



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

AUDIT YEARS 2012-2013

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
FD	Finance Department
LG&CD	Local Government and Community Development
MFDAC	Memorandum for Department Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete and Cement
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
POL	Petrol, Oil and Lubricants
PDSSP	Punjab Devolved Social Sector Programme
TMA	Town/Tehsil Municipal Administration
TMO	Town Municipal Officer
RCC	Reinforcement of Concrete and Cement
RMR	Road Maintenance Register
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure and Services)
TO (P&C)	Tehsil Officer (Planning and Coordination)
TO (R)	Tehsil Officer (Regulations)

PREFACE

Articles 169 and 170(2) of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 requires 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 the accounts of Tehsil Municipal Administration of District Gujrat for the financial year 2011-12. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2012-13 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized in the light of written responses and discussion in DAC meetings.

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

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Punjab (North), Lahore, is responsible to carry out the audit of eighty one Tehsil / Town municipal Administrations. Its Regional Directorate of Audit Gujranwala has audit jurisdiction of District Governments, TMAs and UAs of one City District Government i.e Gujranwala and five District Governments i.e. Gujrat, Hafizabad, Mandi Baha-ud-Din, Narowal & Sialkot.

2. The Regional Directorate has a human resource of 29 officers and staff, total 4,757 man-days and the annual budget of Rs14.093 million for the financial year 2011-12. It has the mandate to conduct Financial Attest Audit, Regularity Audit and Compliance with Authority and Performance audit of entire expenditure including programmes / projects & receipts. Accordingly R.D.A Gujranwala carried out audit of the accounts of two TMAs of District Gujrat for the financial year 2011-12.

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

4. Audit of TMAs of District Gujrat was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity to laws/rule/regulations, economical procurement of assets and hiring of services etc.

5. Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules, there was no leakage of revenue in the Government Account / Local Fund.

Audit Objectives

Audit was conducted with the objective to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.

2. Expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government for expending the public money.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue is made in accordance with prescribed laws, rules and regulations.

a. 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. Audit used desk audit techniques for analysis of compiled data and review of permanent files / record. Desk Audit greatly facilitated identification of high risk areas for substantive testing in the field.

b. Audit of Expenditure and Receipts

Audit of development expenditure of Rs 27.160 million out of total development expenditure of Rs100.593 million and non-development expenditure of Rs170.240 million out of total Rs630.522 million for the financial year 2011-2012 was conducted which is 27% and 27% of development and non-development expenditures respectively. Total overall expenditure of the TMAs of District Gujrat for the financial year 2011-2012 was Rs731.115 million, out of which overall expenditure of Rs197.401 million was audited which is 27% of total expenditure. Therefore, there was 100% achievement against the planned audit activities.

c. Recoveries at the Instance of Audit

Recovery of Rs101.334 million was pointed out during the audit. Recovery of Rs0.516 million was effected till compilation of this Report.

d. Key Audit Findings of the report

- i. Misappropriation of Rs3.982 million noted in one case.¹

- ii. Non-compliance of Rs133.154 million noted in six cases.²
- iii. Weak Internal Controls of Rs14.908 million noted in four cases.³
- iv. Non-production of record of Rs1.980 million noted in one case.⁴

Audit paras for the audit year 2012-13 involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (Annexure-A).

e. Recommendations

Audit suggests that PAO/management of TMAs should ensure to resolve the following issues seriously:

- i. Head of Tehsil/Town Municipal Administrations needs to conduct physical stock taking of fixed and current assets.
- ii. Department needs to comply with the Public Procurement Rules for economical and rational purchase of goods and services.
- iii. Inquires need to be held to fix responsibility for fraud, misappropriation, losses, theft and wasteful expenditure.
- iv. The PAO needs to make efforts for expanding the realization of various Government receipts.
- v. The PAO and his team need to ensure proper execution and implementation of the monitoring system.
- vi. The PAO needs to take appropriate action for non-production of record.
- vii. The PAO needs to rationalize it budget with respect to utilization.

