



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

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

## **PREFACE**

Article 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 Administrations of District Sialkot 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 Rs 1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit 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, irregularities.

The observations included in this Report have been finalized in the light of written responses and discussions 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, Narowal, Sialkot and Mandi Bahaud-Din.

2. The Regional Directorate has a human resource of 17 officers and staff, total 4757 man-days and the annual budget of Rs14.093 million for the financial year 2011-2012. It has mandated to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes/projects & receipts. Accordingly, Regional Directorate of Audit Gujranwala carried out Audit of accounts of two TMAs of District Sialkot for the financial year 2011-2012.

3. The Tehsil Municipal Administration in District Sialkot is headed by a Tehsil Nazim / Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and 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 Grants

4. Audit of Tehsil Municipal Administrations in District Sialkot was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws/ rules/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 revenue 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 process 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**

Total expenditure of two TMAs of District Sialkot for the financial year 2011-2012, was Rs991.089 million covering one PAO and two formations. Out of this, RDA Gujranwala audited expenditure of Rs104.227million which, in terms of percentage, was 11% of the total expenditure. Regional Director Audit planned and executed audit of two formations i.e. 100% achievement against the planned audit activities.

Total receipts of the TMAs of District Sialkot for the financial year 2011-2012, were Rs 31.224 million. RDA Gujranwala audited receipts of Rs 4.684 million which was 15% of total receipts.

### **c. Recoveries at the Instance of Audit**

Recovery of Rs209.583 million was pointed out, which was not in the notice of the executive before audit. An amount of Rs2.300 million was recovered and verified during the year 2012-13.

### **d. Key Audit Findings of the report**

- i. Non-production of record of Rs4.566 million noted in one case.<sup>1</sup>
- ii. Weak Internal Controls of Rs202.244 million noted in seven cases.<sup>2</sup>

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 responsibilities for fraud, misappropriations, 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 its budget with respect to utilization.

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<sup>1</sup>Para: 1.2.1.1

<sup>2</sup>Para: 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5 & 1.3.1.1, 1.3.1.2

## 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	02	1,448.623
2	Total formations under Audit Jurisdiction	02	1,448.623
3	Total Entities (PAOs) Audited	02	991.088
4	Audit & Inspection Reports	02	991.088
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 represents expenditure

**Table 2: Audit Observations Classified by Categories**

(Rs in million)

Sr. No.	Description	Amount under audit observation
1	Asset management	0
2	Financial management	0
3	Internal controls	202.244
4	Violation of rules	0
5	Others	4.566
<b>Total</b>		<b>206.81</b>



**Table 3: Outcome Statistics**

(Rs in million)

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total Last Year
1	Outlays Audited	9.003	470.160	859.597	511.925	1850.685*	1010.189
2	Amount Placed Under Audit Observations / Irregularities of Audit	0	9.925	20.945	175.937	206.81	74.97
3	Recoveries Pointed out at the Instance of Audit	0	12.138	196.035	1.41	209.583	53.768
4	Recoveries Accepted / Established at the Instance of Audit	0	12.138	196.035	1.41	209.583	53.768
5	Recoveries Realized at the Instance of Audit	-	-	2.300	-	2.300	

\* 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 991.088 million.

**Table 4: Irregularities Pointed Out**

(Rs in million)

<b>Sr. No.</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of rules and regulations, principle of propriety and probity	0
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public resources	0
3	Quantification of weaknesses of internal control systems	0
4	Recoveries, overpayments and loss to the government.	202.244
5	Non-production of record to Audit	70.736
6	Others, including cases of accidents, negligence etc.	4.566
7	Violation of rules and regulations, principle of propriety and probity	0
<b>TOTAL</b>		<b>206.81</b>

