



**AUDIT REPORT
ON
THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
HAFIZABAD**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
CCB	Citizen Community Board
CO	Chief Officer
DAC	Departmental Accounts Committee
FD	Finance Department
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Department Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
POL	Petrol, Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
RCC	Reinforced Concrete Cement
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO I	Tehsil Officer (Regulations)
TTIP	Tax on Transfer of Immovable Property

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Provincial Government. Accordingly, the audit of all Receipts and Expenditures of the Local Fund and Public Accounts of Tehsil 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 Hafizabad 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 the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of District Governments, Tehsil 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 Bahaud-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, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects and receipts. Accordingly, Director General Audit District Governments Punjab (North), Lahore carried out Audit of accounts of two TMAs of District Hafizabad for the Financial Year 2015-16.

Each Tehsil Municipal Administration in District Hafizabad 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 and development and to enforce all laws including Municipal Laws, Rules and Bye-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 grant.

Audit of Tehsil Municipal Administrations in District Hafizabad was carried out with a view to ascertaining whether the expenditure was incurred with proper authorization and in conformity with laws/ rules/regulations for 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 revenue were made in accordance with Laws and Rules.

a. Scope of Audit

Total expenditure of two (02) TMAs of District Hafizabad for the Financial Year 2015-16 under the jurisdiction of Directorate General District Audit Punjab (N) was Rs 364.91 million covering two (02) PAOs and two (02) entities. Directorate General Audit, audited an

expenditure of Rs 75.85 million which in terms of percentage, was 21% of the auditable expenditure.

Total receipts of the two (02) Tehsil Municipal Administrations of District Hafizabad for the Financial Year 2015-16 were budgeted Rs351.71 million and realized Rs 308.15 million, whereas, Directorate General Audit, audited receipts of Rs 61.63 million which was 20% of total receipts.

b. Recoveries at the Instance of Audit

Recovery of Rs 62.56 million was pointed out during audit but no recovery was effected and verified during the year 2016-17 till the time of compilation of this 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 according to 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 TMAs of District Hafizabad was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds without advertisement at PPRA website. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

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

f. Key Audit Findings

- i. Non-production of record of Rs 216.69 million was noted in one case¹
- ii. Irregularity / Non-compliance of Rs 25.32 million was noted in four cases²
- iii. Internal Control Weakness of Rs 6.17 million was noted in two cases³
- iv. Non-realization of Government revenue of Rs 51.19 million was noted in nine cases⁴.

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

² Para 1.2.2.1, 1.2.2.3, 1.2.2.4 & 1.3.1.1

³ Para 1.2.3.3 & 1.3.2.4

⁴ Para 1.2.2.2, 1.2.3.1, 1.2.3.2, 1.2.3.4, 1.3.1.2, 1.3.2.1, 1.3.2.2, 1.3.2.3 & 1.3.2.5

g. Recommendations

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

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

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. #	Description	Number	Budgeted Figure FY 2015-16		
			Expenditure	Receipts	Total
1	Total Entities (PAOs) under Audit Jurisdiction	02	364.90	308.15	673.05
2	Total formations under Audit Jurisdiction	02	364.90	308.15	673.05
3	Total Entities (PAOs) Audited	02	364.90	308.15	673.05
4	Total Formations Audited	02	364.90	308.15	673.05
5	Audit & Inspection Reports	02	364.90	308.15	673.05
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

Table 2: Audit Observation regarding Financial Management

(Rs in million)

Sr. #	Description	Amount placed under Audit observations
1	Unsound Asset Management	-
2	Weak Financial Management	51.19
3	Weak Internal controls relating to Financial Management	6.17
4	Others	241.99
Total		299.35

Table 3: Outcome Statistics

(Rs in million)

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last Year
1	Outlays Audited	-	97.01	308.15	267.89	673.05*	695.84
2	Amount placed under audit observation / Irregularities of Audit	-	31.47	51.19	216.69	299.35	90.11
3	Recoveries pointed out at the instance of Audit	-	6.26	56.30	-	62.56	24.31

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last Year
4	Recoveries accepted / established at the instance of Audit	-	-	-	-	-	-
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 receipt whereas the total expenditure for the current year was Rs 364.91 million.

Table 4: Table of Irregularities Pointed Out

(Rs in million)

Sr. #	Description	Amount Placed under Audit Observations
1	Violation of Rules and regulations, principle of propriety and probity in public operations.	25.32
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	0
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.	0
4	Quantification of weaknesses of internal control systems.	6.17
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	51.19
6	Non-production of record.	216.67
7	Others, including cases of accidents, negligence etc.	0
TOTAL		299.35

Table 5: Cost-Benefit

(Rs in million)

Sr. #	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	673.05
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 HAFIZABAD

1.1.1 Introduction

TMA consists of Tehsil Nazim / Administrator, Tehsil Naib Nazim and Tehsil Municipal Officer. Each TMA comprises of five Drawing & Disbursing Officers i.e. TMO, TO-Finance, TO-I & S, TO-Regulation, and TO-P & C. As per Section 54(1) 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 two (02) TMAs selected for audit was Rs 403.63 million (inclusive salary, non-salary and development) whereas the expenditure incurred (inclusive salary, non-salary and development) was Rs 364.91 million showing saving of Rs 38.72 million which was 10% of final budget (detailed below). Less utilization of development budget (10%) deprived the community from getting better municipal facilities.

(Rs in million)

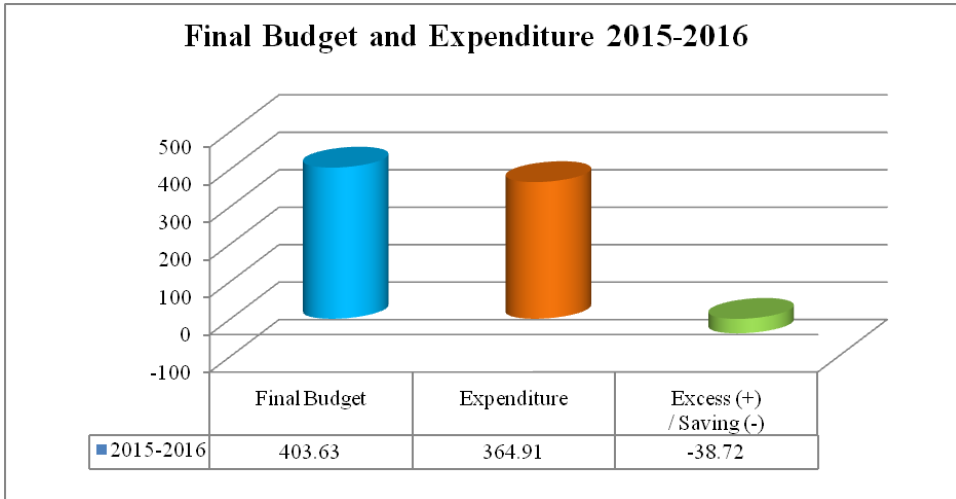
F.Y. 2015-16	Budget	Expenditure	Saving (-)	%age of Saving
Salary	146.13	139.07	-7.06	5%
Non-salary	149.94	128.83	-21.11	14%
Development	107.56	97.01	-10.55	10%
Total	403.63	364.91	-38.72	10%

The budgeted outlays Rs 403.63 million of two (02) TMAs includes PFC award of Rs 173.73 million whereas total expenditure incurred by the TMAs during 2015-16 was Rs 364.91 million with a savings of (-) Rs 38.72 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 lesser need of any injection of PFC award.