¹ Para: 1.2.1.1

² Para: 1.2.2.1 to 1.2.2.6

³ Para: 1.2.3.1 and 1.3.2.1 to 1.3.2.3

⁴ Para: 1.3.1.1

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No.	Description	Number	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	3	1,262.964
2	Total formations under Audit Jurisdiction	3	1,262.964
3	Total Entities (PAOs) Audited	2	731.115
4	Audit and Inspection Reports	2	731.115
5	Special Audit Reports	0	0
6	Performance Audit Reports	0	0
7	Other Reports (Relating to TMAs)	0	0

*Figures at Serial No. 3, 4 and represents expenditure

Table 2: Audit Observations Classified by Categories

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	0
2	Financial management	0
3	Internal controls	137.136
4	Violation of rules	14.908
5	Others	1.980
Total		154.024

Table 3: Outcome Statistics

(Rs in million)

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Non-salary	Receipts	Total current year
1	Outlays audited	0	380.945	100.593	630.522	1,112.060*
2	Amount placed under audit observation / Irregularities of audit	0	101.334	35.474	18.687	155.495
3	Recoveries pointed out at the instance of audit	0	101.334	0	0	101.334
4	Recoveries accepted / established at the instance of audit	0	101.334	0		101.334
5	Recoveries realized at the instance of audit	0	0.516	0	0	0.516

* The amount in serial No.1 column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 731.115 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	133.154
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public resources	3.982
3	Quantification of weaknesses of internal control systems	0
4	Recoveries, overpayments, unauthorized payments of public monies	14.908
5	Non-production of record to Audit	0
6	Others, including cases of accidents, negligence etc.	1.980
7	Violation of rules and regulations, principle of propriety and probity	0
TOTAL		154.024

CHAPTER-1

1 TEHSIL MUNICIPAL ADMINISTRATIONS, GUJRAT

1.1 INTRODUCTION

TMA consists of Tehsil Nazim / Administrator, Tehsil Naib Nazim and Tehsil Municipal Officer. Each TMA comprises of five Drawing & Disbursing Officers i.e. TMO, TO-Finance, TO-I & S, TO-Municipal Regulation, and TO-P & C. The main functions of TMAs are as following;

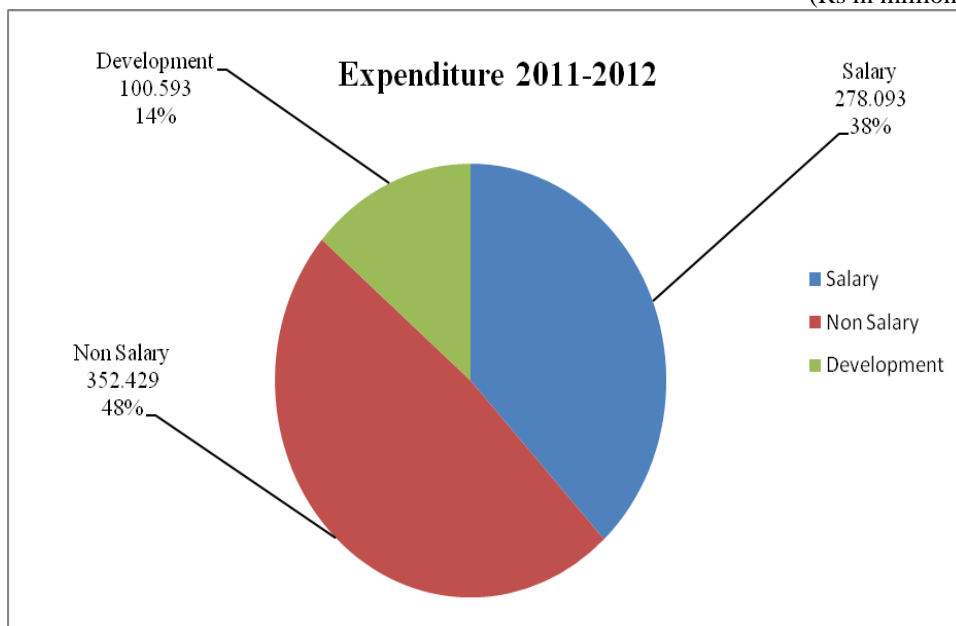
1. Prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing TMAs functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Propose taxes, cesses, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule and notify the same.
6. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.
7. Manage properties, assets and funds vested in the Tehsil Municipal Administration.
8. Develop and manage schemes, including site development in collaboration with District Government and Union Administration.
9. 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.
10. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
11. Maintain municipal records and archives.