# **CHAPTER-1**

## **1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, SIALKOT**

### **1.1.1 INTRODUCTION**

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

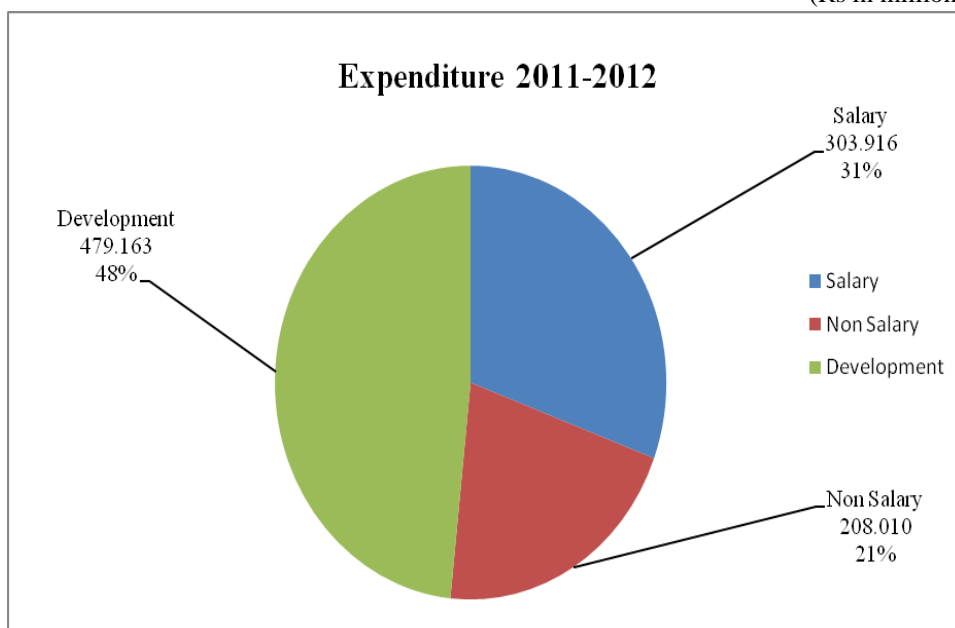
1. Prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping 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 TMA's 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, cesses, 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.

## 1.1.2 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

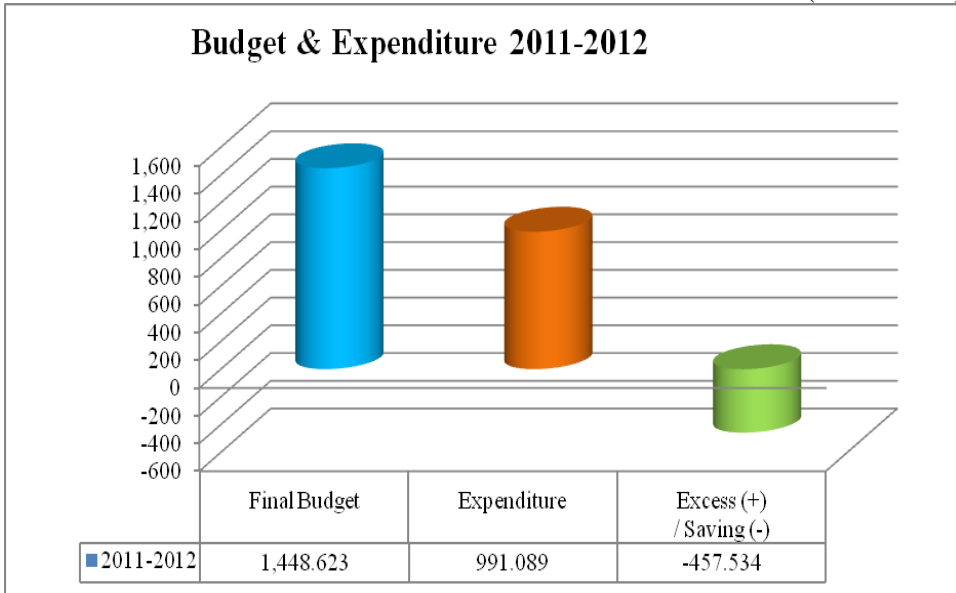
<b>FY: 2011-2012</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Savings</b>	<b>%age of savings</b>
Salary	356.873	303.916	-52.957	15
Non-salary	344.444	208.010	-136.434	40
Development	747.306	479.163	-268.143	36
<b>TOTAL</b>	<b>1,448.623</b>	<b>991.089</b>	<b>-457.534</b>	<b>32</b>

