



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
DISTRICT KASUR**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
PREFACE	ii
EXECUTIVE SUMMARY	iii
SUMMARY TABLES & CHARTS	vi
Table 1: Audit Work Statistics	vi
Table 2: Audit observation regarding Financial Management	vi
Table 3: Outcome Statistics	vii
Table 4: Irregularities pointed out.....	viii
Table 5: Cost-Benefit	viii
CHAPTER 1	1
1.1 Tehsil Municipal Administrations of District Kasur	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis)	2
1.1.3 Brief Comments on the Status of Compliance on MFDAC Audit Paras of Audit Report 2015-16.....	3
1.1.4 Brief Comments on Status of Compliance with PAC Directives	3
1. AUDIT PARAS	4
1.2 TMA KASUR	5
1.2.1 Non-production of record	6
1.2.2 Irregularities / Non-compliance of Rules	8
1.2.3 Performance	20
1.3 TMA CHUNIAN	24
1.3.1 Non Production of Record	25
1.3.2 Irregularities / Non Compliance	26
1.3.3 Performance	37
1.4 TMA PATTOKI	41
1.4.1 Non Production of Record	42
1.4.2 Irregularities/Non compliance.....	44
1.4.4 Performance	54
ANNEXURE	67

ABBREVIATIONS AND ACRONYMS

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

PREFACE

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

The Report is based on audit of accounts of various offices of Tehsil Municipal Administrations of District Kasur for the Financial Year 2015-16. The Directorate General of Audit District Governments Punjab (North) Lahore, conducted audit during 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

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

Islamabad
Dated:

Javaid Jehangir
Auditor General of Pakistan

EXECUTIVE SUMMARY

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

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

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

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

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

a) Scope of Audit

Total expenditure of three (3) TMAs of District Kasur for the Financial Year 2015-16 under the jurisdiction of DG District Audit (North) Punjab was Rs 1079.978 million covering three (3) PAOs and three entities. Out of this, the Directorate General Audit (North), Punjab audited an expenditure of Rs 724.968 million, which in terms of percentage, was 67% of the auditable expenditure.

Total own source receipts of the Tehsil Municipal Administrations of Kasur District for the Financial Year 2015-16, were Rs 653.915 million. Directorate General (North) Punjab audited receipts of Rs 459.452 million which was 70% of total receipts.

b) Recoveries at the instance of audit

Recovery of Rs 92.611 million was pointed out, which was not in the notice of executive before audit. However, no recovery was got affected till compilation of report.

c) Audit Methodology

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

d) Audit Impact

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

e) Comments on Internal Controls and Internal Audit Department

Internal control mechanism of TMAs of Kasur was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds without advertisement at PPRA website. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

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

f) Key audit findings of the report

- i. Misappropriation for Rs 0.215 million was pointed out in one case¹
- ii. Non-production of record of transactions with financial implications worth Rs 10.112 million was not remedied ensured by the management despite adequate notices in five cases.²
- iii. Irregularity & Non-Compliance of Rs 700.393 million were detected in 50 cases.³
- iv. Recovery of Rs 92.611 million was pointed out in 17 cases.⁴

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 (Annex-A).

g) Recommendations

- i. The PAO concerned needs to take appropriate action to promptly remedy remedial action regarding 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 expenditures.

¹Para 1.4.1.1

²Para 1.2.1.1-2, 1.3.1.1, 1.4.2.1-2

³Para 1.2.2.1-9, 1.2.2.11, 1.2.2.13, 1.2.3.1-4, 1.3.2.1-4, 1.3.2.7-12, 1.3.3.1, 1.3.3.3-4, 1.4.3.1-6, 1.4.3.8, 1.4.3.11-12, 1.4.3.14-15, 1.4.3.17, 1.4.3.19-21, 1.4.4.1-10

⁴Para 1.2.2.10, 1.2.2.12, 1.2.2.14-15, 1.3.2.5-6, 1.3.2.13-16, 1.3.3.2, 1.4.3.7, 1.4.3.9-10, 1.4.3.13, 1.4.3.16, 1.4.3.18

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

Rs in million

Sr. #	Description	No.	Budget		
			Expenditure	Receipts	Total
1	Total Entities (PAOs) in Audit Jurisdiction	3	1,356.701	993.627	2,350.328
2	Total formations in audit jurisdiction	3	1,356.701	993.627	2,350.328
3	Total Entities (PAOs) Audited	3	1,356.701	993.627	2,350.328
4	Total formations Audited	3	1,356.701	653.915	2,010.616
5	Audit & Inspection Reports	3	1,356.701	653.915	2,010.616
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

Table 2: Audit observation regarding Financial Management

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset Management	28.813
2	Weak Financial Management	92.611
3	Weak Internal Controls relating to Financial Management	408.756
4	Others	273.151
Total		803.331

Table 3: Outcome Statistics

Rs in million

Sr. No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current Year	Total Last Year
1	Outlays Audited	42.500	137.254	653.915	900.224	1,733.893	1,510.931
2	Amount Placed under Audit Observation / Irregularities of Audit	28.813	69.866	152.988	551.664	803.331	290.533
3	Recoveries Pointed Out at the instance of Audit	-	2.562	90.048	-	92.611	83.502
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

* The amount mentioned against Serial No.1 in column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 1,079.978 million.

Table 4: Irregularities pointed out

		Rs in million
Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and Regulations, principle of propriety and probity in public operation.	291.637
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	0.215
3	Accounting Errors (accounting policy departure from NAM ¹ , 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.	408.756
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies.	92.611
6	Non-production of record.	10.112
7	Others, including cases of accidents, negligence etc.	-
Total		803.331

Table 5: Cost-Benefit

		Rs in million
Sr. No.	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	1733.894
2	Expenditure on Audit	1.260
3	Recoveries realized at the instance of Audit	—
4	Cost Benefit Ratio	—

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

CHAPTER 1

1.1 Tehsil Municipal Administrations of District Kasur

1.1.1 Introduction

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

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

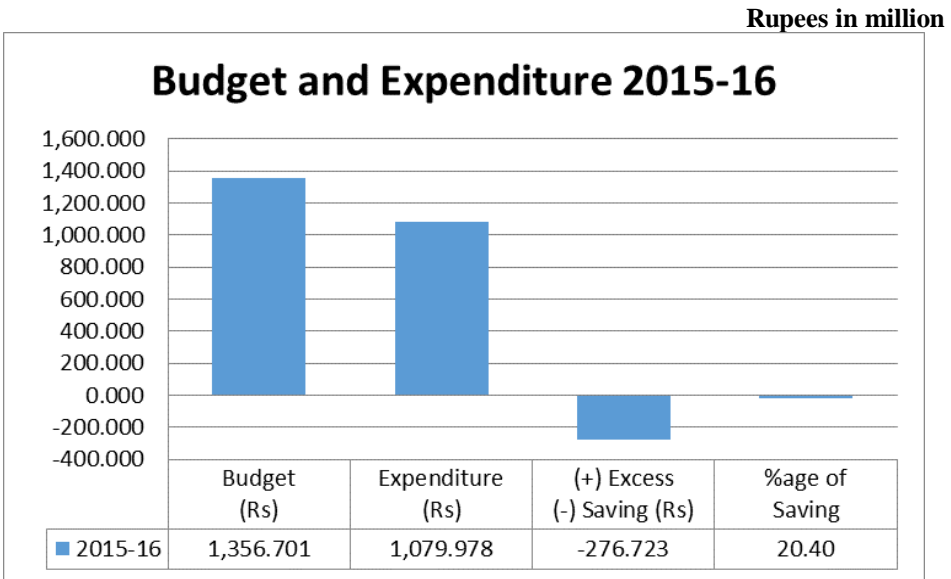
- x. To prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction;
- xi. To maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total Budget of TMAs of District Kasur was Rs 1,356.701 million (inclusive of Salary, Non-salary and development) whereas the expenditure incurred (inclusive of Salary, Non-salary and development) was Rs 1,079.978 million showing savings of Rs 276.723 million which in terms of percentage was 20.40% of the final budget as detailed in (**Annex-B**). Less utilization of development budget (44.37%) deprived the community from getting better municipal facilities.

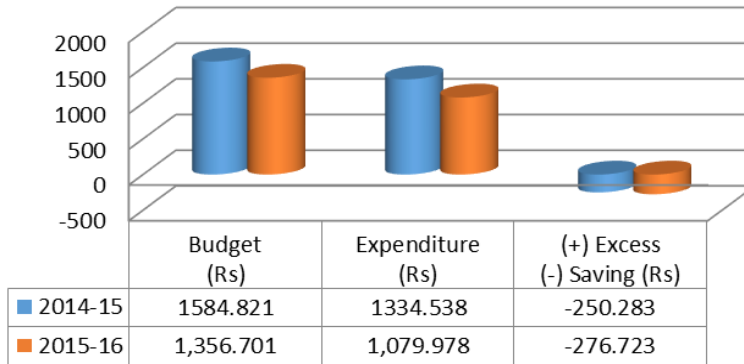
Rs in million

2015-16	Budget (Rs)	Expenditure (Rs)	(+) Excess (-) Saving (Rs)	%age of Savings
Salary	614.943	547.890	-67.053	10.90
Non Salary	495.047	394.834	-100.213	20.24
Development	246.711	137.254	-109.457	44.37
TOTAL	1,356.701	1,079.978	-276.723	20.40



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

Comparison of Budget and Expenditure 2014-15 & 2015-16



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

Fin. Year	Budget (Rs)	Expenditure (Rs)	(+) Excess (-) Saving (Rs)	%age of Savings
2014-15	1584.821	1334.538	-250.283	15.79
2015-16	1,356.701	1,079.978	-276.723	20.40

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 Audit Paras of Audit Report 2015-16

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

1.1.4 Brief Comments on Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab:

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2009-12	21	Not convened
2	2012-13	14	Not convened
3	2013-14	20	Not convened
4	2014-15	48	Not convened
5.	2015-16	21	Not convened

1. AUDIT PARAS

1.2 TMA KASUR

1.2.1 Non-production of record

1.2.1.1 Non-production of record – Rs 10.112 million

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

During audit scrutiny of the record pertaining to the TMA, Kasur for the financial year 2015-16, it was observed that record of dues of water charges, rent of municipal property, enlistment and renewal fee, auction of different collection rights etc were not provided to audit for scrutiny as detailed at Annex-C.

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

In the absence of record, authenticity, validity and accuracy of funds receipt and their utilization worth Rs 10.112 million could not be verified.

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

Audit recommends that matter be inquired and responsibility be fixed against the delinquent officers/ officials for non-production of record and ensure submission of record to audit for scrutiny.

[AIR Para No.28, 29, 33]

1.2.1.2 Non maintenance of record

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

An audit scrutiny of accounts record of TMA Kasur revealed that the record for issuance of notices of illegal constructions and details of show cause notices was not maintained / provided for audit verification. TMA did not maintain record to prosecution for violations of building plan approval. No survey of buildings was carried out to object the illegal construction of buildings. Further, in case of private housing schemes, the evidence for the transfer of ownership of the public areas like parks, graveyards, school and gymnasium etc in the name of TMA was not available on record.

Audit was of the view that non maintenance of record of illegal construction of private housing schemes and cases of contravention of building plan bye-laws as well as concealment of cases of evasions of mandatory approval thereof was due to weak internal controls. Evidences of enforcement of approved layout plans by the Housing Societies managed by developers were nonexistence also.

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

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

1.2.2 Irregularities / Non-compliance of Rules

1.2.2.1 Unjustified payment to daily wages employees - Rs 107.827 million

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

TMA Kasur appointed contingent paid employees without advertisement in newspapers also violating the instructions of the Government. Applications for appointment, joining reports and duty roster were not on record to have proof that the persons actually joined the duties. The chances of mis-appropriation of the amount of salaries cannot be eliminated. This resulted in unjustified payment of Rs 107.827 million as detailed below;

No. of Daily Wage Employees	Rate per Day	Average per Month 30 days (Rs)	Total Amount (Rs)
778	380	8869200*12	106,430,400
8	485	1164000*12	1,396,800
Total:-			107,827,200

The engagement of employees perpetuated for a span of engagement encompassing the whole financial year. The 89 days spells of engagement were mechanically renewed. This turned out to be a covert attempt to circumvent the binding condition of recruitment based on open advertisements.

Audit holds that payment on account of wages paid for had been made without fulfillment of mandatory condition of recruitment sequel to advertisement due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure from the Local Fund to the tune of Rs 107.827 million.

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

Audit recommends fixing responsibility against the person(s) at fault besides initiation of disciplinary action against the incumbents as

well as regularization of the expenditure in the maunder prescribed under intimation to Audit.

(AIR Para No.24)

1.2.2.2 Un-justified payment of electricity bill - Rs 84.445 million

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

TMA Kasur paid Rs 84.445 million on account of electricity charges of streetlights, dewatering sets and disposals during 2015-16 with paid vouchers delinked from the electricity bills not even made privy to audit. Further verification of reference numbers of connection from LESCO online consumer billing data revealed 14 paid connections which showed the status of error. The paid copies of electricity bills were not available / attached with the contingent bill forms. There was no detail about the number of lights and other equipment’s running on a meter. A report dated 29.11.2015 placed before the management conceded that overbilling needed rectification as a result of joint meeting to settle the arrears amount exorbitantly demanded with a difference of Rs 13.0 (Rs 18.0 million – Rs 5.0 million). Evidently, in this scenario, the authenticity of payment could not be verified and needed to be investigated. Further, TMA did not make reconciliation with WAPDA on account of arrears / outstanding amount.

The payment of electricity bills without observing the above mentioned formalities creates apprehension of misusing of electricity within / outside the premises of TMA jurisdiction. This lends credence to the proposition that either the electricity was not used efficiently or its pilferage cannot be ruled out. Due to this reason the payment of electricity bills were held unauthentic as detailed below;

Sr. No.	Description	Office	Amount (Rs)
1	Electricity bills of water supplies	TO(I&S)	63,111,385
2	Electricity bills of street lights	TO(I&S)	6,899,953
3	Electricity bills of parks	TO(I&S)	1,024,437
4	Electricity bill of CO Unit Raja Gang	CO Unit RJ	803,836
5	Electricity bills of CO Unit KRK	CO Unit KRK	3,905,464
6	Electricity bills of CO Unit KRK	-do-	3,133,571
7	Electricity bills of CO Unit Mustafabad	CO Unit Mustafabad	5,566,694
Total:-			84,445,340

Audit was of the view that due to weak internal controls, unauthentic payments of electricity bills were made. This resulted in unverified payment of electricity bills worth Rs 84.445 million

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

Audit recommends fixing of responsibility against the persons at fault beside ensuring remedial action to have energy consumption compatible with on ground installed capacity of the equipment to the exclusion of load shedding hours per day.

