



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
DISTRICT COUNCILS OF  
PUNJAB (NORTH)**

**AUDIT YEAR 2020-21**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS & ACRONYMS**

CSR	Composite Schedule of Rates
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
HRA	House Rent Allowance
MRS	Market Rate System
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PHA	Parks & Horticulture Authority
PLGA	Punjab Local Government Act
PLGB	Punjab Local Government Board
PPRA	Punjab Procurement Regulatory Authority
PST	Provincial Sales Tax
S&GAD	Services and General Administration Department
TS	Technical Sanction
TMA	Tehsil Municipal Administration
TTIP	Tax on Transfer of Immoveable Property
NAM	New Accounting Model
APPM	Accounting Policies and Procedures Manual
MTDF	Medium Term Development Framework

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 108 of the Punjab Local Government Act, 2013 require the Auditor General of Pakistan to audit the accounts of the Federation or a Province or Local Government and the accounts of any authority or body established by or under the control of the Federation or a Province.

The report is based on audit of the accounts of District Councils Attock, Bhakkar, Chakwal, Gujranwala, Gujrat, Hafizabad, Jhelum, Kasur, Khushab, Mandi Baha-ud-Din, Mianwali, Nankana Sahib, Narowal, Okara, Rawalpindi, Sargodha, Sheikhpura and Sialkot for the Financial Year 2019-20. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during Audit Year 2020-21 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in 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 frame work besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

Most of the observations included in this report have been finalized in light of written responses. However, in some cases DAC meetings were not convened despite repeated requests.

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, read with Section 108 of Punjab Local Government Act, 2013 for causing it to be laid before the Provincial Assembly of Punjab.

**Islamabad**  
**Dated:**

**(Muhammad Ajmal Gondal)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General of Audit, District Governments, Punjab (North), Lahore is responsible for carrying out the audit of Local Governments comprising Metropolitan Corporation, Municipal Corporations, Municipal Committees, District Councils, Union Councils, District Health Authorities and District Education Authorities of nineteen (19) Districts of Punjab (North) namely Attock, Bhakkar, Chakwal, Gujranwala, Gujrat, Hafizabad, Jhelum, Kasur, Khushab, Lahore, Mandi Baha-ud-Din, Mianwali, Nankana Sahib, Narowal, Okara, Rawalpindi, Sargodha, Sheikhupura, Sialkot and eight public sector companies of Department of Local Government and Community Development.

The Directorate General of Audit has a human resource of 90 officers and staff having 19,500 mandays and annual budget of Rs 173.456 million for the Financial Year 2020-21. Director General carried out audit of the accounts of District Council Attock, Bhakkar, Chakwal, Gujranwala, Gujrat, Hafizabad, Jhelum, Kasur, Khushab, Mandi Baha-ud-Din, Mianwali, Nankana Sahib, Narowal, Okara, Rawalpindi, Sargodha, Sheikhupura and Sialkot for the Financial Year 2019-20. This office utilized 1,380 mandays in execution of field audit activity of the planned assignment.

As per Section 78(1) of Punjab Local Government Act (PLGA) 2013, the Chairman of a District Council shall be the executive head of the District Council. As per Section 64(6) & (8) of PLGA 2013, the Chief Officer of a local government shall be the Principal Accounting Officer of the local government. The Chief Officer shall be responsible for ensuring adherence by the local government to all laws, policies and oversight framework of the Government in the prescribed manner.

District Councils were established under PLGA 2013 for the rural areas to control over land-use, spatial planning, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

Audit of District Councils was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with applicable laws.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules.

**a) Scope of Audit**

This office is mandated to conduct audit of eighteen formation working under eighteen PAOs. Total expenditure and receipts of these formations were Rs 5,998.779 million and Rs 5,171.473 million respectively for the Financial Year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 18 formation of having a total expenditure of Rs 3,649.190 million for the Financial Year 2019-20. In terms of percentage, the audit coverage for expenditure is 61% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 18 formations having total receipts of Rs 3,742.462 million for the Financial Year 2019-20. In terms of percentage, the audit coverage for receipts is 73% of auditable receipts.

In addition to this compliance audit report, DG Audit, District Governments Punjab (North), Lahore conducted Financial Attest Audits, Performance Audits and Special Audits related to local governments. Reports of these audits are being published separately.

**b) Recoveries at the instance of Audit**

As a result of audit, a recovery of Rs 498.803 million was pointed out in this report. Recovery effected from January 2020 to June 2020 was Rs 1.901 million which was verified by Audit.