(Rs in million)



As per Budget Books for the year 2011-12 two TMAs of District Sialkot the original and the final budget was Rs 1,448.623 million. Against the final budget total expenditure incurred by the TMAs during the financial year 2011-12 was Rs 991.089 million as detailed at Annexure-B.

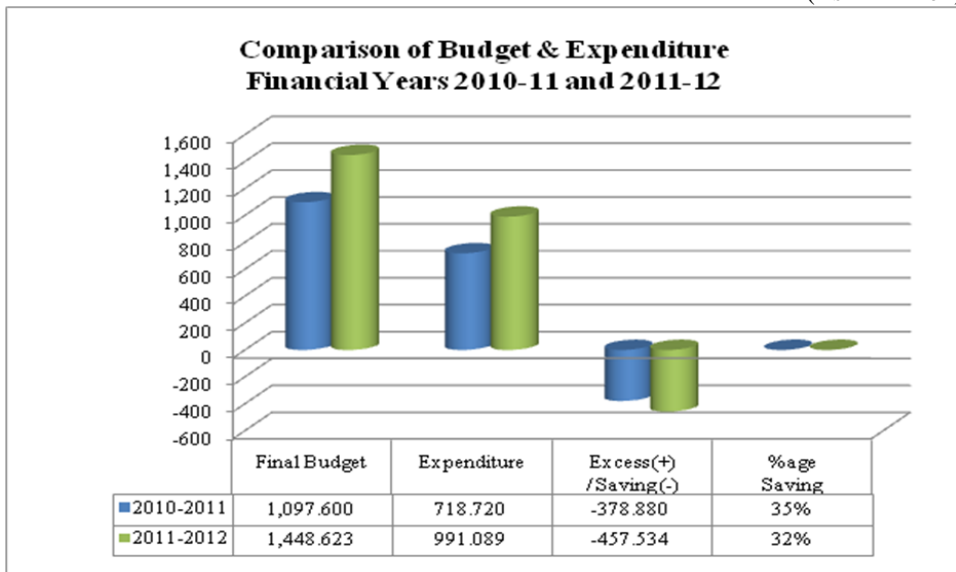
(Rs in million)



Ineffective financial management resulted in savings to the tune of Rs 457.534 million which in term of percentage was 32% 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 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 2010-2011 and 2011-2012 as follows:

(Rs in million)

<b>Financial Year</b>	<b>Final Budget</b>	<b>Expenditure</b>	<b>Savings</b>	<b>%age of Savings</b>
2010-2011	1,097.600	718.720	-378.880	35%
2011-2012	1,448.623	991.089	-457.534	32%

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

## **1.2 AUDIT PARAS**

## **1.2.1 TMA, SIALKOT**



## **1.2.1 Non-Production of Record**

### **1.2.1.1 Non-production of Record - Rs4.566 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.

TO ( R) TMA Sialkot did not produced records valuing Rs4,566,183 relating to pay and allowances, contingency, service books, stock register, log book of vehicle, POL, history sheet and record of receipts. In the absence of record authenticity, validity, accuracy, and genuiness could not be verified.

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

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December, 2012, directed the department to produce the record. No compliance was made till the finalization of this report.