(AIR Para No. 21)

1.2.2.3 Irregular award of contract - Rs 20.642 million

According to Rule 25 (1) of Auctioning of Collection of Rights Rules 2003, the contractor shall provide at least two sureties or bank guarantees equal to the amount of contract. The sureties and guarantor shall be personally responsible for payment of dues recoverable from the contractor in case of default. Further sub rule 2 of the said rule also provides that the local government shall be entitled to recover all dues from the sureties and guarantor in case of default on the part of contractor due to any reason whatsoever. All costs and consequential costs of proceeds shall also be recoverable from them.

TMA Kasur auctioned five contracts during the financial year 2015-16. While awarding contracts, TMA did not obtain two sureties or bank guarantees from the contractors before giving effect to the award of contract in violation of rule ibid. Due to this reason, the award of contract was held irregular as detailed below;

Sr. No.	Name of contract	Name of the contractor	Amount (Rs)
1	Advertisement Fee	Ahmad Ali S/O Muhammad Ali House No. 1 Gali No. 10 Coral Islamabad	1,180,189
2	Raskha Stand Kasur	Malik Akther khan S/O Manzoor Khan	2,100,000
3	Adda Bus Stand Kasur	Rana Nasir Ali S/O Muhmmad Khan	15,477,000
		FerozwalaZila Sheikhpura	
4	Slaughter House Kasur	Ali Raza Shamshi S/O MahboobShamshi	1,086,000
5	Latrine New Bus Terminal Kasur	Gulam Mustaf S/O Mahanga	799,300
Total:			20,642,489

Audit was of the view that due to weak internal control and defective financial management, auctions of collection rights were made without fulfillment of codal formalities. This resulted in unauthorized award of contracts worth Rs 20.642 million.

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

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

(AIR Para No.5)

1.2.2.4 Non-completion of CCB Schemes wasteful expenditure of - Rs 16.901 million

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

Citizen Community boards under jurisdiction of TMA Kasur failed to complete sixteen schemes in violation of agreement signed with the TMA since 2011-12. The scrutiny of record revealed that 16 schemes having government share of Rs 26.460 million were executed against which 1st and 2nd installments to the tune of Rs 16.901 million were released during 2011-12. The final installment was not released and the schemes remained incomplete up to 2015-16. Non-completion of said schemes resulted in wastage of public money as detailed below;

Description	Year of execution	No. of schemes	Total project Cost	80% TMA Share	20% CCB Share	Balance to release
CCB schemes	2011-12	16	33,075,280	26,460,224	6,615,056	9,559,100

Audit holds that schemes were not completed on time due to careless attitude of responsible public servants as funds stood disbursed without due regard to the capacity of the CCB to complete the schemes for

which evidently approval had been granted on the basis of extraneous grounds. This resulted in wasteful expenditure of worth Rs 16.901 million

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

Audit recommends fixing responsibility against the person(s) at fault and taking over of the control of incomplete CCB schemes under intimation to Audit.

(AIR Para No.03 and 01)

1.2.2.5 Irregular payment of non-schedule items - Rs 3.889 million

According to Government of the Punjab, Finance Department Notification No.RO (TECH)FD 18-23/2004 dated 21-09-2004, the rate analysis for 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 to accord Technical Sanction (not below the rank of S.E) before the work is undertaken.

An audit scrutiny of accounts record of the TMA Kasur revealed that payment of non-schedule items worth Rs 3.889 million was made without having approval of the competent authority during 2015-16. Neither copies of the rates analysis nor approval of composite rates obtained from SE and sent to Secretary Standing Rates Committee in violation of above directions as detailed below:

Sr. No.	Description	Contractor	Amount (Rs)
1.	Supply of cable for street light, circuit breakers.	Malik Muhammad Yasin	300,000
2.	Purchase of street lights items.	Contractors of TMA Kasur	246,000
3.	Purchase of hand carts	Munir Enterprises	375,000
4.	Purchase of hand carts	Munir Enterprises	1,000,000
5.	Purchase of hand carts	Munir Enterprises	968,600
6.	Purchase of (2 Nos) Blade for Tractor TMA Kasur	Iron Fabricators	1,000,000
Total:-			3,889,600

Audit holds that approvals of non-scheduled items were not obtained due to defective financial discipline and weak internal controls. This resulted mis-procurement to the tune of Rs 3.889 million

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

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

(AIR Para No.36)

1.2.2.6 Mis-procurement by violating public procurement rules evading open advertisement tenders - Rs 4.882 million

According to Rule, 4 of Public Procurement Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

TMA Kasur incurred an expenditure of Rs 4.882 million on the purchase of tents and Hydraulic Trolley for use in the Ramzan Bazar 2016 during the financial year 2015-16. The expenditure was incurred without giving advertisement on the PPRA website.

Further GST amounting to Rs 1.413 million was paid without having GST Invoice, in lieu thereof and the paid copy of GST Challan was not obtained in proof of payment of GST as detailed below;

Date as per cash book	Description	Firm	Date	GST (Rs)	Exp. (Rs)
13.06.16	Purchase of tents	R.T Fashion	31.05.16	709,423	4,882,000

Audit scrutiny revealed that the provisions of Public Procurement Rules meant to validate waiver of an open advertised tenders were invoked unduly as a covert attempt to avoid cognizance of mis-procurement as Ramzan Bazar arrangements were very much anticipated ahead of the event and no emergency or operational compulsion could be adduced.

Audit holds that purchases were made without advertisement at PPRA's website due to defective financial discipline and weak internal controls. This resulted in non-transparent expenditure of Rs 4.882 million incurred from the Local Fund.

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

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

(AIR Para No.9 and 10)

1.2.2.7 Splitting of hiring of services to avoid advertisement on PPRA website - Rs 4.243 million

According to Rule 12(1) read with Rule 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 PPRA regulation 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 of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

TMA Kasur expended Rs 4.243 million on account of procurement of hiring rental services of machinery and equipment during the Financial Year 2015-16. Indents were split up in order to avoid advertisement at PPRA's website (Annex-D).

Audit holds that job orders were split up due to defective financial discipline and weak internal controls. This resulted in non-transparent expenditure of Rs 4.243 million to the Local Fund.

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

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

(AIR Para No.35)

1.2.2.8 Loss due to non-recovery of government revenues - Rs 3.221 million

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be

to ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund under the proper receipt head.

TMA Kasur realized Rs 17.750 million against the demand of Rs 19.922 million from the contractors of the six auctions during 2015-16. The remaining amount of Rs 3.221 million was not realized. It was further noticed that an amount of Rs 8,911,340 and Rs 422,860 was collected through departmental collection against “Adda Parking Fee New GBS Kasur” and “Slaughter House Kasur” respectively (mentioned at Sr. # 1 & 2 in the table below) and accordingly adjusted in the contract whereas the relevant record was not maintained and provided to audit for verification to amount for any valid shortfall in realization of the amount required to be credited into TMA account as detailed below;

Sr. No.	Description	Contractor	demand	Amount realized up to 6/2016	Amount not realized
1	Adda Parking Fee New General Bus Stand Kasur	Rana Nasir Ali S/o Mohammad Khan	15,477,000	13,582,940	1,894,060
2	Slaughter House Kasur		891,000	427,660	463,340
3	Advertisement Board Tax	Nasir Ali	1,045,000	357,302	687,698
4	Slaughter House CO Kot Rada kishan	Mohammad Idrees	70,400	39,330	31,070
5	Phatic Muwashian CO Mustafaabad	Mohammad Tufail	128,700	117,000	11,700
6	Riksha Stand Parking Fee TMA Kasur	Malik Akhtar	2310000	2,176,700	133,300
Total			19,922,100	17,750,932	3,221,168

Audit was of the view that due to weak internal control and defective financial management, government revenue was not realized. This resulted in less realization of government receipts worth Rs 3.221 million to the government.

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

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

(AIR Para No.4)

1.2.2.9 Non transparent repair of transformer - Rs 1.877 million

According to section 2(XVII)(b) of PLGO 2001, “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities. Further, according to letter to General Manager (Operation)’s WAPDA office letter bearing No. 67251-33/GMO/CEHQ/6-B-F dated 27-06-2002, repair of defective/damaged transformer from private firms was stopped. The defective transformers should be sent to WAPDA approved Reclamation Workshops for repairs.

TMA Kasur incurred an expenditure of Rs 1.877 million on the repair of transformers during 2015-16. Payment was held non transparent and doubtful because there was no estimate of work for repair of item, technically sanctioned by an electrical engineer as estimate was not vetted by the WAPDA technical officials. Besides this irregularity, the replaced material of transformer like copper was not accounted for or sold out. The replaced parts were not entered in the history register and dead stock register in proof of replacement and record for history of repair was also missing. The work was allotted to a contractor instead of designated repairing workshops. No efforts were made to curtail and make the expenditure economical and transparent. Due to non-compliance of above shortcoming, the expenditure of Rs 1.877 million was held irregular and doubtful as detailed at Annex-E.

Audit was of the view that unauthorized expenditure was incurred due to weak financial discipline. This resulted in unauthorized repair of transformer worth Rs 1.877 million.

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

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

(AIR Para No.23)

1.2.2.10 Less realization of water rates and rent of shops - Rs 1.606 million

According to Rule 16(1) and 79(3) of PDG and TMA Budget Rules 2003, on receiving the estimates of receipts from the Collecting Officer, each Head of Offices concerned shall finalize and consolidate the figures furnished by his Collecting Officers. The Head of Offices and Collecting Officers shall be responsible for the correctness of all figures supplied to the Finance and Budget Officer and the sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue. A Demand and Collection Register shall be maintained in Form A-XIII by the Collecting Officer of a Local Government. The demand shall be recorded on debit side of the register and when money is received against any demand necessary entry shall be made in the register on the credit side. At the beginning of each year, arrears of the previous year shall be carried forward and included in the demand for the year.

TMA Kasur realized Rs 26.053 million against the demand of Rs 27.660 million on account of water charges and rent of shops during the financial year 2015-16. The remaining amount of Rs 1.606 million was not realized as detailed below;

Sr.#	Nature of connection	No. of connection	Rate	Annual demand + Arrears	Recovery during the year	Outstanding amount
1.	Domestic	21112	100	27,660,784	26,053,875	1,606,909
2.	Commercial	447	300			

Audit holds that abandonment of claims to the water rates and rent of shops without any reason a dereliction of duty as the demand of these receipts were set up with reference to Demand and Collection Register and long standing defaulted arrears could be realized as arrears of Land Revenue. This resulted in less realization of government receipts worth Rs 1.606 million.

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

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

(AIR Para No.25)

1.2.2.11 Loss due to non-recovery of salary from the contractor worth - Rs 1.245 million

According to the rule 18(2) of the Auction & Collection rules 2003, the contractor shall deposit other charges such as salaries and rent of building under his possession cost of books stationery and other services provided by the Government.

TMO Kasur failed to recover Rs 1.245 million on account of salary of the staff deputed with the contractors in relation to following auctions for collection rights during the financial year 2015-16 as detailed below:-

Sr. No.	Name of contract	Name of contractor	Demand	Salary	Books	Total
1.	Adda Bus Stand Kasur	Rana Nasir Ali S/O Mohammad Khan	15,477,000	900,000	150,000	1,050,000
2.	Slaughter House Kasur	Ali Raza Shamshi S/O Mahboob Shamshi	1,086,000	180,000	15,000	195,000
Total:-			16,563,000	1,080,000	165,000	1,245,000

Audit holds that management was responsible for the realization of salary of the staff from the contractors which were not collected due to defective financial discipline and weak internal controls. This caused loss of Rs 1.245 million.

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

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

(AIR Para No.13)

1.2.2.12 Non-recovery from the guarantor of board tax - Rs 687,698

According to the Section 5 of term and condition of contract under the Auction and Collection Rule 2003, the guarantor will be required to pay the outstanding balance of the contractor.

TMA Kasur awarded the contract of "Board Tax". The contractor failed to deposit the outstanding amount of Rs 687,698. A considerable time had lapsed but no fruitful efforts were made to recover government receipts from the contractor as well as from guarantor. This caused non-recovery of government money worth Rs 687,698.

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

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

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

(AIR Para No.37)

1.2.3 Performance

1.2.3.1 Less achievements of targets of receipts - Rs 37.436 million

According to Rule 16(1) and 79(3) of PDG and TMA Budget Rules 2003, on receiving the estimates of receipts from the Collecting Officer, each Head of Offices concerned shall finalize and consolidate the figures furnished by his Collecting Officers. The Head of Offices and Collecting Officers shall be responsible for the correctness of all figures supplied to the Finance and Budget Officer and the sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

Management of TMA Kasur collected Rs 267.257 million on account of various heads of income against targeted figure mentioned in the revised budget to the tune of Rs 304.694 million as detailed in Annex-F.

Audit holds that Head of Offices / Administrator and Collecting Officers/ concerned Town Officers were responsible for the targets which were not achieved due to defective financial discipline and weak internal controls. This resulted in less achievement of targets of receipts for Rs 37.436 million.

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

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

(AIR Para No.11)

1.2.3.2 Non auction of contract resulted in non-recovery of - Rs 4.472 million

According to Rule 3 read with 10 of the PLG (Auction of Collection Rights) Rules 2003, a local Government may prefer to collect any of its income as specified in Second Schedule of the Ordinance through contractor by awarding collection rights to him for a period not exceeding one financial year. At least three attempts shall be made to award the contract of collection rights of an income through open bid by the administration of local Government concerned before the commencement of financial year, if the first and second attempts of

auction have failed to fetch bid equal to the reserve price or more. Further, according to Rule 76(1) of the Punjab District Government & TMA (Budget) Rules 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMO Kasur had not auctioned the following contracts during the financial year 2015-16. Government sustained loss of Rs 4.472 million due to non-auction of collection sites as detailed below;

Sr. No.	Name of the contract	Reserve Price for 2015-16
1	General Bus Stand KotRadhaKissan	4,241,667
2	Pattack Mawachian Raja Jang	230,834
Total:-		4,472,501

Audit was of the view that due to weak internal control and defective financial management government revenue was not realized. This resulted in non-recovery of Government receipt worth Rs 4.472 million.