**c) Audit Methodology**

Desk Audit techniques were applied intensively during Audit Year 2020-21. This was facilitated by access to the financial data and availability of permanent files. Desk Audit review helped auditors in understanding the systems, procedures and environment of the entities before the start of field activity. This facilitated greatly in the identification of high risk areas for substantive testing in the field.

**d) Audit Impact**

A number of improvements as suggested by audit, in maintenance of record and procedures have been initiated by the concerned authorities. However, audit impact in the shape of change in rules is yet to be materialized as and when reports are placed before Public Accounts Committee.

**e) Comments on Internal Controls and Internal Audit Department**

Internal control mechanism of District Councils was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit including serious lapses like withdrawal of public funds contrary to the entitlement of employees. Negligence on the part of District Council authorities may be captioned as one of important reasons for weak Internal Controls.

**f) The key audit findings of the report**

- i. Non-production of record worth Rs 56.517 million was reported in five cases<sup>1</sup>.
- ii. Employee related irregularities valuing Rs 4.92 million was pointed out in two cases.<sup>2</sup>
- iii. Procurement related irregularities involving an amount of Rs 293.026 million were observed in eleven cases.<sup>3</sup>
- iv. Management of accounts with commercial banks involving an amount of Rs 4.128 million was noticed in two cases.<sup>4</sup>
- v. Value for money and service delivery related issues of Rs 755.994 million were observed in twenty cases.<sup>5</sup>
- vi. Weak internal controls with financial impact of Rs 1,337.283 million were pointed out in forty seven cases.<sup>6</sup>

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<sup>1</sup> Para: 9.4.1.1, 10.4.1.1, 11.4.1.1, 14.4.1.1, 18.4.1.1,

<sup>2</sup> Para: 10.4.2.1.1, 17.4.1.1.1

<sup>3</sup> Para: 5.4.1.1.1, 6.4.1.1.1-5, 9.4.2.1.1, 10.4.2.1.1, 16.4.1.1.1, 19.4.1.1.1-2

<sup>4</sup> Para: 10.4.2.3.1, 14.4.2.1.1

<sup>5</sup> Para: 2.4.1.1, 3.4.1.1-2, 5.4.2.1-2, 9.4.3.1-4, 10.4.3.1, 14.4.3.1, 16.4.2.1, 17.4.2.1-2, 18.4.2.1-6

<sup>6</sup> Para: 2.4.2.1-3, 4.4.1.1, 5.4.3.1, 6.4.2.1-3, 7.4.1.1-4, 8.4.1.1-2, 9.4.4.1, 10.4.4.1, 11.4.2.1-2, 12.4.1.1, 13.4.1.1-2, 14.4.4.1-6, 15.4.1.1-2, 16.4.3.1-2, 17.4.2.1, 19.4.2.1-15

**g) Recommendations**

- i. Heads of the District Councils need to take action against the officer(s) / official(s) responsible for non-production of record along with provision of record for audit scrutiny.
- ii. Management needs to avoid recurring instances of non-compliance with rules (including Punjab Procurement Rules 2014) while incurring expenditure, as reported.
- iii. The PAOs must make strenuous efforts for expediting the realization of various outstanding receipts.
- iv. Management needs to ensure proper execution and implementation of the monitoring system.
- v. Heads of the District Councils need to conduct physical stock taking of stores on regular basis.
- vi. Departures from New Accounting Model also need consideration of PAOs with a view to ascertaining the fair presentation of accounts and implementation of accounting policies in letter & spirit.

# **CHAPTER 1**

## **PUBLIC FINANCIAL MANAGEMENT**

After the abolition of Punjab Local Government Ordinance, 2001 in 2013, Punjab Local Government Act 2013 was introduced and implemented in 2017 under which rural areas of Districts other than Lahore were demarcated and declared as District Councils headed by chairman. The new setup replaced the old local government system of District Governments and TMAs. Major functions of District Council are given below. Functions of District Council shall be to:

- a) approve bye-laws and taxes;
- b) approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
- c) review the performance of all offices working for the District Council;
- d) promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws;
- e) regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
- f) regulation or prohibition of the excavation of earth, sand, stones or other material;
- g) regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
- h) organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
- i) assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity;
- j) provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads;
- k) control over land-use, spatial planning, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- l) promote animal husbandry and dairy development;

## Resource Mobilization:

District Councils, under the audit jurisdiction of this office, remained partially depended on PFC share / grants from Provincial Governments during the Financial Year 2019-20. Total receipts of District Councils decreased during the Financial Year 2019-20 as compared to the 2018-19 by Rs 1,536.897 million which is 12% of last year's total receipt. However, PFC share increased by Rs 429.500 million from 5,413.536 million to 5,843.036 million which is 10% higher as compared to Financial Year 2018-19 indicating more dependency on grants from Provincial Government due to lack of self-sustainability. District Councils received Rs 11,014.469 million against targeted Revenue Receipts (both PFC share and own source receipts) of Rs 11,886.814 million during the financial year 2019-20.