(Rs in million)

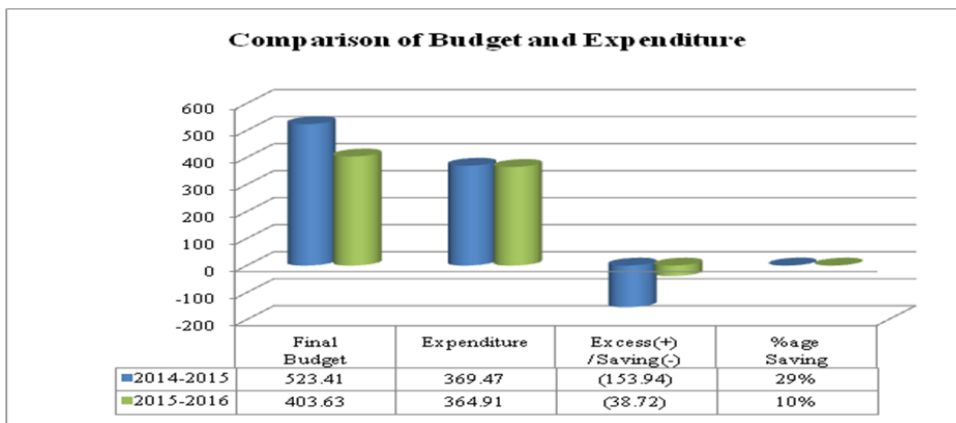
Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Saving	%age of Saving
	Own receipt including OB	PFC award	Total Receipts				
Hafizabad	253.01	100.12	353.13	268.07	249.32	-18.75	07%
Pindi Bhattian	61.22	73.61	134.83	135.56	115.59	-19.97	15%
Total	506.13	18.24	524.36	403.63	364.91	-38.72	10%

(Rs in million)



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

(Rs in million)



There was saving in the budget allocation of the Financial Years 2014-15 and 2015-16 as follows:

(Rs in million)

Financial Year	Budget	Expenditure	(-) Savings	%age of savings
2014-15	523.41	369.47	-153.94	29%
2015-16	403.63	364.91	-38.72	10%

The management needs to justify the saving when the development schemes have remained incomplete.

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	09	Not convened
2	2012-13	07	Not convened
3	2013-14	13	Not convened
4	2014-15	13	Not convened
5	2015-16	17	Not convened

1.2 AUDIT PARAS

1.2.1 TMA HAFIZABAD

1.2.1 Non-production of Record

1.2.1.1 Non-production of record for Rs 216.69 million

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

TMA Hafizabad did not produce the auditable income and expenditure record of following DDOs for the financial year 2015-16 despite of numerous verbal and written requests. In the absence of record income and expenditure could not be verified as detail below:-

Name Of DDO	Amount Involved (Rs)	Remarks
Tehsil Officer (Finance)	182,465,246	Annexure-C
Tehsil Officer (P&C)	23,731,707	
Tehsil Officer (I&S)	646,000	
Tehsil Officer (Regulation)	442,450	
Chief Officer (Vanekey Tarer)	5,096,609	
N.H.Q Kaleke	4,305,673	
Total	216,687,685	

Audit held that non-production of record could lead to misuse of public funds and misappropriation / fraud.

It resulted into un-authentic expenditure of Rs. 216.688 million.

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

Audit recommends that matter may be investigated fix responsibility on the delinquent officers / officials for non-production of record, and ensure submission of record to audit for scrutiny

[AIR Para No.29]

1.2.2 Irregularity / Non-compliance

1.2.2.1 Irregular expenditure without advertisement on PPRA's website Rs 5.38 million

According to PPRA's Rules, 12(1) 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. Further According to PPRA's Rules, 9 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.

TMA, Hafizabad incurred an expenditure of Rs 5.380 million during financial year 2015-16 without advertising on PPRA's website as detailed in **Annexure-D**.

Audit held that due to non compliance of PPRA rules irregular payment of Rs 5.38 million was made to the contractor without fulfilling the requirements of PPRA rules.

It resulted into irregular expenditure of Rs. 5.38 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends holding of the inquiry besides fixing of responsibility for non-observing of PPRA procedures under intimation to it.

[AIR Para No.08,09,10,14,15,16&17]

1.2.2.2 Less deduction of Income Tax Rs 4.08 million

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

TMA Hafizabad paid an amount of Rs 162.99 million on development but income tax @ 7.5% amounting to Rs 12.22 million was deducted as withholding tax from non filer contractors instead of @ 10% equal to Rs 16.29 million as detailed in **Annexure-E**.

Audit held that due to non-observing of government rules, income tax was less deducted which resulted in overpayment to the contractors.

It resulted into loss of Rs. 4.08 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No.19]

1.2.2.3 Non approval of lead chart by the competent authority for earth work Rs 2.63 million

The rates for various components of the Non-Scheduled items of work shall be based on Market Rate System (MRS) and where such components of item of work are not contained in (MRS) average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Copies of the analysis and of composite rates sanctioned by the Superintending Engineer for non-Schedule items shall be sent to the Secretary, Standing Rates Committee. Further in order to arrive at the rate analysis of non-schedule items the standard format on website has been prescribed which is to be filled from MRS and the market rates.

TMA Hafizabad paid to contractor an amount of Rs 2.63 million for item earth filling including lead without getting approval of lead chart from the competent authority by violating the above rule. Moreover department did not attach "Fard Malkiyat" showing particulars of land owner from where the earth was carried to the site. Compaction test reports of earthwork for embankments were also not available with the vouchers. as detailed at **Annexure-F**.

Audit held that due to non compliance of rules, lead was paid to the contractors without its approval by the competent authority.

This resulted in irregular payment for earth filling due non approval of lead chart

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 04]

1.2.2.4 Irregular purchase of mini dumper Rs 2.11 million and non-deduction of Income Tax Rs 94,500

According to the Rule 10 of PPRA's 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. (2) The specification shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of , or a reference to , a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words "or equivalent".

TMA Hafizabad incurred a sum of Rs 2.11 million for the purchase of 02 Faw Carriers Mini Dumpers @1,055,000 each. As per advertisement in Daily Jang dated 15-09-2015, tender of 800CC Mini Dumpers was floated but invoice of M/s Faw Momentum Motors 970 CC Mini Dumpers were received and paid. Min Dumper were purchased without specification. Further, income tax @4.5% amounting to Rs 94,500 was also not deducted.