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

[AIR Para No. 39]

## **1.2.2 Internal Control Weaknesses**

### **1.2.2.1 Unauthorized Payment to Sanitation Staff - Rs166.05 million**

According to Para No. 4.49 of Sub Treasury Rules, all payments exceeding Rs.100,000 are to be paid through crossed cheques / pay-order and not by cash. Further As per Wage Rate 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide Para 11 of the Recruitment Policy issued by the S&GAD vide No.SOR-IV(S&GAD)10-1/2003, dated 17.09.2004.

TMA, Sialkot paid huge amount of Rs166.05 million on account of wages of sanitation staff during 2011-12 but the appointment orders, duty rosters, acquaintance rolls, CNIC copies, list of daily wages staff was not found on record, the applications for appointment were of same hand writing which clearly reflects that the persons of own choice were appointed and undue favour was given by ignoring open merit and heavy cash withdrawals were made without any justification. The payments were made in cash instead of crossed cheques.

Audit holds that due to weak internal controls and negligence the sanitation staff was appointed beyond the rules but the management did not furnish any reply at the time of DAC meeting.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December 2012, directed the department to inquire the matter and fixing of responsibility . No compliance was made till the finalization of this report.

Audit stresses investigation of the matter besides fixing of responsibility under intimation to Audit.

[AIR Para No 37]

### **1.2.2.2 Non-Imposition of Penalty for Delay - Rs9.45 million**

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 1% 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.

TMA, Sialkot did not impose penalty amounting to Rs9.45 million on contractors who unnecessarily delayed the completion of development works. Non-completion of work in time is not only the violation of rules / agreement but also deprived the public from having the benefits of development schemes. This resulted in loss to government of Rs9.45 million

Audit holds that due to weak internal controls of authority and undue favour to contractors, penalty was not imposed but the management did not provide detail of works to justify the audit observation.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December, 2012, directed the department to inquire the matter and fixing of responsibility for non-imposition of penalty. No compliance was made till the finalization of this report.

Audit stresses the recovery of penalty for delay besides fixing responsibility under intimation to Audit.

[AIR Para No.04]

### **1.2.2.3 Unauthorized purchase - Rs5.155 million**

According to Letter No RO (Tech)FD-18-29/2004, Government of Punjab, Finance Department dated 03-03-2005, Plant & machinery and other store items like generators, lifts, A/c, electric motors and street lights, manhole covers etc., were required to be purchased according to Purchase manual instead of through the contractors because of avoiding 20% contractor profit & overhead charges.

TMA, Sialkot purchased hand carts, fog machines and street lights, amounting to Rs5,154,936 from general order suppliers, purchase was held unauthorized by the audit due to the following reasons;

1. Purchase was not directly made from supplier/manufacturer or from general supplier to avoid 20% contractor profit and overhead charges which resulted in overpayment of contractor profit and overhead charges Rs718,821
2. Specification, gauge size, capacity, of procured items was not predetermined
3. Advertisement was not forwarded on PPRA website,
4. Purchase was made without observing the process of prequalification of firms.

5. Recommendations of technical inspection committee were not obtained
6. The comparative statement was not compared with fellow district rates, local market rates, last year rates and negotiation rates.
7. Stock entry, property register, demand, detail of previous stock, detail of old stock and consumption was not shown.
8. GST amounting to Rs575,057 was neither deducted nor deposited in Government treasury, detail is as under:

Sr. #	Detail of item purchased	Contractor	Ch. No /Date	Amount (Rs)	20% Profit	GST (Rs)
1	Purchase of Hand Carts	Saif & Sons	80162694/20.06.12	1,390,000	278,100	222,480
2	Purchase of fog machines	Adgrow Pvt ltd	72856644/10.12.11	1,145,000	229,000	183,200
3	Purchase of fog machines	Saif & Sons	72856658/31.12.11	1,058,605	211,721	169,377
4	Street light items	M/s Aks Contractor	80092994/30.07.11	716,956	-	-
5	Street light items	Haider & Co.		280,525	-	-
6	Street light items	M/s Haider & Co.	80137502/05.08.11	216,450	-	-
7	Street light items		80189884/21.03.12	347,400	-	-
<b>TOTAL</b>				<b>5,154,936</b>	<b>718,821</b>	<b>575,057</b>

Audit holds that unauthorized purchase made due to defective financial discipline and weak internal controls.

