No.	PDP #	Amount (Rs) of GST/PST
1	02	539,683
2	19	419,863
3	23	278,397
Total		1,237,943

Audit held that due to weak internal controls, payment of GST and PST was irregular because MRS and Non Scheduled item rates were inclusive of all taxes.

It resulted into loss of Rs.1.238 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

Audit recommends inquiry of the matter besides fixing of responsibility against the person (s) under intimation to Audit.

[AIR Para No.02,19 & 23]

1.3.1 TMA KHARIAN

1.3.1 Irregularity / Non-compliance

1.3.1.1 Irregular payment on account of daily wages Rs 34.91 million

According to clause 4(VIII) (VI) of appointment policy issued by S&GAD Govt. of Punjab Lahore vide letter No. DS.(O&M)5-3-2004 Contract (MF) dated 20th December 2004, recruitment policy 2004 does not allow appointment of any person without advertisement and in violation of any procedural formalities laid down in the policy. 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.

TMA Kharian appointed daily wages staff without open advertisement in the press. Almost all the applications of candidates were in same hand writing. Neither the recruitment committee was constituted not candidates were not shortlisted. The personal files of appointed daily wages staff were not maintained.

Sr. No.	Branch	No. of workers	Amount (Rs)
1	CO HQ	46	480x30x46x12=7948800
2	CO Dinga	41	480x30x41x12=7084800
3	CO Lala Musa	115	480x30x115x12=19872000
Total			34,905,600

Audit held that due to non-compliance of rules, payment was made to the staff on daily wages without fulfilling codal formalities.

It resulted into irregular payment of Rs. 34.906 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.33]

1.3.1.2 Irregular payment due to use of sub-standard steel Rs 1.09 million

According to Contract Agreement, the quality tests of MS steel bars as per specification are however, mandatory.

TMA Kharian released funds to Afraad CCB for the construction of Janazgah Mouza Dadu Barsala. The scheme was awarded to the contractor the management of the TMA. The contractor provided and laid fabricated mild steel and payment of Rs 1.09 million was made to the contractor without quality test reports. In the absence of test reports, substandard mild steel was used by the contractor.

Description	Name of scheme	Quantity KG	Amount (Rs)
Afraad CCB	Constt. JanazgahMoza Dadu Barsala	10770	1,085,185

Audit held that due to non-compliance of rule, irregular payment was made to the contractor due to use of sub-standard steel.

It resulted into irregular payment of Rs. 1.085 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.31]

1.3.2 Internal Control Weaknesses

1.3.2.1 Less realization of receipt Rs 9.72 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.

TMA Kharian realized an amount of Rs 10.48 million against the budgeted target of Rs 20.20 million. No efforts were made to recover the outstanding dues as detailed below:

(Amount in Rs)

Sr. #	Description	Demand	Amount Realized	Loss to TMA
1	Parking fee General Bus Stand Dinga	1,200,000	1,182,020	17,980
2	Copying fee	500,000	355,010	144,990
3	Water rate NHQ Dinga	2,000,000	1,630,010	369,990
4	Water rate NHQ Lala Musa	5,000,000	4,550,651	449,349
5	Water rate HQ Kharian	2,500,000	1,864,950	635,050
6	Rent of MC property (Khokhas + Shops) NHQ Lala Musa	9,000,000	898,227	8,101,773
Total		20,200,000	10,480,868	9,719,132

Audit held that due to weak internal controls, government revenues were not realized.

This resulted in loss of Rs 9.72 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.02]

1.3.2.2 Non-collection of arrears of water rates Rs 2.07 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.

TMA Kharian failed to collect arrears of Water Rate amounting Rs 2.07 million from the defaulters. No efforts were made to recover the outstanding dues. This resulted in loss to the Local Government amounting to Rs 2.07 million.