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

Audit recommends fixing of responsibility for negligence and lapse on the part of those responsible under intimation to Audit.

(AIR Para No.6)

1.2.3.3 Non-auctioning of solid waste rights and loss to TMA amounting to - Rs 8 million

As per Rule 17 of Punjab Property Rules 2003, subject to sub-rule (2), as far as possible, a local government shall sell the solid waste through open auction on the basis of competitive bidding. A committee headed by the District Coordination Officer and comprising the Executive District Officer (Municipal Services), Tehsil/Town Municipal Officer and Tehsil/Town Officer (I&S) and District Excise & Taxation Officer shall conduct the auctioning of solid waste of a City District Government or Tehsil Municipal Administration. The committee shall conduct the auction of solid waste and, after completing the Auction proceedings shall forward its recommendations to the Zila/Tehsil Council for confirmation or rejection of the auction.

TMO Kasur did not auction the collection rights of solid waste in violation of the directions of Government of Punjab during 2015-16. TMA authorities neither made any serious effort to sell the solid waste nor managed waste minimization through three R(s) strategy i.e., recyclable, reduce and reuse the solid waste. Non auction of solid waste resulted in loss of Rs 8.00 million as detailed below:

A	B	C	D	E	F	G
# of UC	Targeted house/UC	Total # of Targeted House (A*B)	Per House Collection Rate/ Month	Total Recovery (C*D)	80% recovery Rate(E*.80)	Per Annum Recoverable amount @ 80% Recovery (F*12)
50	250	125000	1000	1,250,0000	1,000,0000	8,000,000

Audit was of the view that the non-auction of garbage inclusive of recyclables resulted in loss to TMA due to defective financial discipline and control. This resulted into loss to the Government Rs 8.0 million.

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

Audit recommends fixing of responsibility against the person(s) at fault for loss sustained by the public exchequer under intimation to Audit.

(AIR Para No. 17)

1.2.3.4 Non-compliance of provisions of the PEPA, 1997

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

TMA Kasur for the year 2015-16 did not follow provisions of PEPA, for enforcement of National Environmental Quality Standards and for taking action against the defaulters to serve the purpose of corrective action.

In addition to above following irregularities were noticed;

1. TMA was doing open dumping of solid waste collected from the community. Environmental Impact Assessment (EIA) was not

obtained from the Environment Protection Department in violation of section 11 of PEPA 1997. The open dumping caused air pollution, land pollution and water pollution etc., against which no action was taken.

2. No action plan was prepared for the treatment of Liquid Waste Water in violation of 54-A(P)(iii) of PLGO 2001. Liquid wastes were flowing into the drains and sewerage of the area and after collection through disposals polluted waste water was being used for irrigation of crops without treatment. This exacerbated health hazards and polluted the food chain.
3. Segregation of hazardous waste from nonhazardous waste was not made. Moreover, facility for the treatment of such waste was not available thereby polluting the ground water quality.
4. No survey was made for initiation of steps against the persons responsible for polluting the environment.
5. No waste recycling facility was available.
6. Modern sewerage system is not introduced to avoid contamination and pollution of air / water and spread of diseases.
7. The vehicles under use of the TMA are not being regularly checked by the vehicle examiners.

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

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

Audit recommends that matter may be investigated and responsibility be fixed against the person(s) at fault besides ensuring compliance of legal provisions of the substantive law under intimation to Audit.

(AIR Para No.30)

1.3 TMA CHUNIAN

1.3.1 Non Production of Record

1.3.1.1 Non maintenance of record

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

An audit scrutiny of accounts record of TMA Chunian revealed that the record of issuance of notices of illegal housing colonies, action taken against contravention of Land use and Town Planning Bye-laws and details of show cause notices issued was not maintained / provided for audit verification. TMA did not maintain record against the buildings plans of the erected buildings with no trail for breach of building plan followed by prosecution against the occupants, and efforts made to stop the construction of illegal buildings and recovery of fine. No survey of buildings was carried out to take cognizance of the illegal construction of buildings. Further, in case of private housing schemes, the evidence for the transfer of ownership of the public areas like parks, graveyards, school and gymnasium etc in the name of TMA was not available on record.

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

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

Audit recommends fixing responsibility and initiating disciplinary action for non-production of record against the officers/ officials at fault under intimation to Audit followed by remedial action to ensure scrutiny thereof by the audit with utmost expedition.

(AIR Para-39)

1.3.2 Irregularities / Non Compliance

1.3.2.1 Non reconciliation of income - Rs 95.233 million

Rules 12.19 and 12.20 of PFR Vol-I along-with Rule 68 of the Punjab District Government and TMA Budget Rules 2003, require that reconciliation on account of receipts and expenditure be made on monthly basis. According to Rule 3(2) of Punjab Local Governments (Tax on Transfer of Immovable Property) Rules, 2001, the rate of the tax shall be fixed as a percentage of the amount of consideration of transfer of property. For the purpose of this rule “consideration” means the price paid for the transfer of the immovable property and where no price is paid the market value as assessed by the authority competent to collect the tax.

An audit scrutiny of accounts record of TMA Chunian revealed that an amount of Rs 95.233 million was realized on account of different receipts/income heads during Financial Year 2015-16 but the same was not got reconciled with the office record as well as with the bank. Bank statements were not produced to audit to verify the Income actually deposited. Moreover, the receipt of TTIP could not be reconciled with the valuation applicable. The collection system of the receipt had no internal control system. The receipt books / challan books for the collection of fines were got printed by the concerned officials themselves so the chances of operating more than one receipt book and non-deposit of full receipts could not be ruled out in the absence of which, the income / receipt could not be termed as authentic. Further reconciliation of expenditure had not been carried out with TAO and the bank during the audit year as detailed below:

Year	Description	Amount (Rs in million)
2014-15	TTIP	38.552
2015-16	TTIP	56.681
Total:-		95.233

Audit holds that due to weak financial management, realization of actual dues remained understated.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides ensuring reconciliation and invocation of assessment of tax payable on the basis of consideration value under intimation to Audit.

(AIR Para No.33)

1.3.2.2 Un-authentic payment of electricity bills – Rs 27.453 million

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

TMA Chunian paid Rs 27.453 million on account of electricity charges of streetlights, dewatering sets and disposals during 2015-16 with paid vouchers delinked from the electricity bills not even made privy to audit. The paid copies of electricity bills were not available / attached with the contingent bill forms. There was no detail about the number of lights and other equipment’s running on a meter. So in this scenario, the authenticity of payment could not be verified and needed to be investigated. Further, TMA did not make reconciliation with WAPDA on account of arrears / outstanding amount.

The payment of electricity bills without observing the above mentioned formalities creates apprehension of misusing of electricity within / outside the premises of TMA jurisdiction. This lends credence to the proposition that either the electricity was not used efficiently or its pilferage cannot be ruled out. Due to this reason the payment of electricity bills were held unauthentic as detailed below;

Sr. No.	Description	Year	Amount
1	Electricity bills of water supplies	2015-16	19,803,486
2	Electricity bills of street lights	2014-15	7,650,000
Total:			27,453,486

Audit holds that due to weak financial management, irregularity came to surface. This resulted in unauthentic payment of electricity bills worth Rs 27.453 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides remedial action to take stock of the situation under intimation to Audit.

(AIR Para No.15)

1.3.2.3 Unjustified payment to daily wages employees – Rs 21.896 million

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

TMA Chunian appointed contingent paid employees without advertisement in newspapers also violating the instructions of the Government. Applications for appointment, joining reports and duty roster were not on record to have proof that the persons actually joined the duties. The chances of mis-appropriation of the amount of salaries couldnot be eliminated. This resulted in unjustified payment of Rs 21.896 million details annexed.

Year	Description	Total Amount(Rs)
2014-15	Chunian & Changa manga	10,095,153
2015-16		11,801,096
Total:-		21,896,249

Audit holds that payment on account of contingent paid staff was without adherence to legal pre-requisites and was made due to defective financial discipline and weak internal controls. This resulted in irregular expenditure from the Local Fund to the tune of Rs 21.896 million.

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

Audit recommends fixing responsibility against the person(s) at fault besides initiation of disciplinary action against the incumbents for corrective actions under intimation to Audit.

(AIR Para No.17)

1.3.2.5 Payment of non-schedule items without approval – Rs 15.462 million

According to Government of the Punjab, Finance Department Notification No.RO (TECH)FD 18-23/2004 dated 21-09-2004, the rate analysis for 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 to accord Technical Sanction (not below the rank of S.E) before the work is undertaken.

An audit scrutiny of accounts record of the TMA Chunian revealed that payment of non-schedule items worth Rs 15.462 million was made without having approval of the competent authority during 2015-16. Neither copies of the rates analysis and approval of composite rates obtained from SE were secured nor the same were sent to Secretary Standing Rates Committee in violation of above directions.

Further, demand for purchase, stock entry, specification of the items purchased, GST was paid without having GST Invoice as detailed at Annex-G.

Audit holds that due to weak financial management, irregularity was occasioned. This resulted in irregular expenditure of Rs 15.462 million

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides seeking regularization of the matter in the manner prescribed.

(AIR Para No. 03, 07,13)

1.3.2.6 Irregular purchase without having approval of the austerity committee - Rs 11.982 million

According to Government of the Punjab, Finance Department letter No. FD.SO(Goods)44-4/2011(A) dated 28th August 2015, purchases of Plant & Machinery shall not be allowed except with the prior concurrence of the Austerity Committee.

An audit scrutiny of accounts record of TMA Chunian revealed that an expenditure of Rs 11.982 million was incurred on the purchases

booked against head of “P&M” without having the approval of the Austerity Committee

Audit holds that due to weak financial management, prior approval of the austerity committee was circumvented. This resulted in irregular expenditure of Rs 13.691 million.

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

Audit recommends fixing of responsibility for lapses of the violation of austerity measures against the person(s) at fault besides seeking regularization of the matter under intimation to Audit.

(AIR Para No.36)

1.3.2.7 Irregular re-appropriation of funds - Rs 10.5 million

As per Rule 9 sub Rule 18 of Delegation of Financial Power Rule 2006 “No re-appropriation will be made out of the budgetary allocations under “Electricity, POL, Gas, and Telephone Charges Rent, Rates & Taxes” without the prior approval of the Finance Department”. Further Rule 9 Sub Rule (10) of Delegation of Financial Power Rules 2006, prescribed that “No re-appropriation will be made to or from “Salary” & “Basic Pay of Staff” and Regular Allowances.

An audit scrutiny of accounts record of TMA Chunia revealed that an amount of Rs 10.50 million was re-appropriated from the object head “Electricity and Pay & Allowances” to contingent head “Purchase of plant & machinery and Law Charges” in violation of rule *ibid*. This resulted in irregular re-appropriation of funds as detailed below;

Office	Description	From	To	Amount
TO (I&S)	Re-appropriation of funds	Electricity	Purchase of plant and machinery	10,000,000
TO (Regulation)	-do-	Pay & allowances	Law charges	500,000
Total:-				10,500,000

Audit was of the view that due to weak internal and financial controls, funds were re-appropriated by violating rules. This resulted in irregular re-appropriation of funds worth Rs 10.5 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides, seeking regularization in the manner prescribed under intimation to Audit.

(AIR Para No.1)

1.3.2.8 Irregular expenditure on ramzan bazar with favors conferred on contractors - Rs 7.660 million

As per Rule 9 &12 of Public Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of procurement so planned. Procurement over 100,000 and up to 2.00 million should be advertised on PPRA's website as well as in print media, if deemed necessary by the procuring agency. According to Chapter VII rule 41(c)-iv of Public Procurement Rules 2014, procuring agency cannot place repeat order except exceeding 15% of the original procurement.

TMA Chunian, incurred expenses worth Rs 7.660 million for the purchase of tents and other items for Ramzan Bazar 2016. The expenditure was incurred by splitting and violating the PPR clause regarding obtaining financial and technical bids. Further GST was paid without having GST Invoice as detailed at Annex-H and I. The condition to restrict repeat order amount was also violated regarding these transactions.

Audit holds that due to weak financial management, mis-procurement could not be averted. This resulted in non-transparent expenditure of Rs 7.660 million on Ramzan Bazar.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides seeking regularization of the expenditure in the manner prescribed under intimation to Audit.

(AIR Para No.5, 38)

1.3.2.9 Expenditure without approval of rates of non-schedule items worth - Rs 3.40 million

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

An audit scrutiny of accounts record of TMA Chunian revealed that payment of Rs 3.40 million was made on account of non-schedule items. The copies of the rate analysis (quotations) and composite rates sanction by the competent authority for non-schedule items was neither available in record nor sent to the competent authority for approval in violation of rule ibid as per detailed at Annex-J.

Audit holds that due to weak financial management mandate and purview of designated standing rates committee had been encroached upon. This resulted in irregular expenditure of Rs 3.40 million on non-schedule items.

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides seeking regularization in the manner prescribed under intimation to Audit.

(AIR Para No.19)

1.3.2.10 Non transparent purchase of - Rs 2.317 million

As per Rule 9 & 12 of PP Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of procurement so planned. Procurement over 100,000 and up to 2.00 million should be advertised on PPRA's website as well as in print media, if deemed necessary by the procuring agency. According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

TMA Chunian purchased tyres for the tractors and trollies for Rs 2.317 million during FY 2015-16. The examination of record revealed that tyres were purchased by preparing an estimate for nonscheduled items under civil work. The rates were enhanced by adding 4.5% Income Tax which was irregular and added an undue burden on public exchequers. As a matter of fact the Income Tax was to be paid by the contractor. The purchase was required to be made directly from the firm or authorized dealers after competitive bidding and evaluation of the same. Further NOC for purchase of tyres, history register of the vehicle, the details of tyre purchased previously was not on record.

Description	Firm	Amount	4.5% Income Tax	17% GST	Total
Tyres for tractors	Imran & Co.	528,800	23,796	89,896	166,572
-do-	Imran buildors	389,000	17,514	66,164	122,578
Loader rickshaw	Plum qingqi	1,400,000	63,000	238,000	441,000
Total:-		2,317,800	104,310	394,060	730,150

Audit holds that due to weak financial management, breaches of cannons of financial propriety besides undue contractors profit and overhead charges in the rate analysis were conceded.