Management replied that the concerned record is not traceable when will be traced out audit will be informed.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December 2012, directed the department to inquire the matter and responsibility be fixed. No compliance was made till the finalization of this report.

Audit stresses investigation of the matter besides recovery under intimation to Audit.

[AIR Para No 33]

#### **1.2.2.4 Non-Recovery of Rent of Shops - Rs1.930 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.

TMA, Sialkot did not recover rent of shops owned by TMA amounting to Rs1,930,123 during the financial year 2011-12. Total

demand for rent of shops was Rs1,000,000 but only a sum of Rs 8,069,877 was recovered which resulted in short recovery ofRs1,930,123.

Audit holds that due to weak internal controls and negligence the rent was not received but the management did not furnish any reply.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December 2012, directed the department to recover the rent from the defaulters. No compliance was made till the finalization of this report.

Audit stresses recovery of amount from defaulters under intimation to Audit.

[AIR Para No 27]

### **1.2.2.5 Doubtful Payment of Uniforms - Rs1.033 million**

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

TMA, Sialkot made payment Rs1,033,106 for the purchase of uniforms of civil defense staff in the office of District Officer Civil defense, payment was held doubtful by the audit due to the facts that no stock entry and receiving of the office of District Officer Civil defense was available on record, no requisition / demand of department was available, list of persons receiving uniforms was not available, no detail of trainees who got training and received uniforms was available and approved duty roaster, duty period, CNIC Nos, appointment orders/letters were not available to check the authenticity of distribution.

Audit holds that due to weak internal controls and mismanagement irregularities were occurred. Management replied that detail record will be produced later.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December 2012, matter be inquired out and responsibility be fixed against the person at fault.

Audit stresses investigation of the matter besides fixing responsibility under intimation to Audit.

[AIR Para No 07]

### **1.3.1 TMA, SAMBRIAL**

### 1.3.1 Internal Control Weaknesses

#### 1.3.1.1 Non-Recovery of Conversion Fee of Colonies - Rs9.945 million

According to Rule 57 (a) of the Punjab Land Use (Classification, Reclassification and Redevelopments) Rules, 2008, the conversion fees for the conversion of residential, industrial, peri-urban area or intercity service area to residential use shall be one percent of the value of the commercial land as per valuation table or one percent of the average sale price of preceding twelve months of the commercial land in the vicinity, if valuation table is not available.

TMA, Sambrial approved the agriculture area to be converted into Housing Schemes measuring 671.3189 Kanal, but conversion fee amounting to Rs9,945,246 was not realized. This resulted into loss to Government amounting to Rs9,945,246. The detail is as under: -

Name of Scheme	Particulars	Area (Kanal)	Average rate per Kanal (Rs )	Conversion Rate per Kanal	Conversion Fee Per Kanal (Rs )	Conversion Fee (Rs )
Chenab Farm	Residential Area	148	437,500	1%	4,375	625,713
Airport Avenue Housing Colony	Residential Area	160	437,500	1%	4,375	688,144
Royal Gardens	Residential Area	167	437,500	1%	4,375	713,694
Khayaban-e-Rehman Town	Residential Area	98	437,500	1%	4375	428,750
Abdullah Gardens	Residential Area	97	437,500	1%	4375	425,070
Royal Gardens Housing Scheme extension	Residential Area	908	437,500	1%	4375	3,972,500
Allama Iqbal Housing Scheme	Residential Area	160	437,500	1%	4375	700,000
Happy Valley Housing Scheme	Residential Area	386.6	437,500	1%	4375	1,691,375
Model Housing Scheme Airport Road	Residential Area	160	437,500	1%	4375	700,000
<b>TOTAL</b>						<b>9,945,246</b>

Audit holds that due to weak internal controls and negligence the conversion fee was not received.