CO Unit	Connections	No. of connections	Amount (Rs)
Kharian	Domestic	1374	1,860,000
	Commercial	56	210,000
Total			2,070,000

Audit held that due to weak internal Control, arrears of Water Rate were not collected.

This resulted into loss Rs 2.070 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No.28]

1.4.1 TMA SARAI ALAMGIR

1.4.1 Irregularity / Non-compliance

1.4.1.1 Irregular expenditure amounting Rs 2.14 million

According to Govt. of the Punjab, Finance Department Notification No.FD.SO(Goods)44-4/2011 dated 23-07-2011, regarding austerity/ economy measures, Provincial Government has decided to observe utmost austerity in usage of public money through prudent financial management, observance of financial discipline, judicious reduction of expenditure without compromising the essential and core organizational functions/ activities.

TMA Sarai Alamghir drew a sum of Rs 2.14 million for the purchase of following items by calling quotations instead of advertising on PPRAs website. Further sealed quotations, comparative statements, and vouchers of purchase were not available in record.

Date	Description	Amount (Rs)
29-06-16	Desilting slush nullah	300,000
14-11-15	Providing & fixing front end loader 375	315,000
29-06-16	Purchase of garbage container	187,000
29-06-16	Purchase of jambo size filter	229,760
29-06-16	Sanitation of equipment	235,625
13-08-14	Sanitation of equipment	150,000
03-07-15	Street light	292,500
03-07-15	Street light	425,778
Total		2,135,663

Audit held due to non-compliance of govt. rules, expenditure was incurred without maintenance of requisite record.

This resulted in non-transparent expenditure of Rs 2.14 million out of government exchequer.

The observation was discussed with the management but no reply was submitted. The matter was reported to TMO/PAO in March, 2017. However, no reply was furnished by the Management and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.22]

1.4.1.2 Unjustified expenditure for Ramzan Bazar Rs 1.97 million

According to the Rule 9 of PPR's 2009, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or re-grouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. As per Rule 12(1) *ibid*, the 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 from time to time.

TMA Sarai Alamgir drew an amount of Rs 1.97 million on account of hiring / procurement of different items for the Ramzan Bazar during the financial year 2015-16. Indents were split up in order to avoid advertisement at PPRA website. Further purchased items were not taken in stock register.

Date	Description	Amount (Rs)
05-08-15	Ramzan Bazar Camera	17,500
03-07-15	Ramzan Bazar Camera	60,000
05-08-15	Ramzan Bazar Camera	40,000
05-08-15	Ramzan Bazar	622,269
05-08-15	Ramzan Bazar	17,200
03-07-15	ramzan Bazar purchase table	98,750
03-07-15	ramzan Bazar purchase table	98,750
24-07-14	Ramzan Bazar tantage	955,084
03-07-15	ramzan Bazarpurchase fan	59,000
Total		1,968,553

Audit held that procurement was not advertised on PPRA website due to defective financial discipline and non-compliance of rules.

This resulted in non-transparent expenditure of Rs 1.97 million out of government exchequer.

The observation was discussed with the management but no reply was submitted. The matter was reported to TMO/PAO in March, 2017. However, no reply was furnished by the Management and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.21]

1.4.1.3 Irregular payment to the contingent paid staff amounting Rs 1.63 million

As per preface of Schedule of Wage Rates, 2007 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- i. The posts shall be advertised properly in leading newspapers.
- ii. The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004

TMA Sarai Alamghir appointed contingent staff on daily wages during the financial year 2014-15 and 2015-16 and made payment of Rs 1.63 million without observing above mentioned criteria.

Date	Description	Amount (Rs)
19-08-15	Daily wages staff July 15	249,850
01-02-16	Daily wages staff Jan 16	316,825
02-03-16	Daily wages staff Feb 16	323,950
02-04-16	Daily wages staff March 16	250,800
01-04-15	Daily wages staff March 15	237,500
01-06-15	Daily wages staff May 15	250,800
Total		1,629,725

Audit held that due to non compliance of government rules, expenditure was incurred without observing rules and regulations.