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides seeking regularization in the manner prescribed in addition to recovery of Income Tax burdened on the local fund under intimation to Audit.

(AIR Para No.12)

1.3.2.11 Less recovery of government money from the contractors - Rs 1.745 million

According to Rule 3 read with 10 of the PLG (Auction of Collection Rights) Rules 2003, read with Rule 26 (2) of the Rules ibid after cancellation of contract, the local government may choose to re-auction the income for the remaining period of contract or may make departmental collection. If the income so received is found to be less than the contractual amount, the difference shall be recovered from the contractor as arrears of land revenue. Moreover, according to Rule 76(1) of the Punjab District Government & TMA (Budget) Rules 2003, the primary obligation of the collecting officers shall be to ensure that all

revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Chunian failed to realize government receipts worth Rs 1.745 million from the contractors on account of auction money pertaining to the following contracts during financial years 2014-2016.

Sr. No.	Name of the collection Tax contract	Year	Demand / Reserve Price	Collection	Balance
1	Board Tax Chunian	2015-16	2760000	1594200	1156000
2	Lari adda Kanghanpur	2014-15	1,200,000	657,840	542,160
3	Slaughter House Kanghanpur	2014-15	126,333	97,030	29,303
4	Slaughter House Chunian	2015-16	275,000	257,130	17,870
	Total		4,361,333	2,606,200	1,745,333

Audit holds that due to weak financial management government dues were less recovered. This resulted in less recovery of Government money worth Rs 1.745 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides early imposition of recovery under intimation to Audit.

(AIR Para No.27 & 28)

1.3.2.12 Non deposit of enlistment fee, renewal fee, professional tax and tender form fee into government treasury – Rs 1.623 Million

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

An audit scrutiny of accounts record of TMA Chunian revealed that renewal & enlistment fee, professional tax of the contractor and tender form fee had not been deposited into government treasury. Government

sustained loss due to non-deposit of renewal and enlistment fee, professional tax and tender form fee as detailed at Annex-J-1.

Audit holds that due to weak financial management recovery was not made. This resulted in loss to the Government worth Rs 1.623 million

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides imposition of recovery under intimation to Audit.

(AIR Para No.8)

1.3.2.13 Short realization of water charges – Rs 0.962 million

According to the Para 76 (1) of The Punjab District Government & TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Chunian did not recover Rs 0.962 million on account of water charges from consumers during the financial year 2015-16.

Year	Nature of connection	Monthly income	Yearly demand	Amount recovered	Amount not recovered
2015-16	Domestic 1522 Commercial 10	1522*150=228300 10*500=5000	2,799,600	2,359,060	961,724

Audit holds that due to weak financial management recovery was not made. This resulted in short realization of government money worth Rs 0.961 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides early imposition of recovery under intimation to Audit.

(AIR Para No.21)

1.3.2.14 Non recovery of arrears of shop rent - Rs0.569 million

Rule 4.1 of PFR Vol-1, lays down that the departmental controlling officer should see that all sums due to Government are regularly received and checked against demand and that they are paid into treasury.

TMA Chunian did not recover government receipts amounting to Rs0.547 million on account of arrear of shop rent and water rates as detailed below;

Sr. No.	Place of recovery	Commodity	Year	
1	Khalid Markeet	Shopt rent	2014-15	249,089
2	Faisal Markeet	Shop rent	2014-15	77,248
3	Jinnah Markeet	Shop rent	2014-15	156,814
4	Mutfariq Chungiat	Shopt rent	2014-15	
5	Khalid Markeet	Shopt rent	2015-16	229,689
6	Faisal Markeet	Shop rent	2015-16	149,519
7	Jinnah Markeet	Shop rent	2015-16	177,355
8	Mutfariq Chungiat	Shop rent	2015-16	12,568
Total:				569,131

Audit holds that due to weak financial management government dues were less recovered. This caused non recovery of arrears amounting to Rs0.547million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery under intimation to Audit.

(AIR Para No.30)

1.3.3 Performance

1.3.3.1 Loss to the government due to less realization of receipts than targets – Rs 21.426 million

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

An audit scrutiny of accounts record of TMA Chunian revealed that TMO conceded shortfall of receipts worth Rs 21.426 million out of the targets fixed by the department against different head of receipts as detailed at Annex-K.

Audit holds that due to weak financial management Government dues were less recovered conceding a short fall.

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

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

(AIR Para No.26)

1.3.3.2 Non recovery of government money due to non-auction of government property - Rs 2.500 million

Rule 3 of PLG (Auctioning of Collection Rights) 2003 sets forth that a local government may prefer to collect any of its income as specified in the Second Schedule of the Ordinance and duly approved and notified in the official Gazette, through contractor by awarding collection rights to him for a period not exceeding one financial year. Rule 10 of PLG (Auctioning of Collection Rights) 2003, states that at least three attempts shall be made to award the contract of collection rights of an income through open bid by the administration of local government concerned before the commencement of financial year, if the first and second attempts of auction have failed to fetch bid equal to the reserve price or more.

TMA Chunian failed to realize government receipts worth Rs 2.500 million due to non-auction of shops and plot at Chunian. This caused loss of Government receipts worth Rs 2.500 million.

Sr. No.	Name of the contract	Number of Shopt/plots	Reserve price for five years	Total contract amount
1	Auction of Shops (Five years)	1 to 20	50000*20	1,000,000
2	Plots	1 to 42	25000*42	1,050,000
Total:				2,050,000

Audit holds that due to weak financial management, Government dues were less recovered. This resulted in non-recovery of Government money worth Rs 2.500 million

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides prompt auction of Government property under intimation to Audit,

(AIR Para No.29)

1.3.3.3 Non-auctioning of solid waste rights loss to TMA - Rs 560,000

As per Rule 17 of Punjab Property Rules 2003, amended, Subject to sub-rule (2), as far as possible, a local government shall sell the solid waste through open auction on the basis of competitive bidding. A committee headed by the District Coordination Officer and comprising the Executive District Officer (Municipal Services), Tehsil/Town Municipal Officer and Tehsil/Town Officer (I&S) and District Excise & Taxation Officer shall conduct the auctioning of solid waste of a City District Government or Tehsil Municipal Administration. The committee shall conduct the auction of solid waste and, after completing the Auction proceedings shall forward its recommendations to the Zila/Tehsil Council for confirmation or rejection of the auction.

TMO Chunian did not auction the collection rights of solid waste in violation of the directions of Government of Punjab during 2015-16. TMA authorities neither made any serious effort to sell the solid waste nor book recourse to strategy of recycle, reduce and reuse the solid waste. Non auction of solid waste resulted in loss of Rs 560,000 as detailed below:

A	B	C	D	E	F	G
# of UC	Targeted house/UC	Total # of Targeted House (A*B)	Per House Collection Rate/ Month	Total Recovery (C*D)	80% recovery Rate(E*.80)	Per Annum Recoverable amount @ 80% Recovery (F*12)
35	250	8750	100	875,000	700,000	560,000

Audit holds that due to weak financial management recovery was not made.

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

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides auction of solid waste rights under intimation to Audit.

(AIR Para No.35)

1.3.3.4 Non-compliance of provisions of PEPA 1997

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

TMA Chunian did not follow the provisions of PEPA, especially under section 11(1) for enforcement of National Environmental Quality Standards and 16(2) for taking action against the defaulters for meaningful corrective action :

1. TMA was doing open dumping of solid waste collected from the community. Environmental Impact Assessment (EIA) was not obtained from the Environment Protection Department in violation of section 11 of PEPA 1997. The open dumping caused air pollution, land pollution and water pollution etc., against which no action was taken.
2. No action plan was prepared for the treatment of Liquid waste water in violation of 54-A(P)(iii)of PLGO 2001. Liquid wastes were flowing into the drains and sewerage of the area and after collection through disposals polluted waste water was being used for irrigation of crops without treatment. This resulted in direct destruction of public health.

3. Payment was made out of the funds under PLA accounts without post audit by the competent authority.
4. No campaign has been introduced to produce general awareness amongst the masses.
5. Segregation of hazardous waste from non hazardous waste was not being made. Moreover, facility for the treatment of such waste was not available.
6. No survey was made for initiation of steps against the persons responsible for polluting the environment.
7. No waste recycling facility was available.
8. Modern sewerage system was not introduced to avoid contamination and pollution of air / water and spread of diseases.
9. The vehicles under use of the TMA were not being regularly checked by the vehicle examiners.

Audit holds that due to weak financial management safeguarding of environment from pollution was not ensured.

The matter was reported to the PAO/Administrator in March 2017. Neither any reply was submitted by the department, nor DAC meeting convened till the finalization of this report.

Audit recommends fixing of responsibility for lapses and negligence against the person (s) at fault besides remedial action envisaged under the PEPA 1997.

(AIR Para No.34)

1.4 TMA PATTOKI

1.4.1 Non Production of Record

1.4.1.1 Non production of record

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

TMO Pattoki, did not produce following auditable record to audit in violation of above rules as detailed below;

- Statement of expenditure duly reconciled.
- Sanctioned strength of office
- Detail of bank accounts
- Bank accounts statements
- Cheque books with counter folio
- Personal files and service books of staff
- Demand & Collection Register
- Estimates / MBs
- Encroachment register
- Detail of arrears regarding water charges
- All cash books of DDOs
- List of official residences and allotment record
- Receipt / break up detail head wise
- Tender register
- Leave record of staff
- Log books/history sheets of vehicles /machinery
- Sanction of vehicles from Finance Department
- Computerized list of staff
- Complete detail of field staff depoyments

- Computerized list of staff working in other offices
- Dead stock register
- Detail of assets purchased
- Vehicles register
- List of official telephone Nos.
- Stock registers
- Ledger card of Class-IV
- Auctioned record
- Private housing schemes

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

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

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

(AIR Para No.5, 10)

1.4.2 Irregularities/Non compliance

1.4.2.1 Irregular appointments of daily wages staff – Rs 39.872 million

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

TMA Pattoki appointed contingent paid employees without advertisement in newspapers also violating the instructions of the Government. Applications for appointment, joining reports and duty roster were not on record to have proof that the persons actually joined the duties. The chances of mis-appropriation of the amount of salaries cannot be eliminated. This resulted in unjustified payment of Rs 39.872 million details annexed.

Description	No of daily wagers	Rate	No. of days in a year	Amount
Daily wages staff	186	500	89 days x 4=356	33,108,000
Disposal works	38	500	89 days x 4=356	6,764,000
Total:-				39,872,000

The engagement of contingent paid employees perpetuated with their span of engagement encompassing the whole financial year. The 89 days spells of engagement were mechanically renewed. This turned out to be a covert attempt to circumvent the binding condition of recruitment based on open advertisements.

Audit holds that payment on account of daily wages had been made without fulfillment of mandatory condition of recruitment due to defective financial discipline and weak internal controls.

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

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

(AIR Para No.01)

1.4.2.2 Less recovery of building maps fee - Rs 37.165 million

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

During audit scrutiny of record pertaining to the TMA, Pattoki, for the financial year 2015-16, it was observed that an amount of Rs 7.164 million was recovered on account of building plans approval fee from 41 numbers of applicants, whereas, while visiting LESCO office, it was noticed that total 1838 separate new domestic connections and 172 numbers new commercial connections stood registered during 7/2015 to 6/2016 and many more cases were pending. Evidently, this was not possible that the without construction of buildings, the electricity connections were installed. The above mentioned facts indicate that the field officials / officers working in the P & C branch did not perform their duties due to which the TMA sustained a loss of Rs 37.165 million as detailed below;

Categ ory	Total Maps Sanctioned	Amount Recovered	Average Per Map	Total Connections Sanctioned	Amount to be Recovered	Less Recovery
Resid ential	6	30,266	5,044	1,838	9,271,485	9,241,219
Com merci al	35	7,133,745	203,821	172	35,057,261	27,923,516
Total						37,164,735

Audit was of the view that less recovery of building plan fee was due to poor financial controls. This resulted in less recovery of Building plan fee worth Rs 37.165 million

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery of building plan fee shortfall under intimation to Audit.

(AIR Para No.8)

1.4.3.3 Unauthorized payment of liabilities - Rs 10.017 million

According to Rule 17.17(A) read with Rule 17.18 of PFR Vol-I, every disbursing officer shall maintain a register of liabilities in PFR Form 27 in which he should enter all these items of expenditure for which payment is to be made by or through another officer, budget allotment or sanction of a higher authority is to be obtained or payment would be required partly or wholly during the next financial year or years.

During the audit of TMA Pattoki, for the period 2015-16, it was observed that payment of Rs 10.017 million was made on account of liabilities under development head pertaining to financial year 2014-15. This resulted in unauthorized payment of Rs 10.017 million.

Audit was of the view that unauthorized payment of liabilities was due to poor financial controls. This resulted in unauthorized payment of liabilities worth Rs 10.017 million.

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

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

(AIR Para No.35)

1.4.3.4 Non realization of rent of shops - Rs 8.983 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 those of Land Revenue.

During audit scrutiny of record pertaining to the TMA Pattoki, for the financial year 2015-16, it was observed that rent of various shops from the tenants was outstanding. Non recovery of rent of shops resulted in loss to the local fund to the tune of Rs 8.983 million.

Audit was of the view that due to financial indiscipline, arrears had not been realized. This resulted in loss to the Government worth Rs 8.983 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides early completion of the recovery under intimation to Audit.

(AIR Para No.06)

1.4.3.5 Non recovery of shops rent - Rs 8.359 million

As per operating order of Lahore High Court w.P. No. 12231/2011, it has been clearly laid down that since, the petitioners are in occupation of land without paying rent, therefore, any action taken by the respondents for recovery of rent is not illegal. Moreover 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 those of the Land Revenue.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that the shops enlisted in the table below were initially auctioned on lease basis but after some time lessees moved the court for decision that the shops were not constructed on the TMA land. Therefore, the rent payment of shops was stopped by the shopkeepers. But the court rejected their appeal. Moreover, the TMA did not recover the rent which was now calculated worth Rs 8.359 million. In this way the TMA sustained a loss of Rs 8.359 million as per following break up:-

Shop No.	Amount
20	613,340
21	371,160
22	787,800
23	324,303
24	450,357
25	861,928
26	496,596
27	1,026,762
28	625,606
29	678,604
30	842,220
31	1,279,840
Total	8,358,516

Audit was of the view that due to financial indiscipline, arrears were not realized. This resulted in non-recovery of rent of shops worth Rs 8.359 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery under intimation to Audit.