Audit held that due to non compliance of PPRA rules irregular payment of Rs 2.11 million was made to the contractor without observing the specifications.

It resulted into irregular payment of Rs.2.11 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends holding of the inquiry besides fixing of responsibility for non-observing of PPRA procedures under intimation to it.

[AIR Para No. 21]

1.2.3 Internal Control Weaknesses

1.2.3.1 Loss to government due to non-recovery of water rate charges Rs 10.51 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 was an offence and the arrears were recoverable as Land Revenue.

TMA Hafizabad did not recover outstanding local government dues from defaulters on account of water charges. As per water rate register a receipt of Rs 2,496,000 was budgeted from 4465 connections, however staff of the TMA was only managed to recover Rs 1,519,816 during the financial year 2015-16. Outstanding water rate dues amounting Rs 976,000 were still recoverable. Further a sum of Rs 9,535,944 from 1863 disconnected connections were also recoverable as arrears of water rate. The detail is at **Annexure-G**.

Audit held that due to weak internal controls water rate charges amounting Rs 10.51 million was not recovered from the defaulters.

It resulted into loss of Rs.10.51 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 20]

1.2.3.2 Loss due to non-recovery of rent of shops Rs 5.52 million

According to Rule 76 (1) of the PDG and TMA (Budget) Rules, 2003, the primary obligation of Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to Local Government Fund under proper receipt head.

TMO Hafizabad did not recover a sum of Rs 5.52 million for the year 2015-16 from the tenants of 63 shops of TMA and no action was taken by the management against the defaulters.

Audit held that due to weak internal controls rent of shops amounting Rs 5.52 million was not recovered from the defaulters.

It resulted into loss of Rs.5.52 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 25]

1.2.3.3 Non-recovery of liquidated damages – Rs 3.73 million

According to clause 39(a) of contract agreement, contractor shall pay as compensation an amount equal to one percent of the amount of the contract subject to maximum of 10 (ten) percent or such smaller amount of the estimated cost for every day the work remains un-commenced and unfinished after the proper date.

TMA Hafizabad awarded different works to various government contractors. The works could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge nor any case for extension in time limit was processed nor penalty imposed on the contractors on account of delay. The detailed is at **Annexure-H**.

Audit held that non imposition of penalty for delay in completion and non completion of work at all was due to defective financial discipline and weak internal controls.

This resulted in non-recovery 10% penalty amounting Rs 3.73 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends holding of the inquiry and fixing of responsibility besides recovery for non imposition of penalty for delay in completion of work.

[AIR Para No. 05]

1.2.3.4 Less recovery of leases amounting Rs 1.01 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 was an offence and the arrears were recoverable as Land Revenue. Furthermore as clause 12 (C) of Local Rate (Assessment & Collection) Rules, 2001 the Nazim of the Local Government may direct that the tax with costs of recovery shall be recovered as arrears of land revenue.

Scrutiny of accounts record of TMA Hafizabad revealed that following leases were awarded to the contractors during the financial year 2015-16. However management of the TMA did not recover the whole of amount of lease including other levies which resulted less recovery of local govt. revenues. The detailed is at **Annexure-I**.

Audit held that due to weak internal controls, amount of leases was not recovered.

It resulted into loss of Rs.1.01 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 22, 23 & 24]

1.3.1 TMA PINDI BHATTIAN

1.3.1 Irregularity / Non-compliance

1.3.1.1 Expenditure without advertisement on PPRA's website Rs 15.59 million

According to PPRA's Rule 2014, 12(1) 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. Further According to PPRA's Rule 9 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.

TMA, Pindi Bhattian incurred an expenditure of Rs 15.59 million on account of purchase of plants, machinery, repair of tractor, arrangements for flood, Muharam Ul Haram, Eid Milad Un Nabi, Ramzan/Christmas Bazars during financial year 2015-16 without advertising on PPRA's website as detailed in **Annexure-J**.

Audit held that due to non compliance of PPRA rules irregular payment of Rs 15.598 million was made to the suppliers / contractors without fulfilling the requirements of PPRA rules.

It resulted into irregular payment of Rs.15.59 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends holding of the inquiry besides fixing of responsibility for non-observing of PPRA procedures under intimation to Audit.

[AIR Para No.01,03, 04,05,08,10,11 & 12]

1.3.1.2 Less deduction of Income Tax Rs 1.30 million

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

TMA Pindi Bhattian District Hafizabad incurred the sum of Rs 52.128 million on development works but income tax @ 7.5%

amounting to Rs 3.91 million was deducted as withholding tax from non filer contractors instead of @ 10% equal to Rs 5.21 million.

Audit held that due to non-observing of government rules, income tax was less deducted which resulted in overpayment to the contractors.

This resulted in less deduction of income tax amounting to Rs 1.30 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No.27]

1.3.2 Internal Control Weaknesses

1.3.2.1 Non-recovery of arrear of leases Rs 16.28 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 was an offence and the arrears were recoverable as Land Revenue.

TMA Pindi Bhattian District Hafizabad did not recover the arrears of lease amounting Rs 16,280,267 outstanding against various contractors from 1982-83 to 2014-15. No efforts were made to recover the arrears.

Audit held that due to weak internal controls, amount of arrears was not recovered.

It resulted into loss of Rs. 16.28 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 23]

1.3.2.2 Non-recovery of housing colonies & land sub division fees Rs 7.52 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 was an offence and the arrears were recoverable as Land Revenue. Furthermore as clause 12 (C) of Local Rate (Assessment & Collection) Rules, 2001 the Nazim of the Local Government may direct that the tax with costs of recovery shall be recovered as arrears of land revenue.

TMA Pindi Bhattian District Hafizabad issued notices to various housing colonies & land sub divisions for depositing remaining fee during the financial year 2015-16. However owners of the housing schemes did not deposit outstanding dues till now. This resulted in non recovery of local government revenues amounting Rs 7.52 million.

Name of Scheme	Notice No	Date	Amount Due	Amount Deposited	Amount Recoverable
Model Town Housing Colony	510	09.04.2016	5,686,800	412,195	5,274,605
Green City Land Sub Division	459	29.04.2015	2,350,300	107,650	2,242,650
Total					7,517,255

Audit held that due to weak internal controls, remaining fee amount of approval of housing schemes was not recovered.

It resulted into loss of Rs. 7.52 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No.28]

1.3.2.3 Non-recovery of rent & water rate Rs 3.70 million

According to clause 12 (C) of Local Rate (Assessment & Collection) Rules, 2001 the Nazim of the Local Government may direct that the tax with costs of recovery shall be recovered as arrears of land revenue.