This resulted in non-transparent expenditure of Rs 1.63 million out of government exchequer.

The observation was discussed with the management but no reply was submitted. The matter was reported to TMO/PAO in March, 2017. However, no reply was furnished by the management and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.19]

1.4.2 Internal Control Weaknesses

1.4.2.1 Non-recovery of liquidated damages due to delay in completion of work Rs 1.26 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 in-charge to be worked out per day but not exceeding maximum of 10% of the construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

TMA Sarai Alamgir awarded the different works to various contractors. These works were not completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. But penalty was not imposed on the contractors on account of delay as detailed at **Annexure-I**.

Audit held that due to weak internal controls, liquidated damages were neither imposed nor recovered.

This resulted into loss of Rs 1.26 million.

The observation was discussed with the management but no reply was submitted. The matter was reported to the TMO/PAO in March, 2017. The reply was not furnished by the management and DAC meeting was also not convened till finalization of the report.

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

[AIR Para No. 01]

ANNEXURES

PART-I

**Memorandum for Departmental Accounts Committee
Paras Pertaining to Current Audit Year 2016-17**

Sr. #	Formation	AIR #	Description of Paras	(Rs in million)	Nature of Paras
1.	Gujrat	01	Doubtful expenditure on Development Works	1.01	Weak Internal Control
2.		03	Non deduction on account of cost of old material	0.03	Irregularity/ non-compliance
3.		04	Overpayment due to Enhancement of work	0.54	Irregularity/ non-compliance
4.		05	Non recovery due to de-escalation of diesel	0.27	Weak Internal Control
5.		09	Excess payment due to applying higher rates than estimate	0.10	Weak Internal Control
6.		10	Less Deduction of Income Tax	0.04	Weak Internal Control
7.		11	Unauthorized payment on account of weather shield	0.18	Weak Internal Control
8.		16	Non Approval of building/Construction plans	7.80	Weak Internal Control
9.		21	Irregular expenditure on purchase of electric items	0.13	Weakness of internal control
10.		22	Irregular expenditure on repair of machinery & washrooms	0.56	Weakness of internal control
11.		24	Irregular expenditure on repair of vehicles	0.48	Weakness of Internal Control
12.		25	Irregular expenditure on repair of transformers	0.54	Weakness of Internal Control
13.		26	Irregular expenditure on maintenance of signals	0.28	Irregularity/ non-compliance
14.		27	Irregular expenditure on purchase of misc items	0.83	Weakness of internal control
15.		30	Irregular expenditure on purchase of khanchay	0.22	Weakness of internal control
16.		31	Doubtful expenditure on lights	0.13	Irregularity/ non-compliance
17.		32	Irregular expenditure on repair of excavator	0.17	Weakness of internal control
18.		33	Doubtful expenditure on repair	0.24	Weakness of internal control
19.		34	Irregular payment of conveyance allowance	0.06	Irregularity/ non-compliance
20.		35	Non appointment of Internal Auditor	-	Irregularity/ non-compliance
21.		1	Irregular payment of Rs20317 and non-deposit of performance security	0.18	Irregularity/ non-compliance
22.		2	Undue financial aid by refunding security before time	0.08	Irregularity/ non-compliance
23.		3	Non-obtaining of performance security overpayment of Rs 54658	0.19	Irregularity/ non-compliance
24.		4	Overpayment and un-authorized payment of Rs 110639	0.03	Weak Internal Control
25.		5	Overpayment and non obtaining performance security Rs 201300	0.01	Weak Internal Control