(AIR Para No.07)

1.4.3.6 Unauthorized and doubtful collection of building plan fee - Rs 7.164 million

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

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that TMA recovered building fee amounting to Rs 7.164 million from the building owners in the territory of TMA. Collection was held doubtful because there was no survey of buildings when the TMA was constituted. Notices were not pre-numbered / Machine Numbered to verify the completion of notices served. No notice register and stock register of notice books were available. No efforts were on record to stop the construction of illegal buildings.

Audit was of the view that unauthorized and Doubtful Collection of building plan fee was due to poor financial controls. This resulted in mushroomed growth of illegal building and structures.

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

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

(AIR Para No.44)

1.4.3.7 Loss of - Rs 6.180 million due to non submission of appeal in time

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

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that a litigant had claimed custody of land of a graveyard by TMA Pattoki but the department refused / rejected the claim as the land was in the use of graveyard. The claimant lodged his appeal in court where the case was not pursued properly and the case was thus got decided in the favour of complainant. Moreover after decision of the court the department did not go forward for appeal in the next higher Court within stipulated period deliberately and ultimately the department lost the suit in the all Higher Courts due to lapsing of limitation.

Audit was of the view that loss due to non-submission of appeal in time was due to poor governance. This resulted in loss to the Government worth Rs 6.180 million

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

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

(AIR Para No.32)

1.4.3.8 Non recovery of rent regarding use of office space – Rs 4.260 million

The primary obligation of the Collecting Officers shall be to ensure that all revenue due is claim, realize and credited immediately into the Local Government Fund under the proper receipt head according to Rule 76 (1) of PDG & TMA (Budget) Rules, 2003.

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that a portion of office

building was being used by NADRA and press club without depositing any rent in the account of TMA. This resulted in non-recovery of rent amounting to Rs 4.260 million as detailed below:

Name of Office	Monthly Rent	Months	Amount (Rs)
NADRA	30,000	132	3,960,000
Press Club	5000	60	300,000
Total			4,260,000

Audit was of the view that non recovery of rent in lieu of use of office space was due to poor financial controls. This resulted in non recovery of rent of Rs 4.260 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery of outstanding rent under intimation to Audit.

(AIR Para No.37)

1.4.3.9 Lump sum payment of electricity bills - Rs 2 million

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

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed from cash book that TMO Pattoki paid Rs 2 million as lump sum amount of Electricity Bills instead of payment of actual claim, in the absence of actual claim the authenticity, validity, accuracy and genuiness could not be verified as detailed below:

Page No.	Date	Particulars	Head of A/c	Amount
21	29.10.15	Electricity bill	Water Disposal Pattoki	1,000,000
30	29.12.15	-do-	Office / water supply schemes Pattoki	1,000,000
Total				2,000,000

Audit was of the view that lump sum payment of electricity bills was due to poor financial controls.

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

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

(AIR Para No.14)

1.4.3.10 Irregular /splitting of expenditure - Rs 1.432 million

According to Rule 9 of PPRA 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed from cash book that an expenditure amounting to Rs 1.432 million was incurred on the purchase/hire of different items for Ramzan Bazaar (Annex-L). The said expenditure was held irregular on the following grounds:

- Expenditure was revealing splitting / regrouping to avoid tender which was self-evident.
- Item purchased had neither been taken on stock nor issued with an expense account.

Audit was of the view that irregular /splitting of expenditure was due to poor financial controls. This resulted in irregular expenditure of Rs 1.432 million.

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

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

(AIR Para No. 20&23)

1.4.3.11 Non recovery on account of leases - Rs 1.291 million

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

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that different leases were auctioned but the whole amount was not recovered from the concerned, which was against the contractual obligation. Therefore, recovery had to be made under intimation to audit as detailed below;

Sr. No.	Name of Lease	Name of Contractor	Amount Less Recovered
1	Slaughter House, Pholnager	M. Nawaz S/O Mehr Din	22,360
2	LariAdda Pattoki	Abdul Razaq S/O Ali Muhammad	57,500
3	LariAddaPholnager	Syed Gohar Ali Shah S/O Hassan Ali	524,000
4	Tam TamPholnager	M. Iqbal S/O Rasheed Ahmad	29,100
5	Rikshawa Fee Pholnager	M. Iqbal S/O Rasheed Ahmad	123,500
6	Publicity board feed Pattoki	AsifRaza S/O Abdul Majeed	535,000
Total			1,291,460

Audit was of the view that non-recovery on account of leases was due to poor financial controls. This resulted in non-recovery of Rs 1.291 million

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery under intimation to Audit.

(AIR Para No.12)

1.4.3.12 Less deduction of income tax - Rs 737,923

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that an expenditure of Rs 29.517 million was incurred on the development works and deducted Income Tax was accounted for @ Rs 7.5% instead of 10%. Due to less deduction of Income Tax, the public exchequer sustained a loss of Rs 737,923 as detailed below;

Total Expenditure 2015-16	IT Due @ 10%	IT Deducted @ 7.5%	Difference @ 2.5%
29,516,933	2,951,693	2,213,770	737,923

Audit was of the view that less deduction of income tax was due to poor financial controls. This resulted in less deduction of income tax Rs 737,923.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides imposition of recovery under intimation to Audit.

(AIR Para No.33)

1.4.4 Performance

1.4.4.1 Non conducting of internal audit - Rs 624.109 million

According to para 115-A of PLGO ordinance 2001(1) Nazim of each District Government and Tehsil Municipal Administration or Town Municipal Administration [shall] appoint an Internal Auditor¹[as may be prescribed]. (2) Internal audit shall be an independent, objective assurance and consulting activity designed to add value and improve the operations of local government, and shall help the local government to accomplish the objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

TMO Pattoki, did not conduct internal audit of expenditure worth Rs 624.109 million as detailed below;

Description	Budget (Rs. in millions)
Salary	158.753
Non Salary	126.092
Development	29.517
Receipt	309.747
Total	624.109

Audit was of the view that failure to ensure internal audit was due to poor financial controls.

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

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

(AIR Para No.36)

1.4.4.2 Doubtful expenditure due to non-reconciliation of expenditure amounting to - Rs 314.362 million

According to Rule 67 of Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003, during the first week of each month, the respective Accounts Officer shall provide for the previous month, a schedule showing the numbers, dates and amounts of vouchers paid during that month, and supply copy of each such schedule to the concerned Drawing and Disbursing Officer (DDO). Upon receipt of the schedule from the Accounts Officer, the Drawing and Disbursing Officer (DDO) shall compare such schedule with the statement prepared by him

and reconcile expenditure with Accounts Officer by 10th day of every following month for the previous month.

TMO Pattoki, incurred expenditure worth Rs 314.362 million during 2015-16. The expenditure was not got reconciled with the Tehsil Accounts Officer and the bank as detailed below.

Description	Budget (Rs. in millions)
Salary	158.753
Non Salary	126.092
Development	29.517
Total	314.362

Audit was of the view that doubtful expenditure due to non-reconciliation of expenditure was due to poor financial controls. This resulted in doubtful expenditure of Rs 314.362 million needs reconciliation.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides ensuring reconciliation under intimation to Audit.

(AIR Para No.42)

1.4.4.3 Non reconciliation of receipts - Rs 260.983 million

According to Para 78 of TMA Budget Rules 2003, The Collecting Officers shall furnish monthly reconciled statements of actual collections under the heads for which they are responsible to the Head of Offices in Forms BM-3 and BM-4 by 13th day of the month following the month to which the statement relates.

TMO Pattoki, did not reconcile the receipt worth Rs 260.983 million during 2015-16. There was no reconciliation of receipts with the Tehsil Account Office. Besides self-evident impudent noncompliance of law, matter resulted in unauthentic deposit of government receipts. The collection system of the receipt had no internal control system, the receipt books /challan books for the collection of fines were got printed by the concerned officials themselves so the chances of operating more than one receipt book and non-deposit of full receipts could not be ruled out. Similarly in case of fees the complete list / demand was not prepared giving the CNIC number phone number and address of the recipients.

Month	Receipt
15-Jul	16,991,279
15-Aug	12,382,425
15-Sep	22,577,416
15-Oct	18,508,975
15-Nov	20,684,046
15-Dec	25,055,903
16-Jan	13,429,638
16-Feb	37,377,280
16-Mar	19,600,615
16-Apr	14,809,931
16-May	26,007,424
16-Jun	33,557,863
Total	260,982,795

Audit was of the view that non-reconciliation of receipts could entail pilferage of dues / fees due to poor financial controls. This resulted in unauthentic income of Rs 260.983 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault besides reconciliation under intimation to Audit.

(AIR Para No.41)

1.4.4.4 Irregular payments out of PLA account without post audit - Rs 140.857 million

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

TMO Pattoki, made a payment of Rs 140.857 million out of PLA during 2015-16. Payment was held irregular because the account of PLA was not post audited by the competent authority. In the absence of the post audit and the authenticity of the payments remained questionable. This resulted in irregular payments;

Month	Expenditure
15-Jul	14,500,000
15-Aug	15,597,027
15-Sep	10,172,552
15-Oct	8,395,000
15-Nov	12,883,619

15-Dec	1,250,000
16-Jan	9,400,000
16-Feb	19,415,275
16-Mar	15,378,857
16-Apr	3,700,000
16-May	12,134,143
16-Jun	18,030,643
Total	140,857,116

Audit was of the view that irregular payments out of PLA account without post audit was due to poor financial controls. This resulted in irregular payment of Rs 140.857 million.

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

Audit recommends fixing of responsibility for lapses and negligence against the person(s) at fault beside remedial action under intimation to Audit.

(AIR Para No.40)

1.4.4.5 Ignored management of liquid Waste

According to section 54 –A(P)(iii) of PLGO 2001, the TMAs have certain functions to perform in respect of solid waste management including liquid waste.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that no plan was formulated for collection and environmentally sustainable disposal of liquid waste management. Liquid wastes were flowing into the drains and sewerage of the area and after collection through disposals polluted waste water was being used for irrigation of crops without treatment. This resulted in direct destruction of public health

Audit was of the view that non-addressing the management of liquid waste was due to poor financial controls.

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

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

(AIR Para No.17)

1.4.4.6 Evasion of environmental impact assessment (EIA) leading to unsecure dumping of solid wastes

According to Section 11 of PEPA 1997 , no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the National Environmental Quality Standards.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that TMA was involved in open dumping of solid waste collected from the community. Environmental Impact Assessment (EIA) was not obtained from the Environment Protection Department in violation of PEPA 1997. The open dumping caused air pollution, land pollution and water pollution etc., against which no action was taken. The quantum of solid waste dumping unaccounted for in illegal heaps coupled with no collection and transportation of additional unattended waste.

Audit was of the view that evasion of environmental impact assessment leading to unsecure dumping of solid wastes was due to poor financial and administrative controls.

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

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

(AIR Para No.18)

1.4.4.7 Construction of Illegal buildings in the territory of TMA

According to section 144 & 145 and fourth schedule of PLGO 2001 minimum Rs 15, 000, fine will be imposed on person who carried out construction of building without prior permission of TMA. Further according to section 2(XVII)(b) of PLGO 2001 “mal-administration means and includes delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities or avoidance of disciplinary action against an officer or official whose action is held by a competent authority to be biased, capricious, patently illegal or vindictive”.

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that TMA did not recover fine for construction of building without prior approval of the competent

authority from the different buildings owners in the territory of TMA. Scrutiny of record revealed that the maps of the buildings were not approved being defective but no further action was taken against the owners, no efforts were on record to stop the construction of illegal buildings and recovery of fine.

Audit was of the view that construction of Illegal buildings in the territory of TMA was due to poor financial and administrative controls.

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

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

(AIR Para No.43)

1.4.4.8 Non-transfer of land in the name of TMA

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

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that in case of private housing schemes, the ownership of public areas like parks, graveyards, school and gymnasium etc were not transferred in the name of TMA. This resulted in violation of the rules. The chance of misappropriation of land and sale of area by the owners could not be ignored.

Audit was of the view that chances of mismanagement due to non-transfer of Land in the name of TMA was due to poor financial and administrative controls.

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

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

(AIR Para No.45)

1.4.4.9 Non-classification of land under the jurisdiction of TMA

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

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that the area of TMA was not classified and sub classified in residential, commercial, industrial, peri Urban and agriculture portions. Due to non-classification of the land / area serious violations of the land use could not be stopped. Non-compliance of the rules resulted in development of un-planned, dangerous and illegal housing schemes, commercial areas. Serious environmental hazardous have cropped up in the areas. The problems in handling / addressing / management of solid and liquid wastes had become strongly challenging in the municipal areas of TMA

Audit was of the view that non-classification of land under the jurisdiction of TMA was due to poor governance.

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

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

(AIR Para No.46)

1.4.4.10 Unauthorized land use in residential, commercial and industrial areas

According to Rule 7,8 and 9 of Land Use rules 2009 A City District Government or a Tehsil Municipal Administration shall ensure that the following land use provisions under permitted, permissible and prohibited uses are strictly followed in a residential area: (a) permitted uses: a City District Government or a Tehsil Municipal Administration shall permit following uses in a residential area: (i) detached house; (ii) semi- detached house; (iii) town house; (iv) residential apartment; (v) neighborhood level park and playground; (vi) place of worship or prayer; (vii) place of burial or cremation; and (viii) horticultural nursery: (b) permissible uses: subject to rule 18, a competent authority may grant permission for any of the following uses: (i) daycare centre or preschool;

(ii) primary school; (iii) secondary school; (iv) dispensary with no bed and laboratory facilities; (v) library; (vi) guest house having not more than ten rooms; (vii) small size corner shop at the ground floor; (viii) office of a professional not exceeding twenty five percent of the floor area, as office associated with resident professional; this facility shall be available to a resident holding both a professional degree, diploma or certificate and a registration with a statutory body established under a law for the time being in force; and (ix) base transceiver station or communication tower. (c) prohibited uses: a City District Government or a Tehsil Municipal Administration shall not allow a person to use a property in a residential area for a purpose which is neither permitted nor permissible..