TMA Pindi Bhattian District Hafizabad recovered only Rs 3.25 million out of total recoverable amount of Rs 6.95 against water charges and rent of shops during the financial year 2015-16 This resulted in less collection of Rs 3.70 million as detail below:-

Description	Amount Recoverable 2015-16	Amount Recovered 2015-16	Less
Water Rate NHQ Sukheke	120,000	64,652	55,348
Rent of Municipal Property HQ Pindi Bhattian	3,500,000	2,713,786	786,214
Arrear of Rent of Municipal Property HQ Pindi Bhattian	2,869,158	467,918	2,401,240
Rent of Municipal Property NHQ Jalal Pur Bhattian	242,000	0	242,000
Arrear of Rent of Municipal Property NHQ Jalal Pur Bhattian	220,000	0	220,000
Total			3,704,802

Audit held that due to weak internal controls water rate charges amounting Rs 3.70 million was not recovered from the defaulters.

It resulted into loss of Rs. 3.705 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 24]

1.3.2.4 Non-recovery of liquidated damages – Rs 2.43 million

According to clause 39(a) of contract agreement stipulates that the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The contractor shall pay as compensation an amount equal to one percent of the amount of the contract subject to maximum of ten percent or such smaller amount of the estimated cost for every day the work remains un-commenced and unfinished after the proper date.

TMA, Pindi Bhattian District Hafizabad awarded the different works to various government contractors. The works could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor penalty imposed on the contractors on account of delay. This resulted in non-recovery 10% penalty amounting Rs 2.43 million. The detailed is at **Annexure-K**.

Audit held that non imposition of penalty for delay in completion and non completion of work at all was due to defective financial discipline and weak internal controls.

It resulted into loss of Rs. 2.43 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends holding of the inquiry and fixing of responsibility for non imposition of penalty for delay in completion of work besides recovery of penalty.

[AIR Para No. 09]

1.3.2.5 Loss to government due to less recovery of General Bus Stand Rs 1.27 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 was an offence and the arrears were recoverable as Land Revenue.

TMA Pindi Bhattian District Hafizabad awarded the lease of General Bus Stand Pindi Bhattian to Mr. Zahid Nawaz Naseem S/o Haji Muhammad Ashraf but a sum of Rs 1.27 million was less recovered. This resulted in loss to local government revenue.

Item	Advertisement Tax Hafizabad
Auction Price	1,600,000
Income Tax	160,000
Pay of Staff	296,403
Professional Tax	5,000
Total Recoverable	2,061,403
Amount Recovered	793,809
Amount Recoverable	1,267,594

Audit held that due to weak internal controls, amount of lease was not recovered.

It resulted into loss of Rs. 1.268 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the CO/PAO in March, 2017. Neither any reply was furnished by the management nor DAC meeting convened till finalization of this Report.

Audit recommends recovery of the amount under intimation to Audit.

[AIR Para No. 21]

ANNEXURES

PART-I

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

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
1	TMA Hafizabad	01	Non deduction on account of price variation on bitumen	222,905	Internal Control Weaknesses
2		02	Non recovery due to de-escalation of diesel	29,517	Internal Control Weaknesses
3		03	Recovery on account of non-deduction of brick rate due to using bricks of less measurement and less PSI	453,469	Internal Control Weaknesses
4		06	Non deduction of income tax on old material	40,814	Irregularity / Non-compliance
5		07	Irregular payment of conveyance allowance	480,000	Irregularity / Non-compliance
6		11	Overpayment on account of entertainment charges due to allowing higher rates in excess of admissible rates	446,520	Internal Control Weaknesses
7		12	Irregular expenditure on account of contractor profit	54,220	Internal Control Weaknesses
8		13	Irregular expenditure on account of contractor profit for ramzan bazaar Labor	55,200	Internal Control Weaknesses
9		18	Irregular expenditure on purchase of ramzan bazaar item Rs. 3,529,479 and irregular payment of GST	472,488	Irregularity / Non-compliance
10		26	Non Recovery of Income Tax on rent of shops for	329,242	Internal Control Weaknesses
11		27	Non appointment of Internal Auditor	-	Internal Control Weaknesses
12		28	Irregular drawl of House Rent Allowance and non-deduction of 5% maintenance charges	160,080	Irregularity / Non-compliance
13	TMA Pindi Bhattian	02	Irregular payment of conveyance allowance	60,000	Internal Control Weaknesses

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
14		06	Irregular expenditure on repair of machinery	160,000	Internal Control Weaknesses
15		07	Irregular payment of PST Rs.244,610 and 10% Profit & 10% Overhead Charges	683,595	Internal Control Weaknesses
16		13	Non Approval of Lead Chart by the Competent Authority for Earth work	433,975	Internal Control Weaknesses
17		14	Irregular expenditure on Legal Fee	125,000	Internal Control Weaknesses
18		15	Doubtful expenditure on electricity	272,009	Irregularity / Non-compliance
19		16	Overpayment due to Enhancement of work	470,952	Internal Control Weaknesses
20		17	Non deduction of Income Tax	201,254	Internal Control Weaknesses
21		18	Non deduction of Sales Tax	740,002	Irregularity / Non-compliance
22		19	Non deduction of Punjab Services Tax	63,620	Internal Control Weaknesses
23		20	Non transfer of Income Tax, Sales Tax & PST to concerned Institutions	1,604,014	Internal Control Weaknesses
24		22	Loss to government due to less recovery than targets of receipts	3,800,544	Internal Control Weaknesses
25		25	Non Recovery of Income Tax on rent of shops for	374,200	Irregularity / Non-compliance
26		26	Wasteful expenditure on development works	1,400,000	Irregularity / Non-compliance
27		18	Non-reconciliation of Receipt Deposits-	122,133,323	Irregularity / Non-compliance
28		29	Non preparation of Annual Accounts and non preparation of monthly expenditure/receipt statement	-	Irregularity / Non-compliance
29		30	Non appointment of Internal Auditor	-	Irregularity / Non-compliance

PART-II

**Memorandum for Departmental Accounts Committee
Paras pertaining to Previous Audit Year 2015-16**

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
1	TMA Hafizabad	04	Non imposition of penalty due to non submission of programme of	2,885,000	Internal Control Weaknesses
2		11	Irregular expenditure on repair of transformer	187,980	Internal Control Weaknesses
3		12	Unjustified expenditure on press club	266,600	Internal Control Weaknesses
4		12	Overpayment to contractors -	261,060	Irregularity / Non-compliance
5		14	Purchased material not taken on the stock after use -	1,010,000	Irregularity / Non-compliance
6		15	Excess Payment made for purchase of AC and LCD	141,400	Internal Control Weaknesses
7		16	Excess Payment made for refreshment	365,850	Internal Control Weaknesses
8		21	Likely misappropriation on use of generators for CCTV Cameras	117,336	Internal Control Weaknesses
9		22	Lavishly expenditure on entertainment	376,800	Irregularity / Non-compliance
10		24	Less Collection of Slaughter House Receipt worth	55,280	Internal Control Weaknesses
		25	Loss to Govt. due to Less Collection of Govt. Receipt Worth	117,600	Internal Control Weaknesses
		26	Loss to Govt. due to Less Collection of Govt. Receipt Worth	760,000	Internal Control Weaknesses
		29	Poor performance due less collection of revenue than budgeted	5,709,000	Internal Control Weaknesses
		29	Unjustified payment on account of earth filling/work	85,827	Irregularity / Non-compliance
	31	Recovery of	34,204	Internal Control Weaknesses	
	32	Non deduction of harrow sand rate- recovery thereof	35,805	Internal Control Weaknesses	
	34	Overpayment to the contractor due	35,277	Irregularity / Non-	