Sr. #	Formation	AIR #	Description of Paras	(Rs in million)	Nature of Paras
26.	Kharian	6	Overpayment and non-obtaining performance security Rs 210000	0.01	Weakness of internal control
27.		7	Irregular payment	0.04	Weakness of internal control
28.		8	Overpayment	0.02	Weakness of internal control
29.		9	Overpayment	0.02	Weakness of Internal Control
30.		10	Overpayment	0.03	Weakness of internal control
31.		11	Un-justified payment	0.49	Irregularity/ non-compliance
32.		12	Overpayment of Rs22313	0.02	Irregularity/ non-compliance
33.		13	Overpayment and Un-justified payment of Rs66000	0.14	Irregularity/ non-compliance
34.		14	Overpayment	0.02	Weakness of internal control
35.		15	Irregular expenditure due to Poor performance of TO (Regulation)	5.40	Weakness of internal control
36.		16	Non-deduction of Income Tax	0.56	Weakness of internal control
37.		17	Unjustified Spending of Funds	1.06	Weakness of internal control
38.		18	Unauthorized payments in cash instead of cheques	12.46	Irregularity/ non-compliance
39.		19	Irregular Expenditure without advertisement	0.32	Irregularity/ non-compliance
40.		20	Doubtful consumption of POL	1.44	Weakness of internal control
41.		21	Unauthorized execution of Development schemes	31.60	Irregularity/ non-compliance
42.		23	Unauthorized expenditure on non-scheduled item	0.58	Irregularity/ non-compliance
43.		24	Overpayment on account of Non-deduction of RCC Rate due to Usage of Chenab / Local Sand	0.04	Irregularity/ non-compliance
44.		25	Non reconciliation of TTIP income	75.08	Weakness of internal control
45.		26	Un-authorized charging of Adda / Parking Fee	3.88	Weakness of internal control
46.		27	Illegal opening of DDOs accounts in commercial banks	628.38	Weakness of internal control
47.		29	Un- authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	1.50	Weakness of internal control
48.		30	Irregular expenditure	0.24	Irregularity/ non-compliance
49.		33	Loss to Govt. due to Not Collection of Govt. Receipt	0.78	Irregularity/ non-compliance
50.	TMA Sarai Alamgir	02	Non recovery of performance Securities for	0.843	Irregularity/ non-compliance
51.		03	Non-deduction of shrinkage on earth work	0.021	Irregularity/ non-compliance
52.		04	Non recovery due to de-escalation of diesel	0.13	Weakness of internal control
53.		05	Non recovery of professional Tax from the contractor	0.21	Irregularity/ non-compliance
54.		06	Overpayment of tuff tile due to excessive sand filling and carriage charges	0.099	Irregularity/ non-compliance

Sr. #	Formation	AIR #	Description of Paras	(Rs in million)	Nature of Paras
55.		07	Non recovery of contractor enlistment/renewal Fee for	0.486	Irregularity/ non-compliance
56.		08	Non Approval of Lead Chart by the Competent Authority for Earth work	0.217	Irregularity/ non-compliance
57.		09	Less deduction of Income Tax	0.467	Weakness of internal control
58.		10	Loss to the Govt. due to less recovery of income tax	0.025	Weakness of internal control
59.		11	Non Deduction of Old Material and recovery of	0.35	Weakness of internal control
60.		12	Overpayment for RCC	0.036	Weakness of internal control
61.		13	Unauthorized & Overpayment for removal of Malba	0.084	Weakness of internal control
62.		14	Un- authentic Govt. receipt of due to non conduction of survey of manufacturer, vendor and trader	0.619	Weakness of internal control
63.		15	Irregular provision of block allocation	15.101	Irregularity/ non-compliance
64.		16	Less Achievement of Receipt Targets	4.07	Weakness of internal control
65.		17	Non imposition of fine for unauthorized construction of building	2.88	Weakness of internal control
66.		18	Unauthorized expenditure on TA/DA Charges to Legal Advisor Recovery Thereof	0.10	Weakness of internal control
67.		20	Un-justified expenditure of regarding repair of transformer	0.179	Weakness of internal control
68.		23	Non realization of income tax on rent of shops	0.141	Weakness of internal control
69.		24	Non- realization of Arrear of water rates Charges	0.71	Weakness of internal control
70.		25	Short realization of contract	0.45	Weakness of internal control