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that the residential area of the TMA was not protected from the prohibited uses. No policies were devised to identify and stop the prohibited use of residential, commercial and industrial areas of TMA. There was no reliable system in the TMA to identify the violation of land use rules in residential areas. In this miserable situation even there was no integration of TMA with LESCO and Excise and taxation department to identify the commercial and prohibited use of land.

Audit was of the view that unauthorized land use in residential, commercial and industrial areas was due to poor financial controls.

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

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

(AIR Para No.47)

1.4.4.11 Poor town planning and loss of local fund due to non receipt of conversion fee

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

land use classification map but such map may be prepared in parts, each part map may be prepared for a part of the area under its control:

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

Audit was of the view that poor town planning and loss of local fund due to non-receipt of conversion fee was occasioned by poor administrative and financial controls.

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

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

(AIR Para No.48)

1.4.4.12 Non observance of benchmark for the housing schemes

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

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that benchmark set forth for the private housing schemes was not observed by the authorities in TMA.

In case of private housing schemes the total area of the schemes were not properly worked out. A large number of schemes remained unapproved and no action was taken against remaining illegal schemes. It was a case of providing logistic support for the running of illegal colonies against the laws of town planning. A detailed survey and complete inspection of the area was required to find out the establishment of illegal housing colonies and fixing of responsibility against those responsible for not taking action against such a mushrooming growth of Housing Societies.

Audit was of the view that non-observance of benchmark for the housing schemes was due to poor financial and administrative controls.

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

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

(AIR Para No.49)

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

According to Rule 17 of the Punjab Local Government (Property) Rules 2003. "as far as possible, a local government shall sell the solid waste through open auction on the basis of competitive bidding. (2) A local government shall not auction the hazardous waste. (3) The maximum period for sale of solid waste shall be twenty years which shall be divided into at least three stages, the initial sale period shall not be more than ten years and the remaining period shall not be extended for a period of exceeding five years at a time. (4) A committee headed by the District Coordination Officer and comprising the Executive District Officer (Municipal Services), Tehsil/Town Municipal Officer and Tehsil/Town Officer (I&S) and District Excise & Taxation Officer shall conduct the auctioning of solid waste of a City District Government or Tehsil Municipal Administration. (5) The committee shall conduct the auction of solid waste and, after completing the auction proceedings shall forward its recommendations to the Zila/Tehsil Council for confirmation or rejection of the auction. (6) The committee shall fix reserved price and every bidder shall deposit ten percent of the reserved price as earnest money in the funds of the local government to enable him to take part in the auction proceedings and the local government shall retain the earnest money of the successful bidder as security for successful completion of the sale contract.

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that no efforts were made by the manager of government agency to generate the revenue from the auction / sale of solid waste. A huge sum was expended by the TMA to manage the waste in the territory of TMA but the revenue realization from the management of solid waste was not forthcoming. This was a case of negligence and poor management. All pre-requisites were in place, cost had been paid for collection of waste and transportation at one place. TMA did not realize the revenue after bearing cost which was a serious lapse on the part of authority. Audit was of the view that due to incompetence, inefficiency, ineptitude, negligence in the administration and non-discharge of duties local fund sustained a loss of revenue from the sale of solid waste.

Audit was of the view that loss to local fund due to non-auction of solid waste was due to poor financial controls.

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

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

(AIR Para No.50)

1.4.4.14 Unauthorized payments due to improper monitoring of CCBs

According to Rule 21 of CCB rule 2003, the Secretary of the CCB under the general supervision and control of the Executive Committee shall maintain proper records of all transactions, assets and liabilities of the CCB. (2) The CCB shall follow the procurement and executing procedure approved by its General Body. Such procedure shall be based on the principle of financial propriety and sound procurement practices. (3) The respective local government may require the CCB to furnish such financial information, as it may deem necessary, or maintain accounts in the prescribed manner.

During test audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that TMA made huge payments to CCBs in various sectors. Payments was held unauthorized and wastage of public money because in violation of the CCB rules and poor monitoring of the CCBs, the assets of the projects had not been got transferred in the name of CCBs. There was no report about the existence of the assets after completion of CCBs.

Audit holds that due to negligence of the responsible, government funds were wasted and value for money was not achieved.

Audit was of the view that due to improper monitoring of CCBs interests of the CCB stakeholders had not been safeguarded..

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

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

(AIR Para No.54)

1.4.4.15 Unauthorized management of government properties

According to Rule 8 of The Punjab Local Government (Property) Rules 2003 a Committee shall be constituted to identify, prepare and send report to the Government and dispose of the Redundant/Encroached Property. The Government may declare the Property as Redundant/Encroached, as the case may be, and accord permission for its disposal: Provided that the Government shall give due regard to the master plan of the concerned city or town, as the case may be, while declaring Property as Redundant/ Encroached.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that there was no property register for proper classification of different classes of government properties. The existence valuation ownership and demarcation of the properties had not been ascertained. Audit holds that the government property encroached or mis-used and needed to be managed properly.

Audit was of the view that unauthorized management of government properties was due to poor financial controls.

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

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

(AIR Para No.51)

1.4.4.16 Unauthorized and doubtful payments to incomplete CCBs

According to rule 18 of CCB Rules 2003. Project monitoring and evaluation.- (1) Projects of CCB shall be subject to monitoring and

evaluation by the respective Monitoring Committee constituted under the Ordinance or by any other agency/official(s) notified by the local government concerned. (2) The Monitoring Committee shall prepare a monitoring and evaluation report of the CCB Projects and shall submit the same to the Council and the Nazim concerned. A CCB shall implement duly approved projects as specified in the project agreement by itself. (3) A CCB shall implement the project within the allocated funds and within the allowed time frame. (4) Upon submission of the documents to be filed under sub-rule (1) above the CCB official shall, in accordance with the disbursement schedule in the agreement referred to in sub rule (1) (ii) above, transfer the first installment into the account specified by the CCB under sub rule (1) (i) above. (5) Subsequent transfer of installments by the local government concerned shall be made in accordance with the schedule agreed to between the CCB and the local government concerned. (6) The release of subsequent installment shall be subject to the approval of the concerned local government.

During audit scrutiny of record pertaining to the TMO Pattoki, for the financial year 2015-16, it was observed that TMA made payments to CCBs as 1st and 2nd installments to the CCBs. Payment having been made out of local fund was wasted / likely embezzled due to non-monitoring of the progress of the CCBs. Members of the CCBs deposit 20% share and got the 1st installment released from local fund with schemes abandoned incomplete.

Audit was of the view that unauthorized and doubtful Payments was accentuated due to incomplete CCBs.

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

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

(AIR Para No.53)

ANNEXURE

PART-I
Memorandum for Departmental Accounts Committee
Paras Pertaining to Audit Year 2016-17

(Rs in million)

S. No.	Name of TMA	Title of Para	Nature of Observation	Amount
1	TMA Kasur	Advance payment	Irregularity	0.339
2		Irregular retention of Funds	Irregularity	-
3		Non maintenance of Funds for Sports & Youth Activities	Irregularity	-
4		Non Reconciliation of income	Irregularity	-
5		Unjustified Expenditure on purchase of PVC Pipe, Water Pump, Electric Cables, for the repair of Water Supplies	Irregularity	2.648
6		Defective Consumption of Diesel	Irregularity	-
7		Un-authentic expenditure	Irregularity	1.642
8		Non-realization of Performance Security	Irregularity	0.294
9		Unauthentic payment of Rent of Parking Stand / General Bus Stand Non deduction of Income Tax	Recovery	0.302
10		Non maintenance of proper record pertaining to self collection	Irregularity	
11		Non realization of 10% advance Income Tax	Recovery	0.193
12		Doubtful Payment	irregularity	2.8
13		Non Recovery Tender Form Fee-	Recovery	0.109
14		Non deduction of shrinkage	Recovery	0.143
15		Non-preparation of PC I of development schemes - Rs 5.516 million (MFDAC)	Irregularity	5.516
16		Irregular payment without approval of lead chart - Rs 1.430 million	Irregularity	1.430
17		Irregular re-appropriation of funds - Rs 10.365 million		10.365
15	TMA	Non Allocation of Budget for	irregularity	-

S. No.	Name of TMA	Title of Para	Nature of Observation	Amount	
	Chunian	CCB Schemes			
16		Unauthorized Payment without Approval of Lead	irregularity	0.394	
17		Irregular expenditure on hiring of CCTV	irregularity	0.198	
18		Non maintenance of proper consumption record of Diesel	irregularity	4.050	
19		Irregular and Doubtful Repair of Transformer	irregularity	0.278	
20		Non-Accountal of Material	irregularity	-	
21		Non-recovery of liquidated damages due to delay in completion of work	Recovery	0.269	
22		Unauthorized deviation the work from the estimate	irregularity	0.5	
23		Irregular expenditure	irregularity	-	
24		Less deduction of Income Tax	Recovery	0.161	
25		Less Recovery of income of shop rent	Recovery	0.237	
26		Non realization of 10% advance income	recovery	0.276	
27		Pre-mature release of securities	Irregularity	0.130	
28		Block allocation	Irregularity	-	
29		Unauthorized award of contract	Irregularity	11.016	
30		Irregular expenditure on purchase of tyres	Irregularity	1.012	
31			No-preparation of PC-I of development schemes – Rs 48.800 million	Irregularity	48.800
32			1.3.2.6 Less recovery of water rates – Rs 15.094 million.	Irregularity	15.094
31		TMA Pattoki	Over payment due to allowing excessive rate for RCC work	overpayment	0.009
32			Use of sub standard steel	Irregularity	0.237
33	Unjustified pay & allowances of officers/officials		Irregularity	3.957	
34	Unauthentic Expenditure		Irregularity	-	
35	Lump sum payment for		Irregularity	0.200	

S. No.	Name of TMA	Title of Para	Nature of Observation	Amount
		arrangements		
36		Irregular payment of advance	Irregularity	0.495
37		Non verification of income tax	Irregularity	2.952
38		Irregular payment on account of rent	Irregularity	0.396
39		Doubtful repair of tents used in Ramzan bazaar	Irregularity	0.141
40		Wasteful expenditure	Irregularity	0.352
41		Avoidable expenditure regarding labour	Irregularity	0.990
42		Unauthorized repair of transformers	Irregularity	0.525
43		Unauthorized expenditure on POL and repair of vehicle without sanctioned strength of vehicles	Irregularity	1.004
44		Loss in millions due to non re-auction of shops	Irregularity	-
45		Loss in millions due to subletting of shops	Irregularity	-
46		Wasteful expenditure on plants	Irregularity	0.029
47		Non maintenance of register confiscated Material	Irregularity	-
48		Improper maintenance of budget regarding pay & allowances	Irregularity	-
49		Irregular re-appropriation	Irregularity	0.275
50		Likely misappropriation of funds - Rs 215,100	Irregularity	215,100
		Irregular expenditure on earthwork – Rs 1.263 million	Irregularity	1.263

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

(Rs in million)

S. No.	Name of TMA	Title of Para	Nature of Para	Amount
1	TMA Kasur	Non maintenance of Property record	Irregularity	-
2		Irregular award of contract without observing prescribed formalities	Irregularity	---
3		Repair of Machinery & Equipment without history sheet	Irregularity	-
4		Non reconciliation of TTIP income with revenue department	Irregularity	-
5		Unauthorized repair of Transformers and recovery	Irregularity	0.798
6		Unauthorized purchase of tent (textile items) from unregistered firm	Irregularity	--
7		Irregular Pay & Allowances to Sanitation Branch	Irregularity	-
8		Non Payment of Pension Contribution of Erstwhile Zila Council employees from TMAs to District Government	Irregularity	-
9		Billing of electricity charges of street light meters without taking load	Irregularity	-
10		Irregular payment of pension due to non-providing PPO number	Irregularity	-
11		Allocation of budget under unforeseen and natural calamities	Irregularity	-
12		Excess expenditure over and above the budget allocation	Irregularity	-
13		Loss to Government due non availing of discount on tentage	Irregularity	0.790
14		Irregular Expenditure on account of repair of Vehicle	Irregularity	0.374
15		Unauthorized expenditure on POL without sanctioned strength of vehicles	Irregularity	-

S. No.	Name of TMA	Title of Para	Nature of Para	Amount
16		Purchases without showing consumption of material	Irregularity	-
17		Irregular drawn of Conveyance Allowance & Government Vehicles	Recovery	0.287
18		Non recovery of government money from the contractors, for whom the contracts have been terminated	Recovery	-
19		Non showing Bank Balances in general Cash Book	Irregularity	-
20		Re-appropriation of funds without approval of FD, Government of the Punjab	Irregularity	-
21		Non-registration of Government Vehicles	Irregularity	-
22		Non Approval of Lead Chart by the Competent Authority for Earth work	Irregularity	-
23		Use of sub standard steel as the bills of contractors not supported with invoices and manufacturers certificate	Irregularity	0.328
24		Over payment due to allowing excessive rate for RCC work and non deduction of Price Variation	Over payment	0.029
25		Premature Release of Securities	Irregularity	0.489
26		Non- recovery of Enlistment and Renewal Fee Record of Contractor as record not provided	Recovery	-
27		Non recovery of Professional Tax from Contractors	Recovery	0.960
28		Award and completion of work without depositing performance security from the contractor	Irregularity	3.22
29		Non Recovery Tender Form Fee-	Recovery	0.178
30		Unauthentic Govt. receipt due to non-conducting of survey	Irregularity	2.160
31	TMA Pattoki	Loss due to Unlawful Award of Lorri Adda Pattoki	Irregularity	0.321
32		Loss Due To Auction below	Irregularity	0.330

S. No.	Name of TMA	Title of Para	Nature of Para	Amount
		Reserved Price		
33		Unauthentic Departmental Collection worth	Irregularity	0.547
34		Non realization of salary of employees from contractors Rs 1.260 million (Approximate)	Irregularity	-
35		Self collection was made less than last year income	Irregularity	-
36		Non Reconciliation of Income	Irregularity	-
37		Non allocation of CCB Funds-	Irregularity	-
38		Irregular expenditure on Purchase of CCVT	Irregularity	0.202
39		Less-allocation of Funds for Sports & Youth Activities	Irregularity	-
40		Block Allocation for ADP Schemes	Irregularity	-
41		Expenditure on Purchase Diesel for Tractors without Preparing Annual Estimation	Irregularity	-
42		Irregular advance payment	Irregularity	0.800
43		Irregular Payment of Legal Charges/Court Fee	Irregularity	0.847
44		Irregular and Doubtful Repair of Transformer	Irregularity	0.832
45		Non reimbursement	Irregularity	0.274
46		Irregular repair of transformer	Irregularity	0.292
47		Irregular expenditure by violating the procedure	Irregularity	0.989
48		Unauthentic payment of pension to the retired pensioners	Irregularity	-
49		Non preparation of PC I of development schemes – Rs 53.756 million	Irregularity	53.756