1.1.1 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

F.Y. 2011-2012	Budget	Expenditure	Excess (+) / Saving (-)	%age Saving / excess
Salary	496.325	278.093	-218.232	44
Non-salary	311.593	352.429	40.836	13
Development	455.046	100.593	-354.453	78
TOTAL	1,262.964	731.115	-531.849	42

(Rs in million)

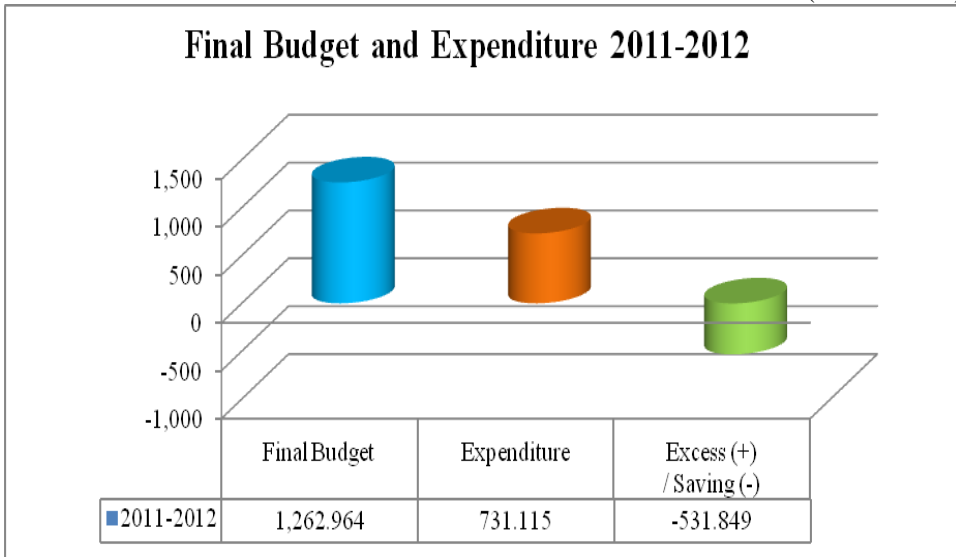


Detail is given in ANNEXURE-B.

Details of budget allocations, expenditures and savings of each TMA in District Gujrat for the financial year are at Annexure-B.

As per Budget Books for the financial year 2011-2012 of TMAs in District, Gujrat the original and the final budget was Rs 1,262.964 million. Against budget, total expenditure of Rs731.115 million was incurred during the financial year 2011-2012.

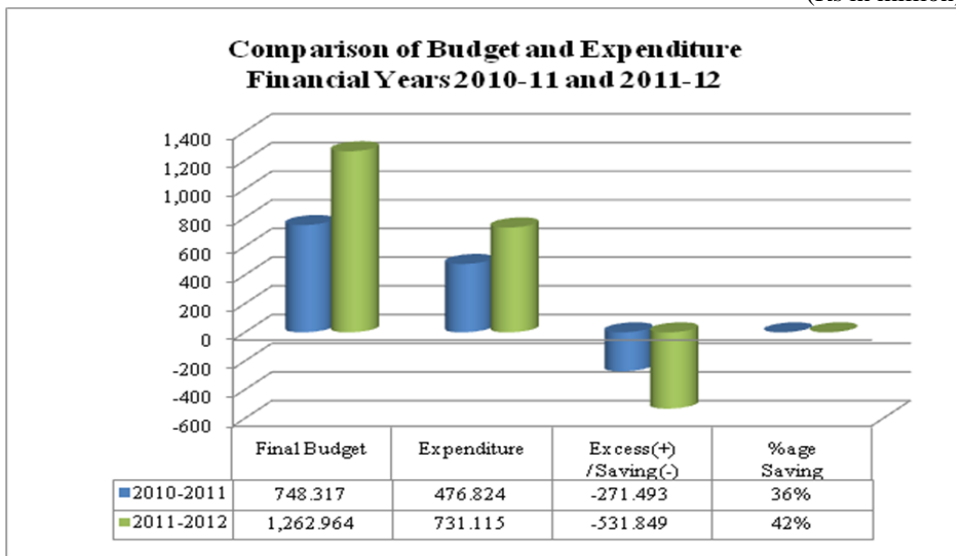
(Rs in million)