PART-II**Memorandum for Departmental Accounts Committee
Paras Pertaining to Previous Audit Year 2015-16**

Sr. No.	Name of Formations	AIR No.	Description of Para	Amount (Rs)	Nature of Para
1	TMA, Gujrat	04	Wasteful expenditure	7,254,000	Non-Compliance
2		05	Wasteful expenditure	696,000	Non Compliance
3		06	Non Auction of collection rights	324,600	Recovery
4		07	Non recovery of rent of shops	293,940	Recovery
5		10	Non recovery of Conveyance Allowance	120,000	Recovery
6		11	Less recovery of Commercialization fee	75,000	Recovery
7		13	Non Reconciliation of TTIP Income	132,560,000	Non-compliance
8		17	Non production of record	0	Non Production of Record
9		25	Loss of revenue due to non deduction of GST	33,864	Recovery
10		26	Unjustified payment of contractor profit	676,000	Recovery
11		37	Non conducting of Internal Audit Report	0	Non-compliance
12		38	Overpayment due to allowing excessive rates	349,068	Recovery
13		40	Unjustified expenditure	392,875	Recovery
14		41	Unjustified expenditure gas charges	93,380	Recovery
15		44	Unauthorized payment of RCC	266,136	Recovery
16	TMA, Kharian	04	Non reduction of steel rate	17,379	Recovery
17		05	Loss due to incorrect application of rates	9,165	Recovery
18		06	Overpayment for RCC	51,868	Recovery
19		08	Overpayment	57,509	Recovery
20		13	Unjustified expenditure on repair of transformer	340,150	Non-compliance
21		15	Unjustified release of securities	717,300	Non-compliance
22		17	Non Approval of lead chart	1473,448	Non-compliance
23		20	Over Payment of RCC	29,652	Recovery

Annexure-B

**TMA of District Gujrat
Budget and Expenditure Statement
Financial Year 2015-16**

1. TMA, Gujrat**(Rs in million)**

Head	Budget	Expenditure	Excess / Savings	%age
Salary	875.81	493.67	-382.133	44%
Non Salary	116.77	65.82	-50.951	44%
Development	175.16	98.73	-76.427	44%
Total	1,167.741	658.230	-509.511	44%

2. TMA, Kharian

Head	Budget	Expenditure	Excess / Savings	%age
Salary	253.4475	185.95	-67.500	27%
Non Salary	33.793	24.79	-9.000	27%
Development	50.6895	37.19	-13.500	27%
Total	337.930	247.930	-90.000	27%

3. TMA, Sara-e-Alamgir

Head	Budget	Expenditure	Excess / Savings	%age
Salary	150.488	104.093	-46.395	31%
Non Salary	20.065	13.879	-6.186	31%
Development	30.098	20.819	-9.279	31%
Total	200.650	138.790	-61.860	31%
TOTAL	1,706.321	1,044.950	-661.371	39%