Management replied that recovery is under process due to fulfillment of some legal formalities.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December, 2012, directed the department to

recover the fee from the defaulters. No compliance was made till the finalization of this report.

Audit stresses recovery of the amount from defaulters under intimation to Audit.

[AIR Para No.22]

### 1.3.1.2 Non-recovery of Commercialization Fee – Rs8.681 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 of land use to educational or healthcare institution use shall be ten percent.

TO (P &C),TMA Sambrial did not recovered 20% conversion fee on account of commercialization from the land owners for the period 2011-12 in violation of rule ibid.

Sr. No.	Name of Owner & Notice No.	Area Sft	Average rate Sft	Conversion Rate	Amount (Rs )
1	M. Shabbir (School) 70 dt.29.04.10	2720	525	10%	142,800
2	Amanat Ali (School) 73 dt.29.07.10	2176	525	10%	114,240
3	Mubasshar Hassan (School) 66 dt.29.07.10	5984	525	10%	314,160
4	Abdul Hameed 22 dt.20.02.10	1904	525	20%	199,920
5	Adil Waqar 114 dt.03.11.10	17136	1575	20%	5,397,840
6	Bashir Ahmed 56 dt.20.06.10	375	525	20%	39,375
7	Javed Iqbla 57 dt.24.06.10	4624	1050	20%	971,040
8	M.Afzal/Akram 112 dt.25.11.10	12519	45	20%	112,671
9	Ijaz Ahmed30 dt.26.03.10	16800	144	20%	483,840
10	Faiza 83 dt.09.08.10	5434	45	20%	48,906
11	Khaliq Ur Rehman 74 dt.29.07.10	2720	1575	20%	856,800
<b>TOTAL</b>					<b>8,681,592</b>

Audit holds that due to weak internal controls and negligence the conversion fee was not received.



Management replied that due action will be initiated for recovery and audit will be informed accordingly.

The matter was reported to the TMO / PAO in November, 2012. DAC in its meeting held in December, 2012, directed the department to recover the fee from the defaulters. No compliance was made till the finalization of this report.

Audit stresses recovery of the amount from defaulters under intimation to Audit.

[AIR Para No 23]

## **ANNEXURES**

**Annexure-A****MFDAC Paras**

<b>Sr. No.</b>	<b>Name of Formations</b>	<b>AP #</b>	<b>Description of Para</b>	<b>Amount (Rs)</b>	<b>Nature of Paras</b>
1.	TMA Sambrial	2	Non Maintenance of Log book	427,924	Irregularity/ non-compliance
2.		3	Doubtful expenditure	164,571	Irregularity/ non-compliance
3.	TMA Sambrial	5	Unjustified drawl of POL	324,422	Fraud/ Misappropriation
4.		8	Unauthorized advance withdrawl on purchase of tractors	1,131,900	Weakness of internal controls
5.		9	Un-authorized purchase of electrical material Rs149000 and overpayment to contractors for supplies	29,800	Weakness of internal controls
6.		10	Defective purchase of parts of peter engine	344,870	Weakness of internal controls
7.		11	Irregular expenditure on purchase of electrical material	59,200	Weakness of internal controls
8.		12	Irregular expenditure on purchase of permethrin and melathion	105,120	Irregularity/ non-compliance
9.		13	Purchase of Permethrin at Higher Rates	282,900	Weakness of internal controls
10.		14	Un-authorized Purchase of Dengue Medicines	762,120	Weakness of internal controls
11.		16	Non-transparent expenditure on rent/ hiring of tentage	281,110	Irregularity/ non-compliance