Annex-B

TMA Kasur				
Head	Budget	Expenditure	Excess / Savings	% age
Salary	293.76	254.22	39.54	13.46
Non Salary	241.359	199.201	42.158	17.47
Development	72.704	43.125	29.579	40.68
Total	607.823	496.546	111.277	71.61
Revenue	514.34	308.722		
TMA Chunian				
Head	Budget	Expenditure	Excess / Savings	% age
Salary	162.43	150.792	11.638	7.16
Non Salary	127.597	82.15	45.447	35.62
Development	144.491	67.564	76.927	53.24
Total	434.518	300.506	134.012	30.84
Revenue	169.54	84.21		
TMA Pattoki				
Head	Budget	Expenditure	Excess / Savings	% age
Salary	158.753	142.878	15.875	10.00
Non Salary	126.092	113.483	12.609	10.00
Development	29.517	26.565	2.952	10.00
Total	314.362	282.926	31.436	10.00
Revenue	309.747	260.983		

Grand Total

Annex-C

Sr. No	Name of the contract	Collection 2015-16
1	Phattak Mawachian Kot Radha Kissan	50,500
2	Coping fee Kot Radha Kissan	61,900
3	Water charges Khudian	2,565,475
4	Rent of Municipal property Shop Khudian	82,650
5	Water charges Mustafabad	3,512,020
6	Register of Immoveable Property	0
7	Arrears Demand and Collection Register	0
8	Register of Public Roads and streets	0
9	Register of unauthorized occupants of land or buildings	0
10	Building maintenance register	0
11	Roads and streets maintenance register	0
12	Agriculture land register	0
13	Register of road side trees	0
14	Register of trees and land of local council	0
15	Register of fruit bearing trees	0
16	Register of movable property	0
17	Register of Furniture	0
18	Register of Vehicles	0
19	Sale of goods Register	0
20	Register of light points and lamp register	0
21	Register of water stand posts	0
22	Stock register of expendable stores	0
23	Library register containing the detail of books	0
24	Library books issue register	0
25	Newspaper register	0
26	Purchase of durable goods register	0
27	Register of all kinds of machinery	0
28	Register of animals	0
29	Register of losses	0
30	Register of community centers and other public places	0
31	Enlistment and Renewal Fee Record of Contractor	2880000
32	Professional Tax from Contractors	960000
		10,112,545

Annex-D

Sr.#	Billing date	On the eve of	Description	Contractor	Expenditure
1	18.06.2015	Ramzan Bazar 2015	Bans	Zafar Iqbal	90,000
2	18.06.2015	-do-	Providing of Jali	Zafar Iqbal	94,000
3	18.06.2015	-do-	-do-	Zafar Iqbal	95,000
4	18.06.2015	-do-	Plants	Zafar Iqbal	95,000
5	18.06.2015	-do-	Rasay	Zafar Iqbal	96,000
6	18.06.2015	-do-	-do-	Zafar Iqbal	96,000
7	18.06.2015	-do-	Frams at Model Bazar	Zafar Iqbal	97,000
8	18.06.2015	-do-	Peneflex	Zafar Iqbal	95,500
9	18.06.2015	-do-	Providing of labour at Sham Lat	Zafar Iqbal	60,000
10	18.06.2015	-do-	Flex at railway station	Zafar Iqbal	98,000
11	18.06.2015	-do-	Misc. items	Zafar Iqbal	96,000
12	18.06.2015	-do-	Providing of fram at railway station	Zafar Iqbal	97,500
13	18.06.2015	-do-	-do-	Zafar Iqbal	96,600
14	18.06.2015	-do-	Providing of flex at shamlat	Zafar Iqbal	48,000
15	15.06.2015	-do-	Installation of gate	Shekeel Ahmed	98,500
16	15.06.2015	-do-	Providing of air cooler	Shekeel Ahmed	38,800
17	15.06.2015	-do-	Lime stone	Shekeel Ahmed	62,700
18	15.06.2015	-do-	Dust Bin	Shekeel Ahmed	30,000
19	15.06.2015	-do-	Bans	Shekeel Ahmed	57,000
20	15.06.2015	-do-	Electricity items	Shekeel Ahmed	98,800
21	15.06.2015	-do-	Peneflex	Shekeel Ahmed	97,400
22	15.06.2015	-do-	Plants	Shekeel Ahmed	90,000
23	15.06.2015	-do-	Keri	Shekeel Ahmed	97,000
24	15.06.2015	-do-	Raxine	Shekeel Ahmed	99,800
25	15.06.2015	-do-	Barrers	Shekeel Ahmed	90,000
26	15.06.2015	-do-	CO unit Khudian	Ch. Ghulam Ali	0
27	15.06.2015	-do-	Misc. expenditure.	Ch. Ghulam Ali	99,500
28	18.06.2015	-do-	Lights	Ch. Ghulam Ali	97,700
29	18.06.2015	-do-	Pena flex	Ch. Ghulam Ali	96,600
30	18.06.2015	-do-	Penaflex	Ch. Ghulam Ali	90,000
31	18.06.2015	-do-	Butifications	Ch. Ghulam Ali	97,400
32	18.06.2015	-do-	Earth filling	Ch. Ghulam Ali	95,200
33	18.06.2015	-do-	Keri	Ch. Ghulam Ali	95,000
34	18.06.2015	-do-	Misc. items at Kot Rada Kishan	Zafar Iqbal	96,000
35	18.06.2015	-do-	-do-	Zafar Iqbal	90000
36	18.06.2015	-do-	-do-	Zafar Iqbal	97,000

37	18.06.2015	-do-	Plants	Zafar Iqbal	96,000
38	18.06.2015	-do-	Plants	Zafar Iqbal	96,000
39	18.06.2015	-do-	Flex	Zafar Iqbal	95,000
	Total:-				4,243,695

Annex-E

Sr.#	Payment as per cash book	Description	Amount
1.	03.07.2015	Rewinding of electric transformer installed at disposal turbine	82237
2.	-do-	Rewinding of electric transformer installed at sistisabri Kasur	72659
3	15.09.2015	Rewinding of transformer TMA Office	28350
4	22.09.2015	Repair of transformer Ali Ahmed Shah Colony	96900
5	02.12.2015	Repair of transformer 50 kv turbine Charag Shah	81475
6	02.12.2015	Repair of transformer TMA Kasur	92967
7	05.12.2015	Repair of transformer Haji Shah Sharif	88905
8	05.12.2015	Repair of transformer Haji Gugan	76200
9	05.12.2015	Repair of transformer turbine Kamal chisti	86075
10	09.02.2016	Repair of transformer Nafees colony	67000
11	15.04.2016	Repair of transformer turbine	67440
12	15.04.2016	-do-	78600
13	15.04.2016	Repair of transformer bastilal shah	66635
14	01.05.2016	Repair of transformer kot Ali Ghar	36000
15	01.06.2016	Repair to transformer 40HP turbine steel bagh	98000
16	01.06.2016	Repair of transformer 50 KV turbine pirbahar road	74900
17	01.06.2016	Repair of transformer tubewell disposal	68000
18	01.06.2016	Repair of 50 kv turbine Kalma Chowk	93400
19	13.06.2016	Repair of transformer	88800
20	13.06.2016	Repair of transformer Kalma Chowk	86395
21	13.06.2016	Repair of transformer spari road turbine	69282
22	14.06.2016	Repair of transformer CO Unit Mustafabad	88000
23	14.06.2016	Repair of transformer CO Unit Mustafabad	86000
24	14.06.2016	Repair of transformer CO Unit Mustafabad	22500
25	25.06.2016	Repair of transformer turbine puranalariadda	80495
	Total:		1877215

Annex-F

Head of Account	Proposed Budget	Revised Budget	Total July,2015 to June,2016	Difference
	2015-16	2015-16		
CO UNIT KASUR (H.Q)				
C03683 Grants from provincial Government (PFC share)	231,360,000	231,360,000	201,359,000	30,001,000
C0388016 General Bus Stand Fee	14,070,000	12,000,000	11,845,240	154,760
C0388020 Rickshaw Stand / parking Fee (all CO Units urban & rural areas)	2,100,000	2,100,000	1,451,400	648,600
(C0380026 - 40) Fee & Fine For Bldg. Plans	30,000,000	14,000,000	13,788,285	211,715
C0388042 Fee for slaughtering of Animals	600,000	810,000	638,860	171,140
Water Charges (C0388046 to 65	26,000,000	26,000,000	25,884,490	115,510
Fee from Contractors (C0388071-75)	1,000,000	500,000	248,500	251,500
C0388087 Copying Fee	700,000	500,000	353,600	146,400
C0388091 Other Misc income-group insurance cheques for diseased employees	1,000,000	500,000	500,000	0
C038099 Arrears from different leases	2,500,000	2,500,000	0	2,500,000
E01305 Receipts from investment of cash balances by Local Governments / profit	4,000,000	1,500,000	1,242,983	257,017
KOT RADHA KISHAN	0	0	0	0
C0388042 Fee for slaughtering of Animals	64,000	64,000	0	64,000
B01302 Share of net proceeds assigned to TMAs UIP Tax	5,000,000	3,500,000	2,912,398	587,602
C0388042 Fee for slaughtering of Animals	80,000	80,000	47,560	32,440
Water Charges + Arrears(C0388046 to 65)	4,000,000	4,000,000	2,565,475	1,434,525
CO UNIT MUSTAFABD	0	0	0	0
B01302 Share of net proceeds assigned to TMAs (UIP Tax)	5,000,000	5,000,000	4,420,174	579,826
CO UNIT RAJA JANG	0	0	0	0
C038095 Others (Cattle Pond)	280,000	280,000	0	280,000
Total:-	327,754,000	304,694,000	267,257,965	37,436,035

Annex-G

Sr. No.	Token # & date	Description	Contractor	Expenditure
1.	2304 dt 27.06.2016	Purchase of 3 Nos water boards	Bismillah Traders	1,868,864
2.	2309 dt 27.06.2016	Purchase of 9 Nos garbage containers	Iron fabricator	1,651,500
3.		Purchase of 9 Nos garbage containers	-do-	1,651,500
3.	2310 dt 27.06.2016	Purchase of 6 Nos. loader Raskha		1,294,464
				4,692,518

AIR Para -3

Token # & date	Description	Firm	GST	Expenditure
1962 dt 24.07.2014	Purchase of tents for ramzan bazar Kanganpur	Jahania Builders	185,130	1,089,000
1963 dt 24.07.2014	Purchase of tents for ramzan bazar Illah Abad	Mian Muhammad Mushtaq	185,130	1,089,000
1964 dt 24.07.2014	Purchase of tents for ramzan bazar Chunian	Mohammad Saleem	245,798	1,445,872
Total:-			616,058	3,623,872

Sr. No.	Description	Contractors	GST@ 19%	Amount
1.	Purchase of 06 # donkey cards for CO Unit Chunian and Kanganpur	Faiz Brothers	57,000	300,000
2.	Purchase of 80 # hand cards	Skindar const. co.	250800	1,320,000
3.	Purchase of tyres for tractor trollies	Imran builders	73,948	389200
4	-do-	Imran & Co.	100,472	528800
5	Providing of loader raskha	Plum qingq	203,128	1398000
6.	Purchase of donkey cards	Faiz brothers	51000	300,000
7.	Water bowzercapacity	Bis millah Traders	467400	2460000
8.	Providing of dust bins	M. Ikram contractor	76500	450000
Total:-			1,280,248	7,146,000

Annex-H

Sr.#	Token # & date	Description	Contractor	I.Tax	GST	Expenditure
1.	2431 dt 29.06.2016	Printed shopping bags for ramzan Kanganpur	Tariq Hafeez	4595	17359	102,115
2	2432 dt 29.06.2016	Printed shopping bags for ramzan Illahabad	Shahid builders	4595	17359	102,115
	2435 dt 29.06.2016	Purchase of printed shopper for ramzan Chunian	Tariq Hafeez	4595	17359	102,115
3.	2433 dt 29.06.2016	Purchase of flex	Sardar rafique	13925	52605	309,439
	2434 dt 29.06.2016	Purchase of limestone at ramzan chunian	Tariq refique	3481	13151	77,361
	2436 dt 29.06.2016	Paint work at ramzan	Saleem Lodhi	2184	8252	48,539
	2437 dt 29.06.2016	Providing of rasary and kilay etc	Sardar rafique	1717	6488	38,163
	2438 dt 29.06.2016	Purchase of plants		15317	57865	340,383
	2439 dt 29.06.2016	Artificial plants	Jana Ya Ali	11790	44539	261,992
	2440 dt 29.06.2016	Purchase of raxicine role	Three star	13758	51973	305,726
	2441 dt 29.06.2016	Flex	Jana Ya Ali	4581	17307	101,805
	2442 dt 29.06.2016	Repair of tents	M. saleem Lodhi	27616	104326	613,682
	2443 dt 29.06.2016	Providint of LCD at Chunian	Shahid buildors	4632	17500	102,940
	2444 dt 29.06.2016	Providing of LCD at Kanganpur	Shahid buildors	4632	17500	102,940
	2445 dt 29.06.2016	Providing of LCD at Illahabad	Shahid buildors	4632	17500	102,940
	2446 dt 29.06.2016	Purchase of electricity material	Shahid buildgers	14157	53482	314,597
	2447 dt 29.06.2016	Iron stands	Three star	4061	15343	90,254
	2448 dt	Providng of 20	M. Saleem	13484	50939	299,641

	29.06.2016	chairs foam	Lodhai			
	2449 dt 29.06.2016	Purchase of stool	-do-	3249	12274	72,203
	2450 dt 29.06.2016	Purchase of security	-do-	3249	12274	72,203
	2451 dt 29.06.2016	Providing of CCVT camera	MS Bisol	6220	23499	138,232
	2452 dt 29.06.2016	Purchase of carpet	Sardar rafique	2690	10161	59,771
	2453 dt 29.06.2016	Providing of iron seat	M Saleem	4614	17430	102,527
	2454 dt 29.06.2016	Rent of generator		722	2729	16,051
				174496	659214	3,877,734