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
			to non compaction of sub-base		compliance
		35	Unjustified payment on account of earth filling/work	223,215	Irregularity / Non-compliance
		37	Overpayment to the contractor amounting	43,815	Irregularity / Non-compliance
		38	Overpayment to the contractor due to non compaction of sub-base	241,241	Irregularity / Non-compliance
		40	Non-conducting of annual physical verification	0	Internal Control Weaknesses
11	TMA Pindi Bhattian	01	Over payment due to incorrect application of rates	184,989	Internal Control Weaknesses
12		02	Unauthorized payment on account of change in quantity/ design without prior approval	561,000	Internal Control Weaknesses
13		3	Loss due to Incorrect Application of Rates	118,724	Internal Control Weaknesses
14		4	Doubtful and Non transparent payment on account of earth filling	99,750	Internal Control Weaknesses
15		06	Loss to government due to incorrect application of rates	40,704	Internal Control Weaknesses
		07	Irregular and doubtful expenditure for payment to Daily Wages	31,146,357	Irregularity / Non-compliance
16		09	Unjustified and doubtful expenditure on Sasta Ramzan Bazar	4,514,418	Internal Control Weaknesses
17		10	Non-achievement of targets resulting in revenue loss of	929,391	Internal Control Weaknesses
		11	Un- authorized award of contracts worth of	2,308,008	Irregularity / Non-compliance
18		1	Non deduction of 10% Advance Tax	230,800	Internal Control Weaknesses
19		14	Unjustified Payment on account of Purchase of Manholes and recovery of contractor's profit	207,406	Internal Control Weaknesses
20		15	Unjustified expenditure through wrong classification	500,000	Internal Control Weaknesses
21		16	Unauthorized purchase from unregistered firms	1,258,793	Irregularity / Non-compliance
22		17	Doubtful expenditure on TA/DA and recovery thereof	147,275	Irregularity / Non-compliance

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
23		18	Non-reconciliation of Receipt Deposits-	122,133,323	Irregularity / Non-compliance
24		19	Unauthorized expenditure in execution of development schemes	29,933,000	Irregularity / Non-compliance
25		20	Unauthorized expenditure on festivals without legal provision of Rule	1,910,578	Irregularity / Non-compliance
26		21	Less recovery of general bus stand fee	729,572	Internal Control Weaknesses

Annexure-B**TMA's of Hafizabad District
Budget & Expenditure Statement for the
Financial Year 2015-16**

(Rs in million)

Name of TMA's	Head	Budget	Expenditure	Excess (+) / Savings (-)	% age	Comments
Hafizabad	Salary	90.17	88.12	-2.05	2%	-
	Non-Salary	112.63	94.86	-17.77	16%	-
	Development	65.27	66.34	-1.07	2%	-
Total		310.540	261.458	-49.082	7%	-
Pindi Bhattian	Salary	55.96	50.95	-5.01	9%	-
	Non-Salary	37.31	33.97	-3.34	9%	-
	Development	42.29	30.67	-11.62	27%	-
Total		135.56	115.59	-19.97	15%	-
Grand Total		403.63	364.91	-38.72	10%	-

Annexure-C

Para 1.2.1.1

Non-Production of Record for Rs 216.69 million

Department	Head	Income	Expenditure
TO Finance	Vouchers for 10/2015 to 06/2016	-	175,857,424
	Others Misc	6,607,822	0
TO (P&C)	Building Fee	2,532,167	0
	Commercialization Fee	14,620,529	0
	CCB Record	-	6,579,011
	Housing Schemes	-	-
TO (I&S)	Enlistment of Contractors	250,000	-
	Renewal of Registration	396,000	
TO Regulation	Encroachment Record	442,450	-
CO Unit Vanikey Tarrar	All Record	318,160	4,778,449
N.H.Q Kaleke Mandi	All Record	817,986	3,487,687
Total		25,985,114	190,702,571
Grand Total		25,985,114	216,687,685

Annexure-D**Para 1.2.2.1****Expenditure without Advertisement on PPRA's Website – Rs 5.38 million**

Voucher No	Date	Supplier	Work	Amount	Remarks
44	Jul-15	M/s Hussain Zaman Chatha	Const of Drain street rana ghulam rasool	81,126	on quotations
45	Jul-15	M/s Hussain Zaman Chatha	Const of PCC street rana ghulam rasool	81,840	on quotations
55	Aug-15	M/s Zahoor Ahmed	Tuff Tiles street Haider Shah Fakhar Abbass to Corner	78,000	on quotations
56	Aug-15	M/s Zahoor Ahmed	Tuff Tiles Madina Colony street Haider shah	99,800	on quotations
57	Aug-15	M/s Zahoor Ahmed	Tuff Tiles street Haider Shah Malik Khalid to Fakhar Abbass	99,300	on quotations
58	Aug-15	M/s Zahoor Ahmed	Tuff Tiles street Haider Shah House of Haider to Malik Khalid	99,400	on quotations
74	Aug-15	M/s Tarrar Corporation	Const of street Hajra Wali	51,000	on quotations
75	Aug-15	M/s Tarrar Corporation	Const of street Masjid Shabir Hussain Shah	97,100	on quotations
76	Aug-15	M/s Tarrar Corporation	Const of street Muhammad Boota	71,200	on quotations
78	Aug-15	M/s Tarrar Corporation	Const of street Rasheed Secretary	99,300	on quotations
60	Dec-15	M/s M. Irfan	Const of street Zahoor	99,800	on quotations
61	Dec-15	M/s M. Irfan	Const of street Saif Ullah	95,589	on quotations
62	Dec-15	M/s Bilal Ishaq & CO	Const of street Falak Sher	99,700	on quotations
63	Dec-15	M/s Bilal Ishaq & CO	Const of Nullah Ahmed Pur Chatha	99,473	on quotations
75	Dec-15	M/s Amin Mughal & CO	Const of Street drain Rana Farman	84,831	on quotations
76	Dec-15	M/s Amin Mughal & CO	Const of Street drain Rana Sultan	98,670	on quotations
77	Dec-15	M/s Amin Mughal & CO	Const of Street drain Rana Zulfiqar	81,509	on quotations
78	Dec-15	M/s Amin Mughal & CO	Const of Street drain Rana Saeed	99,400	on quotations
			Total	1,617,038	