Annexure-C

1.2.1.1

Non Approval of Lead Chart for Earth work Rs 5.57 million

Name of Schemes	Name of Contractor	Description	Qty Paid CFT	Rate	Amount in Rs
P/L RCC Pipe Haryawala Near Atta Bagdad	M/s Shan Zaib Khan	Earth Filling Lead upto 1 mile	40090	5,899.70	236,519
Enhancement of capacity Sheikh Sukha Dump Site	M/s Khawar Nasheed	Earth Filling Lead upto 1 mile	418307	5,186.90	2,169,340
Const/Beautification of Margazar Colony	M/s A-one Const	Earth Filling Lead upto 4 mile	20535	7,833.50	160,861
Const of Stree Drain Ajnala	M/s Zubair Aslam	Earth Filling Lead upto 1 mile	31395	4966.75	155,931
Const of soling mouza Jalyani	M/s Zubair Aslam	Earth Filling Lead upto 1 mile	37256	5899	219,773
Const of Rasta Culvert Budden	M/s M Safdar	Earth Filling Lead upto 1 mile	25520	5,899.20	150,548
Const of road rasta Sheikh Sukha Dump Site	M/s A-one Const	Earth Filling Lead upto 1 mile	94976	6,946.00	659,703
Misc Civil Work Jashn-e-Baharan Festival	M/s M. Aqeel	Earth Filling Lead upto 4 mile	66862	7,752.50	518,348
Const of PCC Street & Nullah B/Wall Gate Park Bora Remaining	M/s Rajid Ali & Brothers	Earth Filling Lead upto 1 mile	81080	7,833.50	635,140
Const of street drains Ch Ghulam Hussain Road with Nullah Banth Gujrat	M/s Qaiser Farooq	Earth Filling Lead upto 1 mile	17955	5,899.25	105,921
Beautification of TMA Gujrat	M/s Zulfiqar Ali Warriach & Co	Earth Filling Lead upto 4 mile	48747	6,915.00	337,086
		Earth Filling Lead upto 4 mile	31789	6,915.00	219,821
				Total	5,568,990

Annexure-D**1.2.1.2****Non-transparent expenditure to avoid open competition by splitting indents – Rs 3.18 million**

Voucher No	Month	Contractor	Item	Amount in Rs
19	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	36,906
20	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	12,903
21	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	19,989
22	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	8,724
23	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	99,720
24	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	8,724
25	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	45,364
26	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	8,055
27	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	96,720
46	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	81,267
47	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	99,720
48	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	11,633
49	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	13,906
50	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	10,351
51	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	8,724
52	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	9,359
53	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	99,720
78	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	99,974
79	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	99,720
80	Apr-16	M. Samar Iqbal	Change of Water filters at filtration plant	75,514
Total				946,993

Voucher No	Month	Contractor	Item	Amount in Rs
278	07/2015	M. Muhammad Iqbal	Change of Water filters at filtration plant	99,900
279	07/2015	M. Muhammad Iqbal	Change of Water filters at filtration plant	99,900
280	07/2015	M. Muhammad Iqbal	Change of Water filters at filtration plant	99,900
281	07/2015	M. Muhammad Iqbal	Change of Water filters at filtration plant	99,900
282	07/2015	M. Muhammad Iqbal	Change of Water filters at filtration plant	99,900
Total				499,500

Name of contractor	Description		Amount in Rs
M. Samar Iqbal	Change of Water filters at filtration plant	20	946,993
Mirza Abdul Rauf	Purchase of Ramzan Bazaar items	28	1,730,247

$$\text{Rs}499,500 + \text{Rs}946,993 + \text{Rs}1,730,247 = \text{Rs}3,176,740$$

Annexure-E**1.2.2.4****Non Recovery of Arrear of Rent of Shops – Rs4.36 million**

Unit	Amount in Rs
Shops at Municipal Committee Gujrat	3,107,346
Shops at General Bus Stand Gujrat	554,525
Cannopies at General Bus Stand Gujrat	45,744
Shops & Plots at C.O Jalal Pur Jattan	655,836
Total	4,363,451

Annexure-F

1.2.2.7

Non-recovery of Liquidated Damages due to Delay in Completion of Work – Rs 2.92 million