Ineffective financial management resulted in savings to the tune of Rs531.849 million which in term of percentage was 42% of the final budget. The same was required to be justified by the Principal Accounting Officer, Administrator and management of TMAs.

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

(Rs in million)



There were overall savings in the budget allocation of the financial year 2011-2012 as follows:

(Rs in million)

Financial Year	Final Budget	Expenditure	Savings	%age of Savings
2010-2011	748.317	476.824	-271.493	36
2011-2012	1,262.964	731.115	-531.849	42

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

1.2 AUDIT PARAS

1.2.1 TMA, GUJRAT

1.2.1 Fraud / Misappropriation

1.2.1.1 Likely Misappropriation - Rs3.982 million

According to Rule 17(3) of Local Government Citizen Community Board Rules, 2003, a CCB shall implement the project within the allocated funds and within the allowed time frame.

TMO, Gujrat paid a sum of Rs3,982,400 to various CCBs but after a lapse of considerable time, the assessment / completion thereof was not reported due to which there is a chance that the work might not be completed and the funds were misappropriated as detailed below.

Name of CCB	Name of Project	No. of Installment	Date on which installment issued	Amount (Rs)
New Friends CCB	Construction of Path PCC Qabrastan to Mosque Hazrat Bilal (RA) Bhagowal Kalan	3 rd	16.03.2012	222,400
-do-	Construction of Nullah Sheikhpur Phase-I	3 rd	08.02.2012	176,000
-do-	Construction of Nullah Sheikhpur Phase-II	2 nd	22.02.2012	704,000
Chaman CCB	Construction Jinazagah Thattha Pur	2 nd	20.01.2012	800,000
Rahber CCB	Street Drains village Kareem Dad	1 st	17.03.2012	640,000
Chaman CCB	Street Drains Dali Banth	1 st	28.12.2011	320,000
New Friends CCB	Street Drains village Herbas Pur	1 st	14.09.2011	800,000
-do-	Path Darbar Alia Baghdad sharif	2 nd	20.01.2012	320,000
TOTAL				3,982,400

Audit holds that the assessment/completion was not reported which may lead to apprehension of misappropriation and misuse of public resources but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility under intimation to Audit.

[AIR Para No.11]

1.2.2 Irregularity / Non-Compliance

1.2.2.1 Non-Recovery of Water Rate Charges – Rs75.505 million

According to the PDP 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, Gujrat did not recover an amount of Rs75,505,535 on account of water supply charges from users which is still lying outstanding against 35,303 different connections which needs recovery.

Audit holds that due to weak financial management, water charges were not recovered but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No.01]

1.2.2.2 Irregular Generation of Liabilities - Rs32.238 million

According to Rule 17.18 and 2.10 (B) (3) of Punjab Financial Rules, Vol. I, under no circumstances any charges incurred be allowed to stand over to be paid from the grant of next year.

TMO, Gujrat generated a liability of Rs.32.238 million for development schemes during the year 2010-11 which were paid from the budget of the current financial year 2011-12.This resulted in irregular payment of liabilities for Rs32.238 million.

Audit holds that due to weak financial management, liabilities worth Rs.32.238 million were generated but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility under intimation to Audit.