Voucher No	Date	Supplier	Work	Amount	Remarks
73	Jul-15	M/s Khadim Auto Store	Repair of Disposal	24,800	without quotations
74	Jul-15	M/s Khadim Auto Store	Repair of Motor Water Supply	24,500	
75	Jul-15	M/s Khadim Auto Store	Repair of Disposal	25,000	
79	Jul-15	M/s Khadim Auto Store	Repair of Disposal	24,000	
80	Jul-15	M/s Khadim Auto Store	Repair of Disposal Vanickey Tarrar	24,800	
Total				123,100	

Voucher No	Date	Supplier	Work	Amount	Remarks
33	Dec-15	M/s New Aashiq Hussain Bhatti	Repair of tractor 240/1	99,400	on quotations
34	Dec-15	M/s New Aashiq Hussain Bhatti	Repair of trolley Jack Wali	99,400	on quotations
35	Dec-15	M/s New Aashiq Hussain Bhatti	Repair of tractor 240/5	98,000	on quotations
36	Dec-15	M/s New Aashiq Hussain Bhatti	Repair of trolley Jack Wali	98,000	on quotations
37	Dec-15	M/s M. Irfan	Front Tyres Tractor 240/1 & 240/5	61,550	on quotations
38	Dec-15	M/s M. Irfan	Tyres Trolley 240/3	97,650	on quotations
39	Dec-15	M/s M. Irfan	back 1 Tyre Tractor 240/1	99,600	on quotations
40	Dec-15	M/s M. Irfan	Batteries Tractor 240/1 & 240/3	68,800	on quotations
41	Dec-15	M/s M. Irfan	Tyres Trolley 240/3	88,000	on quotations

Voucher No	Date	Supplier	Work	Amount	Remarks
42	Dec-15	M/s M. Irfan	Repair of tractor 385 Loader	96,200	on quotations
43	Dec-15	M/s M. Irfan	Tyres Tractor 240/5 & repair	97,650	
44	Dec-15	M/s M. Irfan	back 1 Tyre Tractor 240/1	99,600	
45	Dec-15	M/s M. Irfan	Tractor 240/5 repair	95,250	
Total				1,199,100	

Voucher No	Date	Supplier	Work	Amount
41	Aug-15	M/s Husnain Zaman	Labor for Ramzan Bazar	93,195
42	Aug-15	M/s Husnain Zaman	Labor for Ramzan Bazar	93,150
43	Aug-15	M/s Husnain Zaman	Labor for Ramzan Bazar	93,150
59	Aug-15	M/s Husnain Zaman	Labor for Ramzan Bazar	51,750
Total				331,245

Voucher No	Date	Supplier	Work	Amount
69	Jul-15	M/s Khadim Auto Store	Rent of Generator Ramzan Bazar Rehmatatabad	27,000
70	Jul-15		Rent of Generator for CCTV Ramzan Bazar	27,000
71	Jul-15		Rent of Generator for Sound System Ramzan Bazar	25,500
72	Jul-15		Rent of Generator for Sound System Ramzan Bazar	28,000
Total				107,500

Voucher No	Date	Supplier	Work	Amount
46	Jul-15	M/s Hussain Zaman Chatha	Meat Cabin Ramzan Bazar	99,300
47	Jul-15	M/s Hussain Zaman Chatha	Racks Ramzan Bazar	54,700

Voucher No	Date	Supplier	Work	Amount
48	Jul-15	M/s Hussain Zaman Chatha	Meat Cabin Ramzan Bazar	99,300
49	Jul-15	M/s Hussain Zaman Chatha	Chicken Cabin Ramzan Bazar	49,700
50	Jul-15	M/s Hussain Zaman Chatha	Chicken Cabin Ramzan Bazar	99,300
51	Jul-15	M/s Hussain Zaman Chatha	Chicken Cabin Ramzan Bazar	99,300
52	Jul-15	M/s Hussain Zaman Chatha	Mist Fans Ramzan Bazar	53,600
53	Jul-15	M/s Hussain Zaman Chatha	Mist Fans Ramzan Bazar	80,350
Total				635,550

Voucher No	Date	Supplier	Work	Amount
55	Jul-15	M/s M. Irfan	Different items for Jashn-e- Baharan	99,000
56	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 17.04.15	99,000
57	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 16.04.15	99,000
58	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 15.04.15	99,000
59	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 14.04.15	99,000
60	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 15.04.15	99,000
62	Jul-15	M/s M. Irfan	Food for Jashn- e-Baharan 17.04.15	99,000
63	Jul-15	M/s M. Irfan	Sound System for Jashn-e- Baharan	99,400
64	Jul-15	M/s M. Irfan	Trophies & Medals for Jashn-e- Baharan	99,000
65	Jul-15	M/s M. Irfan	Refreshment officials for Jashn-e-	99,800

Voucher No	Date	Supplier	Work	Amount
			Baharan	
66	Jul-15	M/s M. Irfan	lights & Generator for Jashn-e-Baharan	99,900
67	Jul-15	M/s M. Irfan	Flexes for Jashn-e-Baharan	99,000
67A	Jul-15	M/s M. Irfan	Shirts Cycle Race for Jashn-e-Baharan	97,300
68	Jul-15	M/s M. Irfan	Shirts Bonay Race for Jashn-e-Baharan	79,500
Total				1,366,900

Rs1,617,038 + Rs123,100 + Rs1,199,100 + Rs331,245 + Rs107,500 + Rs635,550 + Rs1,366,900 = [Grand Total R5,380,433]

Annexure-E
Para 1.2.2.2

Less deduction of Income Tax Rs 4.08 million

Sr. #	Name of Schemes	Expenditure up to 30-06-16 (Rs. in millions)
1	ADP TMA Funds 2015-16	35.762
2	PAK (MDGS) Programme (District Government) 2015-16	23.573
3	Chief Minister Directive Supplementary Grant (District Government) 2015-16	43.513
4	District Govt Funds 2015-16 (Emergency Work)	16.038
5	Liability Schemes 2013-14 and 2014-15	10.904
6	District Government Funds 2015-16	16.982
7	PAK (MDGS) Programme (District Government) 2014-15	14.919
8	District Govt Funds 2014-15	1.299
Total Rs.		162.990

Annexure-F**Para 1.2.2.3****Non Approval of Lead Chart by the Competent Authority for Earth Work Rs 2.63 million**