Name of Schemes	Name of Contractor	Work Order No.	Date of Tender	Time of Period	Bill No & Date	Amount (Rs)	LD Amount in Rs
Enhancement of capacity Sheikh Sukha Dump Site	M/s Khawar Nasheed	364/15.06.15	24.10.14	6 Months	22.05.16	2,687,565	268,757
Const/Beautification of Margazar Colony	M/s A-one Const	359/21.01.16		4 Months	W.I.P	2,388,000	238,800
Const of Nullah Mughal Colony	M/s Ch Tahir Masood	408/26.06.15		6 Months	W.I.P	3,008,000	300,800
Const of Stree Drain Ajnala	M/s Zubair Aslam	9274/20.04.15		3 Months	01.08.15	3,950,000	395,000
Laying of water supply line remaining main Mohallah Jogi Pura Jalal Pur Jattan	M/s Abdullah Const	438/29.12.15	28.12.15	4 months	28.07.16	1,386,000	138,600
Const of PCC Street & Nullah B/Wall Gate Park Bora Remaining	M/s Rajid Ali & Brothers	452/12.01.16	11.01.16	4 months	10.07.16	2,593,500	259,350
Const of street drains Ch Ghulam Hussain Road with Nullah Banth Gujrat	M/s Qaiser Farooq	493/25.02.16	04.02.16	6 Months	W.I.P	1,457,330	145,733
Beautification of TMA Gujrat	M/s Zulfiqar Ali Warriach & Co	6141/18.06.14	02.04.14	6 Months	W.I.P	4,875,000	487,500
Const of Office Superintendent GBS Gujrat	M/s Ali Raza	8857/13.12.14	24.10.14	3 Months	19.12.15	1914000	191,400
Fixing of T/well Mohallah Jogi Pura Jalal Pur Jattan	M/s Bilal Const	430/07.04.12	03.04.12	3 Months	18.05.16	4,000,000	400,000
Const of street Mstri Razaq wali Rehmatpura UC53	M/s Mirza Muhammad Shafique	73/16.03.15	03.03.15	3 Months	01.10.16	364000	36,400
Const of Nullah Bagowal Kalan	M/s Mirza Muhammad Shafique	479/20.02.16	04.02.16	4 months	W.I.P	606860	60,686
Total						29,230,255	2,923,026

Annexure-G
Para No.1.2.2.8

Excess expenditure on purchase of Land for slaughter house

Value of 8 Kanal 10 Marla Rs.4,778,802 :

8 Kanal 10 Marla @ Rs.24,444 Moin-du-din Pur	=	4,155,480
15% Acquisition Charges	=	623,322
Total Price of Land (8 Kanal 10 Marla)	=	4,778,802

Value of 8 Kanal 10 Marla was accessed Rs.6,647,000 during 03/2016:

8 Kanal 10 Marla @ Rs.34,000 Moin-du-din Pur	=	5,780,000
15% Acquisition Charges	=	867,000
Total Price of Land (8 Kanal 10 Marla)	=	6,647,000

Excess Expenditure Incurred = Rs.6,647,000 – Rs.4,778,802 = Rs.1,868,198

Annexure-H
Para No.1.2.2.9

Irregular payment of GST & PST Rs1.24 million

(PDP-02)

Name of Scheme	Contractor	Overhead Charges	PST/GST added	Total of (3+4)	Rate of tender	Less Below (5x6)	Excess Payment (Amount in Rs)
1	2	3	4	5	6	7	8
Provision of Fancy Lights on Eid Milad Un Nabbi (S.A.W.W)	M/s Naeem & Co	20% Rs.73,532	PST 16% Rs.58,825	132,537	2% Below	2,651	129,886
Provision of shopping Bags for Ramzan Bazar	M/s M. Aqeel Sandhu	10% Rs.88,400	GST 17% Rs.52,000	140,400	1.5% Below	2,106	138,294
Uniform for Fire Brigade Staff	M/s Abdullah Const	20% Rs.58,200	GST 17% Rs.49,504	107,704	8.755% Below	9,429	98,275
Purchase of Sweets, Phnyl, Chona, Fancy Light etc	M/s Nadeem & Co	20% Rs.94,400	GST 17% Rs.56,100 PST 16% Rs.22,720	173,220	At Par	0	173,220
Total							539,683

(PDP-23)