[AIR Para No.05]

1.2.2.3 Irregular Expenditure on CCBs - Rs10.231 million

According to letter No.SO.TMA.DEV(I.G)Misc(CCB)/2011, dated 26.03.2012 issued by Punjab Government ban on CCB Schemes was imposed w.e.f. 22.03.2012.

TMO, Gujrat incurred an expenditure of Rs10,230,700 on CCB schemes during period of ban which resulted in irregular expenditure as per Annexure-C.

Audit holds that due to weak financial management, Irregular payment of Rs10,230,700 was made for CCB schemes management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility under intimation to Audit.

[AIR Para No.03]

1.2.2.4 Non-recovery of Commercialization Fee – Rs9.446 million

According to Rule 60 of the Punjab Land Use (Classification, Reclassification and Redevelopments) Rules, 2009, the conversion fees for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be twenty percent of the value of the commercial land as per valuation table or the average sale price of preceding twelve months of the land in the vicinity, if valuation table is not available. The conversion fee for the conversion to land use to educational or healthcare institution use shall be ten percent.

TMO, Gujrat did not recover/ collect an amount of Rs.9,446,159/- on account of Commercialization Fee [conversion fees (residential to commercial)] in different cases during 2011-12.

Audit holds that due to weak financial management, commercialization fee was not recovered but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No. 06]

1.2.2.5 Non-recovery of Shop Rent - Rs5.550 million

According to the PDP 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, Gujrat did not collect/recover rent against various shops at General Bus Stand & Municipal Market for Rs.5,549,729 from the shopkeepers of these shops as detailed below.

Particulars	Total Amount Recoverable (Rs)	Further amount recoverable up-to- date (Rs)	Amount recovered during Audit (Rs)	Total Amount Recoverable (Rs)
Shops at General Bus Stand Gujrat	3,141,066	0	0	3,141,066
Shops at Municipal Market Gujrat	2,874,233	50,682	516,252	2,408,663
TOTAL	6,015,299	50,682	516,252	5,549,729

Audit holds that due to weak financial management, rent of shops were not recovered but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No.02]

1.2.2.6 Irregular Payment of Rs2.941 million & Non-Forfeiture of Earnest Money of Contractor - Rs183,680

According to clause 7 of Contract Agreement, the contractor shall within 15 days of the receipt of the notification of the acceptance of his tender furnish to the engineer-in-charge in cash, bank draft, cashier's cheque or payment order or Bank Guarantee from the bank of Punjab or any schedule bank of Pakistan, the amount to make up the full performance security where required and specified in the tender.

TMO, Gujrat awarded various works to Contractors but the contractors either not started the work or suspended the work without any lawful reason as evident from notices issued to them. Moreover, the payments in some cases were paid to contractors irregularly due to non-execution of work within time. The irregular payment & earnest money was not forfeited as detailed in Annexure-D.

Audit holds that due to weak financial management, irregular payment was made but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No.09]

1.2.3 Internal control Weakness

1.2.3.1 Non-Imposition of Penalty –Rs960,600

According to C&W Department letter No. SOB II (C&W) 2-21/79-CE(PIII) dated 28/04/2009 read with clause 39 of contract agreement, if a contractor does not complete the work within time limit he would be liable to pay compensation 01% to 10% of the estimated cost or otherwise on the ground of per day basis for which the work remain incomplete and copy of extension in time limit would be submitted to Secretary C&W Department.

TMO, Gujrat awarded the contracts of different schemes to various contractors. The works could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-Charge. Neither any case for extension in time limit was processed nor penalty of Rs.960,600 was imposed on the contractors on account of delay as detailed in Annexure-E.

Audit holds that due to weak internal controls, unauthorized payment of Rs.960,600 was made without imposition of penalty but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No.07]

1.3.1 TMA, SARAI ALAMGIR

1.3.1 Non-Production of Record

1.3.1.1 Non-Production of Record - Rs1.980 million

According to Section-115(5) & (6) of PLGO, 2001, the Auditor General have the authority to require that any accounts books, papers & 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 and the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

TMO, Sarai Alamgir did not produce the record as detailed in Annexure-F. In the absence of said record, the authenticity, validity, accuracy, and genuiness could not be verified.