Name of Schemes	Name of Contractor	Description	Qty Paid CFT	Rate	Amount
Const of PCC Tuff Tiles, Nullah Mohallah Rasheed Pura etc	M/s Qamar Chadhar & Co	Earth Filling one mile lead	16790	6176.2	103698
Const of road from Dera Hayat Jag to Village Jandwala	M/s Saif Brothers	Earth Filling one mile lead	177600	3608.5	640869
Const of road from Dera Hayat Jag to Village Jandwala	M/s Saif Brothers	Earth Filling one mile lead	36712	5922	217408
Const of street & drain Hafizabad city outskirts	M/s Moon Builders	Earth Filling three mile lead	150211	6115.2	918540
Const of street & Drain UC Kassoke	M/s Ijaz Ahmed Mangat	Earth Filling one mile lead	68141	4887	333005
Const of street & Drain Vinnie	M/s Ijaz Ahmed Mangat	Earth Filling one mile lead	41502	4866	201949
Const of street & Drain village Allaudinkey	M/s Ittehad Const	Earth Filling one mile lead	43746	4866	212868
Total					2628337

Annexure-G

Para 1.2.3.1

Loss to government due to non recovery of water rate charges Rs 10.51 million

Total Connections	4463
Disconnected	1863
Running Connections	2600
Water Bill Per Year	960
Total Amount Recoverable	$2600 \times 960 = 2,496,000$
Amount recovered during year	1,519,816
Amount outstanding	976,000 (A)
Outstanding amount of disconnected connections	9,535,944 (B)
Total of A+B	10,511,944

Annexure-H
Para 1.2.3.3

Non-recovery of Liquidated Damages due to Delay in Completion of Work – Rs 3.73 million

Name of Schemes	Name of Contractor	Work Order No.	Date of Tender	Time of Period	Bill No & Date	Amount (Rs)	LD (Rs)
Const of 22 No Massonery at Hafizabad	M/s Rana Moazzam Iqbal	138 dt.17.02.15	11.02.15	04 Months	3rd & Running Bill	2,940,000	294,000
Const of road from Dera Hayat Jag to Village Jandwala	M/s Saif Brothers	240 dt.09.06.14	07.06.14	03 Months	7th & Final Bill dt.06.01.16	6,944,000	694,400
Rehabilitation of water supply line along Gujranwala Road Hafizabad	M/s Zahoor Ahmed Janjua	224 dt.27.03.15	16.03.15	03 Months	4th Running bill dt.07.03.16	2,466,058	246,606
Const of street & Drain UC Kassoke	M/s Ijaz Ahmed Mangat	281 dt.02.05.16	28.04.16	02 Months	3rd & Final completed on 10.08.16	4,995,000	499,500
Const of street & drain Hafizabad city outskirts	M/s Moon Builders	289 dt.02.05.16	08.04.16	02 Months	5th & Final bill dt.04.08.16 (completed on 25.07.2016)	19,984,000	1,998,400

Annexure-I

Para 1.3.2.4

Less recovery of leases amounting Rs 1.01 million

Contractor	Item	Slaughter House City Hafizabad (Rs)	Slaughter House Kaleke (Rs)
Batay Khan S/o Bhai Khan	Auction Price	1,090,000	26,000
	Income Tax	109,000	2,600
	Electricity Bill	124,884	0
	Professional Tax	5,000	0
	Total Recoverable	1,328,884	28,600
	Amount Recovered	1,147,740	9,300
	Amount Recoverable	181,144	19,300

Contractor	Item	Advertisement Tax Hafizabad (Rs)
Mehboob Alam S/o M. Sadiq	Auction Price	1,835,000
	Income Tax	183,500
	Pay of Staff	447,630
	Total Recoverable	2,466,130
	Amount Recovered	1,882,800
	Amount Recoverable	583,330

Contractor	Item	Advertisement Tax Hafizabad (Rs)
Mehboob Alam S/o M. Sadiq	Auction Price	1,865,000
	Income Tax	186,500
	Pay of Staff	299,992
	Total Recoverable	2,351,492
	Amount Recovered	2,126,708
	Amount Recoverable	224,784

Rs200,444 + Rs583,330 + Rs224,784 = Rs1,008,558

Annexure-J**Para 1.3.1.1****Expenditure without Advertisement on PPRA's Website – Rs 15.59 million**

Voucher No	Date	Item	Supplier	Amount (Rs)
31	02.09.15	Garbage Container & Hydraulic Carrier	M/s Iron Fabricator Lahore	1,533,000
107	22.09.15	Garbage Container & Hydraulic Carrier	M/s Iron Fabricator Lahore	1,533,000
42	10.2015	Garbage Container	M/s Iron Fabricator	1,533,000
39	10.2015	Tower for CCTV Cameras	M/s Javed Akhter Const	96,300
156	1.2016	Installation of CCTV etc Balance	Mian M. Usman	2,00,000
157	1.2016	Set Com System for control room	M/s Set Com System	76,290
157	1.2016	Set Com System for control room	M/s Set Com System	99,600
			Total	4,871,192

Voucher No	Date	Work	Supplier	Amount (Rs)
147	12.2015	Plants Family Park	M/s Qaiser Sajjad	99,000
148	12.2015	Kurb Stone Family Park	M/s Qaiser Sajjad	84,500
149	12.2015	Earth Filling Family Park	M/s Qaiser Sajjad	99,000
150	12.2015	Tuff Tiles Family Park	M/s Qaiser Sajjad	98,000
151	12.2015	Installation of Fence Family Park	M/s Ashiq Hussain Cont	99,600
38	1.2016	Plants family park Sukheke	M/s Qaiser Sajjad	98,000

Voucher No	Date	Work	Supplier	Amount (Rs)
144	1.2016	Const of wall Family Park Sukheke	M/s Ashiq Hussain	96,250
145	1.2016	Installation of grass family Park Sukheke	M/s Ali Contractor	95,500
148	1.2016	Bench Family Park Sukheke	M/s Ali Contractor	88,600
21	12.2015	Purchase & Installation of Plants	M/s Ashiq Hussain Cont	92,400
158	1.2016	Plants for Horse Chowk	M/s Jami Enterprises	97,515
159	1.2016	Plants for Horse Chowk	M/s Jami Enterprises	96,277
			Total	1,144,642

Voucher No	Date	Supplier	Item	Amount (Rs)
32	06.08.15	M. Mubashir Cont	Electric Items for Ramzan Bazar	99,700
33	06.08.15	M. Mubashir Cont	Cloth, Locks & Misc Items for Ramzan Bazar	96,770
34	06.08.15	M. Mubashir Cont	Supply & Fixing of Swings Ramzan Bazar Sukheke	95,438
35	06.08.15	M. Mubashir Cont	Supply of Plastic Chairs Ramzan Bazar	47,300
36	06.08.15	M. Mubashir Cont	Supply & Fixing of Swings Ramzan Bazar Jalal Pur Bhattian	95,438
37	06.08.15	M. Mubashir Cont	Electric Items for Ramzan Bazar Jalal Pur Bhattian	97,700
147	21.08.15	M/s Khan Govt Cont	Purchase of items for Ramzan Bazar	1,995,409
2	02.09.15	Misc Suppliers	Purchase of items for Ramzan Bazar	46,225
3	02.09.15	M/s Shaheen Autos	Rent of Generator	47,850
112	29.09.15	M. Mubashir Cont	Boards for Ramzan Bazar	99,000
103	10.2015	Barrier for ramzan bazar	M/s Qaiser Sajjad	45,500
136	6.2016	Flex for Ramzan Bazar	M/s Zaidi Flex	95,800
137	6.2016	Flex for Ramzan Bazar	M/s Zaidi Flex	93,900
138	6.2016	Flex for Ramzan Bazar	M/s Zaidi Flex	76,200
139	6.2016	Flex for Ramzan Bazar	M/s Zaidi Flex	89,676
140	6.2016	Flex for Ramzan Bazar	M/s Zaidi Flex	76,000