<b>Sr. No.</b>	<b>Name of Formations</b>	<b>AP #</b>	<b>Description of Para</b>	<b>Amount (Rs)</b>	<b>Nature of Paras</b>
12.		17	Hiring of tentage at higher rates recovery	63,525	Weakness of internal controls
13.		19	Unauthorized and doubtful expenditure on repair of transport	202,344	Weakness of internal controls
14.		20	Non-recovery of Arrears of Water Rate Charges	580,281	Weakness of internal controls
15.		21	Non-imposition of Penalty due to Delay	302,775	Weakness of internal controls
16.		24	Non-recovery of arrears of NOC fee, Building fee and Commercialization fee	1,893,927	Weakness of internal controls
17.		26	loss to govt. due to short payment of stamp paper/ stamp duty	10,800	Weakness of internal controls
18.		28	Overpayment to contractor due to payment of overhead charges	99,575	Weakness of internal controls
19.		31	Unauthorized and doubtful payments to contractors	72,130,000	Weakness of internal controls
20.		33	Doubtful payment to contractor for earth filling	35,725	Weakness of internal controls
21.		34	Overpayment to contractor due to excess earth filling	131,868	Weakness of internal controls
22.		35	Irregular payment to contractor without approval of competent authority	2,244,538	Weakness of internal controls
23.		36	Loss to government due to non-realization of industrialization fee	12,000,000	Irregularity/ non-compliance

<b>Sr. No.</b>	<b>Name of Formations</b>	<b>AP #</b>	<b>Description of Para</b>	<b>Amount (Rs)</b>	<b>Nature of Paras</b>
24.	TMA Sialkot	10	Unauthorized and doubtful payment for repair of manhole covers	265,135	Weakness of internal controls
25.		11	Over payment to contractor	175,220	Irregularity/ non-compliance
26.		12	Overpayment to contractor due to excess earth filling	788,024	Weakness of internal controls
27.		16	Loss to government due to non-collection of professional tax	197,000	Weakness of internal controls
28.		22	Less recovery of government revenue	49,833,000	Weakness of internal controls
29.		23	Loss to government due to non-auction of canteen in Gulshan Iqbal park	525,000	Weakness of internal controls
30.		24	Non-recovery of arrears of water rate	1,099,734	Weakness of internal controls
31.		25	Non recovery of Professional	379,500	Irregularity/Non compliance
32.		26	Doubtful Collection of Joy Land Receipts -	917,029	Irregularity/Non compliance
33.		28	Non-recovery of income tax surcharge	226,162	Weakness of internal controls
34.		34	Shortage of Store	342,010	Fraud/Misappropriation
35.		35	Unauthentic Government receipts of due to non-conduction of survey of manufacturer, vendor and trader	11,293,000	Weakness of internal controls

<b>Sr. No.</b>	<b>Name of Formations</b>	<b>AP #</b>	<b>Description of Para</b>	<b>Amount (Rs)</b>	<b>Nature of Paras</b>
36.		36	Unauthorized, unverifiable and non-prudent expenditure on account of POL of fire Lorries and pay and allowances, contingency	2,255,000	Weakness of internal controls
37.		38	Doubtful drawl for sports activity	63,000	Weakness of internal controls

**TMA's of Sialkot District**  
**Budget and Expenditure Statement for the Financial Years 2011-12**

(Rs in million)

**TMA, Sambrial**

<b>F.Y. 2011-12</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>%age Saving</b>
Salary	39.836	34.802	-5.034	12.64
Non-salary	28.662	28.581	-0.081	0.28
Development	82.000	72.132	-9.868	12.03
<b>TOTAL</b>	<b>150.498</b>	<b>135.515</b>	<b>-14.983</b>	<b>9.96</b>

**TMA, Sialkot**

<b>F.Y. 2011-12</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>%age Saving</b>
Salary	317.037	269.114	-47.923	15.12
Non-salary	315.782	179.429	-136.353	43.18
Development	665.306	407.031	-258.275	38.82
<b>TOTAL</b>	<b>1,298.125</b>	<b>855.574</b>	<b>-442.551</b>	<b>34.09</b>