Annex-I

Sr.#	Token # & date	Description	Firm	GST	20% profit	Expenditure
1	1994 dt 27.07.2014	Purchase of plants for ramzan bazar	Mian M. Sadiq govt. contractor	13,571	15965	79,827
2	1990 dt 27.07.2014	Purchase of plants for ramzan bazar	Jahania builders	16,394	19287	96,437
3	1998 dt 27.07.2014	Purchase of plants for ramzan bazar	M.Saleem Lodhi	16,852	19826	99,132
4	1993 dt 27.07.2014	Purchase of pedestal fan and jhalar during ramzan	Mian M. Sadiq govt. contractor	15,691	18460	92,300
5	1996 dt 27.07.2014	Prochase of pedestal fan	Nazami traders	14,637	17220	86,100
6	1997 dt 27.07.2014	Providing of jhalar for tents & iron pipe	Three star	13,804	16240	81,200
7	1989 dt 27.07.2014	Providing of pedestal fan and colourful cloth	Jahania builders	14,905	17535	87,675
8	1992 dt 27.07.2014	Providing of iron table	Mian M. Sadiq govt. contractor	14,875	17500	87,500
9	1987 dt 27.07.2014	Providing of iron table	Jahania builders	16,915	19900	99,500
10	1991 dt 27.07.2014	Providing of lights etc during ramzan bazar	Mian M. Sadiq govt. contractor	16,439	19340	96,700
11	1995 dt 27.07.2014	Providing of lights etc	Nazami Trader	8,413	9898	49,488
12	1988 dt 27.07.2014	Providing of lights etc during ramzan bazar	Jahania builders	15,944	18757	93,787
13	1986 dt 27.07.2014	Providing of flex, banners at ramzan bazar	Janay Ya Ali	12,532	14744	73,720
14	1985 dt 27.07.2014	Providing of flex, banners	Janay Ya Ali	12,532	14744	73,720
15	1984 dt 27.07.2014	Providing of rexcine	Janay Ya Ali	7,650	9000	45,000
16	1983 dt	Providing of flex	-do-	14,867	17491	87,455

	27.07.2014	banners				
	319 dt 03.09.2015	Fex for ramzan bazar		16643	19580	97900
	320 dt 03.09.2015	Fex for ramzan bazar		16711	19660	98300
	321 dt 03.09.2015	Fex for ramzan bazar		16643	19580	97900
	322 dt 03.09.2015	Rexcine for ramzan bazar		16558	19480	97400
	323 dt 03.09.2015	Rexcine for ramzan bazar		16643	19580	97900
	324 dt 03.09.2015	Paint work at ramzan bazar		15946	18760	93800
	325 dt 03.09.2015	Rexcine for ramzan bazar		16475	19382	96910
	326 dt 03.09.2015	Providing of		16354	19240	96200
	327 dt 03.09.2015	Providing of plants		16524	19440	97200
	328 dt 03.09.2015	Providing of plants		16966	19960	99800
	329 dt 03.09.2015	Repair of tents		17000	20000	100000
	330 dt 03.09.2015	Providing of jail and cloth		16558	19480	97400
	387dt 11.09.2015	Providng of air cooler during ramzan bazar		11560	13600	68000
		Providing of raxine during ramzan		16983	19980	99900
Total:-				453,585	533629	2,668,151

Token # & date	Description	Contractor	Amount
1558 dt 16.03.2016	Pull noor nehar to village Nenowal	Bismillah traders	96,900
1557 dt 16.03.2016	Tubewell No.1 to tubewell No. 2	-do-	93,100
	Hiring of excavator	Alam dar	99,000
1516 dt 07.03.2016	For removal of encroachment	M. Boota	60,000
355 dt 07.09.2015	For removal of garbage rohi nallah		99,400
356 dt 07.09.2015	Cleaness of cewer pipe line Ilahabad		99,700
357 dt 07.09.2015	Hiring of excavator for removal of garbage		98,800
1555 dt 16.03.2016	Hiring of excavator		94,200

1558 16.03.2016	dt	-do-		93,100
1557 16.03.2016	dt	-do-		96,900
1665dt 16.03.2016		-do-		95,000
1666 16.03.2016	dt	-do-		94,500
Total:-				1,120,600

Annex-J

Sr.#	Year / file #	Name of work	Contractor	Expenditure
1.	2014-15 File # 03	Const/repair and providing of electric pole and light, sliding medina park Kanganpur	Skindar const.	200,000
2.	File #01/3	Replacement of GI/PVC pipe of water supply Chunian	Ch. Adil Razaq	600,000
3.	2015-16 File #01/4	Providing of submercible pump 1” delivery plus electric motor 1 BHP wire etc filtration plan UC Office Changamanga	Faiz Brothers	200,000
4.	2015-16 File #01/2	Providing of submercible pump 1” delivery plus electric motor 1 BHP wire etc filtration plan UC Office Gallan Hittar		200,000
5.	2015-16 File #01/3	Providing of submercible pump 1” delivery plus electric motor 1 BHP wire etc filtration plan UC Office chak # 2 Nazam pura		200,000
6.	2015-16 File #01/4	Providing of submercible pump 1” delivery plus electric motor 1 BHP wire etc filtration plan UC Office kot chudrian		200,000
7.	2014-15 file # 01/01	Tubewell bore, pump house, shifting machinery water supply scheme Kot Umer Watto	Bismillah traders	1,800,000
8	2876 dt 21.01.2015	Providing of safety jangla Masjid Al-Hadis Illahabad	Bismillah Taders	82166
9	2877 dt 21.01.2015	Providng of safety jangla chunian road Illahabad	-do-	81922
10	2878 -do- dt 21.01.2015	Providing of safety jangla Chunian	-do-	61592
11	2879 dt 21.01.2015	Providing of safety jangla Allahbad	-do-	81341
Total:-				3,407,021

Annex-J-1

Year	No. of contractor	Amount of renewal / enlistment fee
2014-15	51	303,250
2015-16	38	248,500
Total:-	89	551,750

Professional Tax from Contractors

No of Contractors	Rate of Professional Tax	No of Contractors
89	5000	455000

Tender Form Fee

Year	Description	Amount of tender	Tender form fee
2015-16	ADP schemes	90.0	0.166
2014-15	ADP schemes	33.2	0.45
Total:-		123.2	0.616

Annex-K

INCOME STATEMENT FOR THE YEAR OF 2014-15				
TEHSIL MUNICIPAL ADMINISTRATION CHUNIAN (KASUR)				
Sr. No	Name of Income Heads	Budgeted Amount 2014-15	Actual Income 2014-15	Less Recovery
1	New: Tax on Transfer of Immovable Property	40000000	38952160	1047840
2	Car parking fee (Taxi Stand)	425000	416430	8570
3	Grant from Provincial Government (PFC Share)	117312000	117312000	0
4	License fee (Dangerous and Offensive Trade) Chunian	650000	519750	130250
5	License fee (Dangerous and Offensive Trade) Kangan Pur	250000	158025	91975
6	General Bus Stand fee Chunian	7200000	7089552	110448
7	General Bus Stand fee Kangan Pur	800000	657840	142160
8	Building Map Fee Chunian	1200000	1075559	124441
9	Building Map Fee Kangan Pur	350000	278897	71103
10	Fine for Encroachments	150000	17800	132200
11	Other Fee / Fine levied by TO (Planning)	50000	0	50000
12	Adda Tum Tum / Riksha Fee Chunian	700000	664510	35490
13	Adda Tum Tum / Riksha Fee Kangan Pur	350000	295500	54500
14	Adda Tum Tum / Riksha Fee Ellah Abad	500000	458275	41725
15	Fee for slaughtering of animals Slaughter House Chunian	325000	292220	32780
16	Fee for slaughtering of animals Slaughter House Kangan Pur	125000	97030	27970
17	Receipts on account of sale water – residential Chunian	2800000	2348387	451613
18	Receipts on account of sale water – residential Kangan Pur	4000000	3618191	381809
19	Registration / Enlistment of Contractors	225000	197250	27750
20	Renewal of Registration	50000	16000	34000
21	Rent of municipal Property – Shops	2500000	2441732	58268
22	Road cutting charges	50000	0	50000
23	Advertisement Fee	1500000	1208500	291500

24	Copying fee Chunian	125000	81560	43440
25	Copying fee Kangan Pur	75000	44350	30650
26	Others Fee - Miscellaneous Fee	3000000	1598938	1401062
TOTAL		184712000	179840456	4871544

Sr. #	Details of Income Heads	Budgeted Income 2015-16	16-Jun	Total	Less recovery
1	UIP Tax	15000000	3615560	3615560	11384440
2	New: Tax on Transfer of Immovable Property	45000000	6621767	6621767	38378233
3	Car parking fee (Taxi Stand)	512000	57200	57200	454800
4	Grant from Provincial Government (PFC Share)	108288000	23656500	23656500	84631500
5	License fee (Dangerous and Offensive Trade) Chunian	1490000	31150	31150	1458850
6	License fee (Dangerous and Offensive Trade) Kangan Pur	460000	18860	18860	441140
7	General Bus Stand fee Chunian	7500000	554130	554130	6945870
8	General Bus Stand fee Kangan Pur	1200000	47990	47990	1152010
9	Building Map Fee Chunian	1500000	4926	4926	1495074
10	Building Map Fee Kangan Pur	500000	29716	29716	470284
11	Fine for Encroachments	150000	63000	63000	87000
12	Other Fee / Fine levied by TO (Planning)	500000	0	0	500000
13	Adda Tum Tum / Riksha Fee Chunian	950000	32000	32000	918000
14	Adda Tum Tum / Riksha Fee Kangan Pur	250000	7000	7000	243000
15	Adda Tum Tum / Riksha Fee Ellah Abad	400000	0	0	400000
16	Fee for slaughtering of animals Slaughter House Chunian	400000	24600	24600	375400
17	Fee for slaughtering	100000	0	0	100000

	of animals Slaughter House Kangan Pur				
18	Receipts on account of sale water – residential Chunian	4000000	301400	301400	3698600
19	Receipts on account of sale water – residential Kangan Pur	4600000	449026	3769806	830194
20	Registration / Enlistment of Contractors	100000	0	0	100000
21	Renewal of Registration	400000	0	0	400000
22	Rent of municipal Property – Shops	5000000	0	0	5000000
23	Road cutting charges	10,000	0	0	10000
24	Advertisement Fee	2800000	360000	360000	2440000
25	Copying fee Chunian	225000	2300	2300	222700
26	Copying fee Kangan Pur	125000	1000	1000	124000
27	Others Fee - Miscellaneous Fee	6000000	60	1884429	4115571
29	Public Latrinee	200000	0	0	200000
Total		207660000	35878185	191105100	16554900

Annex-L

Page No.	Date	Particulars	Head of A/c	Contractor / Vendor	Amount
11	25.8.15	P/o Recession Sheet	Ramzan Bazar, Pattoki	Allah Bukhsh Construction Co	72,900
4	24.7.15	P/o cloth for decoration	Ramzan bazaar	Insaf Cloth House	45,000
4	24.7.15	P/o CCTV camera	Ramzan Bazar	Tahir Electronics	9,400
4	24.7.15	p/o switch	Ramzan Bazar	MaqboolElectronics	9,200
4	24.7.15	p/o street light items	Ramzan Bazar	Tahir electronics	16,900
4	-do-	p/o electricity items	Ramzan Bazar	Tahir Electronics	75,486
4	-do-	Installation of CCTV cameras	Ramzan Bazar	Ashraf Light Inspector	10,680
5	30.7.15	Diesel	Ramzan Bazar, Pattoki	Rajpoot Petroleum	52,912
5	-do-	Jali	For shops Ramzan Bazar, Pattoki	Nasir Iron Store	22,000
5	-do-	Flexes	Ramzan Bazar, Pattoki	Crown flexes	70,880
5	-do-	p/o sealer machine	Ramzan Bazar	RaoShafaqat Fridge Center	13,500
6	-do-	Flexes	Ramzan Bazar	Crown flexes	55,920
6	-do-	Flexes	Ramzan Bazar, Habibabad	Crown flexes	69,240
6	-do-	Rent of generators	Ramzan Bazar	Haji Abdul Hameed	63,000
6	-do-	Rent of generators	Ramzan Bazar, Habibabad	Haji Abdul Hameed	63,000
6	-do-	Rent of generators	Ramzan Bazar, Habibabad	Haji Abdul Hameed	76,500
6	-do-	Rent of generators	Ramzan Bazar, Pattoki	Haji Abdul Hameed	76,500
6	D0	Decoration of shops	Ramzan Bazar	M. Hassan Woodworks	36,000
6	-do-	p/o recean	Ramzanbazaar, Habibabad	Nasir Iron Store	58,800
6	-do	Repair of benches	Ramzan bazaar, pholnager	M. Hassan Woodworks	41,180
7	1.8.15	Electrical items	Ramzan bazaar	Ch. Bashir Ahmad	33,550
7	-do	Rent generators	Ramzan bazaar, pholnager	Ishaque electrical	99,900
7	-do	Rent of fans	Ramzan bazaar	Marhaba Traders	79,050

7	-do-	Diesel for generators	Ramzan bazaar	Ittefaq Petroleum	38,282
7	-do-	Drums	Ramzan bazaar	Khanzada Yousaf	10,000
7	-do-	Choona	Ramzan bazaar	M. Tufail Building	23,250
7	-do-	Killay, rassayetc	Ramzan bazaar	Sh. Haji Mushta Ahmad	14,600
7	-do-	Plastic pipe	Ramzan bazaar	Sh. M. Ashfaq	11,100
7	-do-	Jali for butcher shops	Ramzan bazaar	Saeed cloth	4,750
7	-do-	CCTV Cameras	Ramzan bazaar	Sh. M. Ameen	7,270
Total					1,260,750

Para-20

Page No.	Date	Particulars	Head of A/c	Contractor / Vendor	Amount
7	1.8.15	Rent of fans	Ramzan bazar	Marhaba Traders	79,050
		Rent of fans	Ramzan bazaar Habibabad	Haji Abdul Hameed	92,225
Total					171,275