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

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility for non-production of record besides ensuring submission of record to Audit under intimation to Audit.

[AIR Para No.04,05,11]

1.3.2 Internal Control Weakness

1.3.2.1 Non-Recovery of Income Tax - Rs10.000 million

According to Rule 4.7 of PFR Rules Vol-I, all the sums due to government will be collected and promptly credited to the government treasury.

TMO, Sarai Alamgir did not recovered the income tax at source Rs10.00 million from the contract of Cattle Mandi i.e. Mr. Fida Hussain S/o Tariq Hussain.

Audit holds that due to weak internal control, government sustained loss amounting to Rs10.00 million but the management did not furnish the reply

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No. 03]

1.3.2.2 Less Recovery of Government Revenue - Rs2.121 million

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

TMO, Sarai Alamgir did not recover the budgeted receipts during the financial year 2011-12 which resulted in loss to the government revenue amounting to Rs2.121 million. Detail is as follows: -

Sr. No.	Head of income	Budget (Rs)	Income Tax (Rs)	Loss (Rs)
1	Building / conversion fee	3,000,000	2,759,714	240,286
2	Other fee- octri fee	1,509,700	0	1,509,700
3	Water rate Arrears	1,000,000	628,985	371,015
Total				2,121,001

Audit holds that due to weak internal control, government sustained loss amounting to Rs2.121 million but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No.02]

1.3.2.3 Non-Collection of Tax on Immovable Property - Rs1.826 million

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

TMO, Sarai Alam Gir did not recover an amount of Rs1,826,000 on account of “tax on immoveable property” from the contractor which resulted in loss of government revenue.

Audit holds that due to weak internal control, government sustained loss amounting to Rs1,826,000 but the management did not furnish the reply.

The matter was reported to TMO/PAO in December, 2012. DAC directed to take disciplinary action against person(s) for non-attending the DAC meeting.

Audit stresses fixing of responsibility besides recovery under intimation to Audit.

[AIR Para No. 03]

ANNEXURES

ANNEXURE-A**MFDAC Paras**

Sr. No.	Name of Formations	AP No.	Description of Para	Amount (Rs)	Nature of Para
1	TMA Gujrat	10	Non-credit of lapse security to govt revenue	477,051	Non Compliance of Rules
2		04	Irregular debit to bank	44,501	Non Compliance of Rules
3		08	Non-maintenance of record	0	Non Compliance of Rules
4		12	Non-conducting of annual physical verification	0	Non Compliance of Rules
5	TMA Sarai Alamgir	07	Non recovery of arrears of water charges	364,670	Recovery
6		08	Unauthorized payment to contractor	294,690	Non Compliance of Rules
7		10	Non Imposition of Penalty	200,000	Non Compliance of Rules
8		6&9	Overpayment to contractor	134,858	Non Compliance of Rules
9		12	Overpayment to contractor	96,801	Non Compliance of Rules
10		13	Unauthorized and doubtful payment	89,300	Non Compliance of Rules
11		14	Loss to government	66,000	Non Compliance of Rules
12		15	Unauthorized and doubtful expenditure	55,140	Non Compliance of Rules
13		16	Overpayment	53,580	Non Compliance of Rules

Sr. No.	Name of Formations	AP No.	Description of Para	Amount (Rs)	Nature of Para
14		17	Wasteful expenditure	51,000	Non Compliance of Rules
15		18	Non-recovery of arrears	21,900	Recovery

ANNEXURE- B

TMA's of Gujrat District
Budget and Expenditure Statement for the Financial Year
2011-2012

1. TMA, Gujrat

(Rs in million)