Voucher No	Date	Contractor	Work	Overhead Charges	GST added	Total Amount in Rs
142	07/2015	M/s Khawar Naushad	Generator Rent	14,000	11,900	25,900
144	07/2015	-do-	Sogo Lights	11,400	9,690	21,090
145	07/2015	-do-	Search Lights	13,080	11,118	24,198
304	08/2015	M/s Mirza Abdul Rauf	Shopping Bags for Ramzan Bazar	14,420	12,257	26,677
305	08/2015	-do-	-do-	14,420	12,257	26,677
395	08/2015	M/s Qadri Enterprises	Repair of disposal	14,160	12,036	26,196
395	08/2015	-do-	-do-	12,000	10,200	22,200
76	05/2016	M/s Nouman Javed	Repair of vehicle	14,480	11,688	26,168
80	05/2016	M/s Saqib Ali	Repair of turbine	14,180	12,053	26,233
81	05/2016	-do-	Repair of transformer	14,280	12,138	26,418
132	05/2016	M/s Ejaz Ahmed	Repair of excavator	14,400	12,240	26,640
Total				150,820	127,577	278,397

Annexure-I**1.4.2.1****Non-recovery of liquidated damages due to delay in completion of work – Rs 1.26 million**

Name of Scheme	Contractor	Tender Date	Time Limit	Completion date	Amount of Agreement	Penalty Amount in Rs
Construction of Nullah Caltex Pump GT road Sarai Alamghir	Raja Wajahat	25-05-16	1	14-07-16	3250000	325000
Construction of Street / Drain Bagh Mohallah Near Masjid Qadri Noori Sarai Amlamghir	Qasim Raza	25-05-16	1	W.I.P	350000	35000
Construction of PCC & wall Khambi Riksha Stand Sarai Alamghir	Kazmi Construction	25-05-16	3	Late completion	400000	40000
Construction of Street / Drain Ch. Amir Aslam Village dhoke mureed	Tahir Mehmood	25-05-16	2	Late completion	500000	50000
Construction of Shed/ Boundry Wall Boring etc Cattle Mandi Sarai Alamghir	Bashir Ahmed	07-09-15	6	W.I.P	2000000	200000
Const. of Street / Drain Ch. Irfan Gulnawaz Chappran U/C-117 (Remaining work).	Tahir Mehmood	31-12-14	3	02-03-16	497500	49750
Arrangments for Cattle Market Const. Of Sheds Office / Khurlian / Hodian at Cattle Market Sarai Alamgir.	Bashir Ahmad	30-09-14	6	30-06-16	1000000	100000
Const. of Streets / Drains Village Khambi.	Qasim Raza & Son's	31-12-14	4	02-03-16	798000	79800
Const. of Streets / Drains Village Karyala.	Muhammad Afzaal Ch.	31-12-14	3	late completion	499750	49975
Const. of Streets / Drains Village Khadrialia.	Ch. Muhammad Walayat	31-12-14	3	05-10-16	500000	50000
Const. of Streets / Drains Village Mehay.	Raja Wajhat Munir	31-12-14	3	Late completion	498750	49875
Const. of Streets / Drains Village Dak Chibban.	Ikram Ahemd	31-12-14	3	03-12-15	497500	49750
Const. of Street / Drain Arif Shah Shamashabad S.A.Gir.	A.A.D.	31-12-14	4	Late completion	648375	64838
Const. of Path Darbar Sharif & Pir Malik Shah Sahib etc. Viilage Shakreela.	Tahir Mehmood	31-12-14	4	09-02-15	597000	59700
Const. of Streets / Drains Village Rasheedpur.	Habib ur Rehman	31-12-14	3	late	398000	39800
Const. of Streets / Drains Farooq Town Rajar Street Sir Khalid Mehmood.	Hafiz Muhammad Riaz	31-12-14	3	late	149985	14999
Total						1258486