Voucher No	Date	Supplier	Item	Amount (Rs)
145	6.2016	Artificial Flowers Ramzan Bazar	M/s Ghazanfar Abbas	88,100
146	6.2016	Bags for sugar Ramzan Bazar	M/s Ghazanfar Abbas	99,000
147	6.2016	Paint for washroom Ramzan Bazar	M/s Ghazanfar Abbas	88,500
148	6.2016	Jackets Caps Ramzan Bazar	M/s Ghazanfar Abbas	97,500
149	6.2016	Bags for sugar Ramzan Bazar	M/s Ghazanfar Abbas	96,250
150	6.2016	Bags for sugar Ramzan Bazar	M/s Ghazanfar Abbas	92,400
206	6.2016	Tent service Ramzan Bazar	M/s Sial Tent Service	2,954,960
			Total	6,714,616

Voucher No	Date	Item	Work Done	Supplier	Amount (Rs)
22	03.08.15	Tractor APL640	Frame of bucket	786 Autos (12,420+3,000)	15,420
23	03.08.15	Tractor APL640	Steering Work	786 Autos (15,540+3,000)	18,540
24	03.08.15	Tractor APL640	Back Hydraulic Plate	786 Autos (12,240+3,000)	15,240
60	10.08.15	Tractor APL640	Hydraulic Pump	M. Mubashir Cont	12,420
62	10.08.15	Tractor APL640	Misc Work	M. Mubashir Cont	12,960
122	19.08.15	Tractor APL640	Tyres	M. Mubashir Cont	34,510
				Total	109,090

Voucher No	Date	Item	Supplier	Amount (Rs)
88	14.08.15	Used Bags	M. Mubashir Cont	74,986
93	14.08.15	Used Bags	M. Mubashir Cont	54,637
96	14.08.15	Used Bags	M. Mubashir Cont	87,600
91	14.08.15	Service Men Jackets for flood	M. Mubashir Cont	59,100
95	14.08.15	Service Men Jackets for flood	M. Mubashir Cont	59,100

Voucher No	Date	Item	Supplier	Amount (Rs)
92	14.08.15	Rent of Excavator Chniot Road	M. Mubashir Cont	98,000
94	14.08.15	Rent of Excavator Aziz Abad	M. Mubashir Cont	94,500
114	29.09.15	Food for Flood Camp	M. Mubashir Cont	52,650
52	14.09.15	Misc Items for flood relief camp	Misc Vendors	185,200
51	10.2015	Food for Flood Camp	M/s Sial Tent Service	69,600
138	10.2015	Various Payments for Flood Relief	Various Traders	93,000
155	1.2016	Sand bag for flood	M/s Ali Contractor	98,000
155	1.2016	Plastic bag and sand for flood	M/s Ali Contractor	95,000
155	1.2016	Rent of Excavator for flood	M/s Ali Contractor	95,000
			Total	1,216,373

Voucher No	Date	Item	Supplier	Amount (Rs)
114	10.2015	Christmas Bazar & Programmes	Various Traders	164,860
152	1.2016	Misc items Christmace Bazar		41,000
127	10.2015	Patch Work Muharram	M/s M Hayat	99,000
128	10.2015	Patch Work Muharram	M/s M Hayat	60,000
129	10.2015	Patch Work Muharram	M/s M Hayat	90,000
27	12.2015	Rent of Generator for Muharram	M/s Amjad Ali	89,700
151	1.2016	Exp on Eid Milad Sweet, Mala, Juice etc		42,000
153	1.2016	Exp on Eid Milad Rent & Purchase CO Unit Sukheke		70,000
			Total	656,560

Voucher No	Date	Item	Supplier	Amount
77	10.2015	Earth Fillings	M/s Qaiser Sajjad	78,750
78	10.2015	Earth Fillings	M/s Qaiser Sajjad	84,000
39	1.2016	Earth filling CO Unit Sukheke	M/s Ali Contractor	95,600
120	1.2016	Earth filling & rent of tractor for flood	M/s Ali Contractor	99,000
160	1.2016	Earth Filling & Rent	M/s Jami Enterprises	96,525
74	1.2016	Cleaning of sewerage line Sadhoke Bazar to Masjid Bilal	M/s Qaiser Sajjad	85,300
75	1.2016	Cleaning of Sewerage line Musafar Khana to Lari Adda	M/s Hayat Muhammad	90,000
			Total	629,175

Voucher No	Date	Item	Supplier	Amount
121	10.2015	Installation of Direction Board	M/s Ashiq Hussain Cont	93,400
122	10.2015	Installation of Direction Board	M/s Ashiq Hussain Cont	69,800
123	10.2015	Installation of Direction Board	M/s Ashiq Hussain Cont	93,400
			Total	256,600

Rs4,871,192 + Rs1,144,642 + Rs6,714,616 + Rs109,090 + Rs1,216,373 +
Rs656,560 + Rs629,175 + Rs256,600 = [Grand Total Rs15,598,248]

Annexure-K
Para 1.3.2.4

Non-recovery of Liquidated Damages due to Delay in Completion of Work Rs 2.43 million

Name of Schemes	Name of Contractor	Work Order No.	Date of Tender	Time of Period	Completed on	Amount (Rs)	LD
P/L Sewerage line vetnary hospital to disposal station Jalalpur Bhattian	M/s Zulfiqar Qaiser	71/11.03.15	04.03.15	5 Months	02.10.15	15,968,000	1,596,800
Constructi on of public park Pindi Bhattian	M/s Qaiser Sajjad	100/05.05.15	04.03.15	Upto 30.06.15	23.04.16	2,475,000	247,500
Constructi on of PCC drain soloing Nullah Muhallah Zafar Poora Masoom Pora	M/s Aashiq Hussain bhatti	72/11.03.15	04.03.15	Upto 30.06.15	30.08.15	2,240,385	224,039
Const of Nullah Mian Hafizabad road Pindi Bhattian	M/s Aashiq Hussain	73/11.03.15	04.03.15	3 Months	30.10.15	2,647,365	264,737
Rennovatio n TMA Office Sukheke	M/s Amjad Ali	63/11.03.15	04.03.15	3 Months	01.08.15	997,000	99,700
Total							2,432,776