Head	Budget	Expenditure	Excess / Savings	%age	Comment
Salary	196.325	250.561	-54.236	-28%	-
Non-salary	294.266	340.752	-46.486	-16%	-
Development	395.482	72.171	323.311	82%	-
Total	886.073	663.484	222.589	25%	-

2. TMA, Sarai Alamgir

Head	Budget	Expenditure	Excess / Savings	%age	Comment
Salary	300.000	27.532	272.468	91%	-
Non-salary	17.327	11.677	5.650	33%	-
Development	59.564	28.422	31.142	52%	-
Total	376.891	67.631	309.260	82%	-
Grand Total	1,262.964	731.115	531.849	42%	-

ANNEXURE-C

Para 1.2.2.3 Rs10.230 million

Name of CCB	Name of Scheme	Cheque No.	Date	Amount (Rs)	Installment No.
New Shahdula CCB	Construction of Path Madrassa Zia Ul Islam Gorala UC Kathala	73577985	09.05.2012	1,232,738	1 st
-do-	-do-	73577988	28.05.2012	1,232,738	2 nd
-do-	Street Drains & Nullah Jinnah colony Rehmat Abad UC Doga	73577986	09.05.2012	1,251,027	1 st
-do-	-do-	73577989	28.05.2012	1,251,027	2 nd
Sham CCB	Construction of S/D Gol Kara UC Kathala	73577991	28.05.2012	752,000	2 nd
-do-	Construction of S/D PCC pipe house Muhammad Arshad to Shaheen UC 58	73577990	28.05.2012	376,000	3 rd
Universal CCB	Construction of S/D P-II in Vill Lkhanwal		19.04.2012	902,400	2 nd
Chaman CCB	S/D village Saman Pind		27.03.2012	330,880	3 rd
Ucha Dara CCB	S/D Ayk Minar Wali Masjid Moh Hussain Colony		29.03.2012	415,555	2 nd

Name of CCB	Name of Scheme	Cheque No.	Date	Amount (Rs)	Installment No.
	Shahdoula town				
New Friends CCB	Construction of Path PCC new abadi Bhagowal Kalan towards ranganwaala Bhagowal		19.04.2012	593,177	2 nd
Safar CCB	Street Drains Famous Fans etc		09.05.2012	480,000	1 st
-do-	Street Drains Jattowakkal etc		-do-	416,006	1 st
Mughal Pura CCB	Street Drains Asif Dar Wali		29.03.2012	688,832	1 st
Jehanghir Pura CCB	Street Drains Mehboob Butt Wali		23.05.2012	308,320	1 st
TOTAL				10,230,700	-

ANNEXURE-D

Para 1.2.2.6 – Rs183,680

Name of Work	Name of Contractor	Work Order No & Dt	Amount of Work Order	Notice No & Dt	Irregular Payment	Earnest Money
cleanliness sewerage pipe line from Eid Gah to Jatowakal GT Road Gujrat	M/s Tariq Usman Contractor	375 dt.25.01.12	900,000	709 dt.04.09.12	0	18,000
cleanliness sewerage pipe line from GTS Chowk to Eid Gah Gujrat	M/s Ehsan Elahi Contractor	382 dt.25.01.12	700,000	706 dt.04.09.12	72,090	14,000
Construction of flats for TMA staff Gujrat	M/s Kamal Ahmed Butt	163 dt.25.08.10	6,000,000	21 dt.24.03.12	2,540,464	120,000
Construction of small disposal station bolay Gujrat	M/s Iqbal & Co	353 dt.12.12.11	475,000	827 dt.04.10.12	176,164	9,500
Construction of Street & Drains Mushtaq Ahmed Chokar Khurd Gujrat	M/s Mirza Abbas Baig	414 dt.07.04.12	259,000	825 dt.02.10.12	99,657	5,180
Construction of Nullah Noor Pur Padday Near Achoki Kothi UC 49 Gujrat	M/s Azmat Construction	582 dt.21.05.12	200,000	862 Dt.09.10.12	0	4,000
Construction of Street Mosque wali & madrassa Near Primary School Islam Nagar UC 57 Gujrat	M/s Mudassar Iqbal	618 dt.30.05.12	650,000	510 dt.18.06.12	52,868	13,000
TOTAL					2,941,243	183,680

ANNEXURE-E

Para 1.2.3.1 – Rs960,000

Name of Work	Work Order No & Date	Date to be Completed	Date of Actual Completion	Work Order Amount (Rs)	L.D to be Imposed (Rs)
Construction of Path GHS Mehmda Sharqiwala UC 56	503 dt.09.04.12	10.08.12	In Progress	1,700,000	170,000
P/L Gully Grating city Gujrat	318 dt.12.12.11	12.06.12	In Progress	1,000,000	100,000
Construction of Street & drains Khokhar Garbi	536 dt.09.04.12	10.06.12	In Progress	200,000	20,000
Construction of Street drains Dr Anjum Noor Din Mohallah Chah Bora Near Gali 04 UC 58	504 dt.09.04.12	10.06.12	In Progress	200,000	20,000
Construction of PCC street shah hussain Hassan street malik house to shah house UC 59	627 dt.30.05.12	31.07.12	In Progress	246,000	24,600
Construction of S/D saro chak	535 dt.09.04.12	10.06.12	In Progress	500,000	50,000
Construction of street mosque wali & madrassa near primary school Islam Nagar UC 57	618 dt.30.05.12	31.07.12	In Progress	650,000	65,000
Construction of S/D UC Karrianwala	533 dt.09.04.2012	10.07.12	In Progress	2,000,000	200,000
Construction of S/D Bashir Ahmed to Darbar Alia Gondal Sharif	432 dt.07.04.2012	10.09.12	In Progress	2,600,000	260,000
Construction of Street No.01 Ferozabad UC 45	519 dt.09.04.2012	10.06.12	In Progress	210,000	21,000
Construction of S/D Jumna	486 dt.07.04.2012	10.06.12	In Progress	300,000	30,000
TOTAL					960,600

ANNEXURE-F

Para 1.3.1.1- Rs933,423

Date of drawl	Cheque No.	Cash Book Vr. No.	Amount (Rs)	Vehicle No.
20-1-11	70917250	100	20234	Tractor No.240
		108	30452	
4/3/2011	70917274	47	23169	
1/4/2011	70917290		25714	
14-4-11	70917295	72	24050	
20-5-11	72470514	111	30866	
1/8/2011	72470561	40	30821	
1/9/2011	72470562	42	36958	
14-9-11	72470576	53	30663	
20-1-11	70917250	101	20234	
1/4/2011	70917290		17597	Tractor No. 375N
14-4-11	70917295	73	23432	
9/5/2011	72470506	60	34397	
20-5-11	72470514	110	26932	
23-6-11	72470537	127	44476	
1/8/2011	72470561	39	47367	
14-9-11	72470576	54	38625	
20-1-11	70917250	102	28062	
4/3/2011	70917274	48	25930	Tractor No. 385
1/4/2011	70917290	37	13583	
9/5/2011	72470506	62	33650	
20-5-11	72470514	113	31125	
23-6-11	72470537	126	33758	
1/8/2011	72470561	38	43583	
1/9/2011	72470562	43	48721	
14-9-11	72470576	55	33941	
20-1-11	70917250	103	17795	
		107	26545	
4/3/2011	70917274	46	17037	Tractor No. 9668
1/4/2011	70917290	36	17066	
20-5-11	72470514	109	27862	
1/8/2011	72470561	41	28778	
TOTAL			933,423	

Date of drawl	Cheque No.	Invoice No.	Dated	Supplier	Particulars	Amount (Rs)
11-12-10	70917233	M.H.Co./ LHR/786	12-11-10	M. Hayat & Co.	Deltamethrin 1.5 EC	399,262
25-11-11	74237510	119	28-10-11	Starlet International	Deltamathrine 1.5 EC	497,640
TOTAL						896,902

Detail of payment and L section in support of earth filling i.e. 19424 cft earth filling @3911.75 %0cf = Rs149,639/-.