Description	Rs in million			
	2018-19		2019-20	
	Amount (Rs)	Percentage	Amount (Rs)	Percentage
Tax Revenue	2,343.80	19%	2,381.552	22%
Non-Tax Revenue	1,153.307	9%	948.850	9%
Share of PFC/ Grants from Provincial Govt.	5,413.536	43%	5,843.036	52%
Other receipts	3,640.723	29%	1,841.031	17%
<b>Total</b>	<b>12,551.366</b>	<b>100%</b>	<b>11,014.469</b>	<b>100%</b>

Similarly against final budget of Rs 17,044.156 million, an expenditure of Rs 5,998.779 million was incurred resulting in saving of Rs 11,045.377 million during Financial Year 2019-20 meaning thereby unrealistic budget estimates were made.

Description	Rs in million				
	Original grant	Supplementary grants / appropriation	Total	Actual Exp.	Savings (-) Excess (+)
Revenue	14,487.530	0	14,487.530	5,098.960	-9,388.570
Capital	2,556.620	0	2,556.620	899.820	-1,656.807
<b>Grand Total</b>	<b>17,044.15</b>	<b>0</b>	<b>17,044.15</b>	<b>5,998.78</b>	<b>-11,045.377</b>

District Council wise detail of budget and expenditure is given at annexure-B.

Management of District Councils did not prepare its annual accounts as per New Accounting Model in contravention to Punjab Local Government (Accounts) Rules, 2017. Budget and expenditure of District Councils were not classified as required by chart of accounts. General purpose financial statements were not prepared as required under Rule



7.2.4.3 of Chapter 7 of Accounting Policies and Procedures Manual. Prescribed forms for recording of transactions of receipt and expenditure were not prepared. Record of public accounts including government taxes deducted from salary of employees and payment of contractors was not maintained as required under Rule 14.3.2 of APPM.

Out of total non-salary expenditure of Rs 4,242.66 million (including development expenditure) incurred during the Financial Year 2019-20, 12% of the expenditure amounting to Rs 511.737 million was incurred in June, which was 1.50 times of the average expenditure incurred during period from July, 2019 to May, 2020 indicating rush of expenditure at the end of Financial Year and poor financial controls by the management.

<b>Rs in million</b>		
<b>Expenditure (July 2019 to May 2020)</b>	<b>Expenditure June 2020</b>	<b>Total</b>
3730.0927	511.737	<b>4242.66</b>
88%	12%	<b>100%</b>

### **Medium Term Development Framework (MTDF)**

Availability of better social and physical infrastructure reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz. adequacy of the expenditure (i.e. adequate provision for providing public services); efficiency of expenditure (use) and its effectiveness (assessment of outlay-outcome relationships for selected services). Out of total 787 development schemes, Management of District Councils was able to complete 419 schemes indicating achievement of 53%.

An amount of Rs 498.803 million was pointed out on account of over payment during Audit Year 2020-21 indicating weak internal controls at DDO level. District Council management was not able to provide municipal and other services like removal of encroachments, maintenance of public ways and streets, to the satisfaction of masses. Management failed to stop illegal construction of housing societies and buildings within the jurisdiction of District Councils. Instances of misappropriation, overpayments, non-achievement of receipt targets, non-auction of government properties such as shops, unauthorized occupation of government properties are also reported in this report elsewhere.

## CHAPTER 2

### District Council Attock

#### 2.1 Introduction

District Council, Attock was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Attock

(Rs. in millions)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited	Receipt audited
1	DC Attock	01	01	124.443	197.623
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 68.312 million were raised as a result of this audit. This amount also includes recoverable of Rs 66.735 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million

Sr. No.	Classification	Amount placed under audit observations
1	Non-production of record to Audit	0
2	Reported cases of fraud, embezzlement and misappropriations.	0
3	<b>Irregularities</b>	0
	a. HR /Employees related irregularities	0
	b. Procurement related irregularities	0
	c. Management of accounts with commercial banks	0
4	Value of money and service delivery issues	3.452
5	Others	64.860
	<b>Total</b>	<b>68.312</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Attock, total budget (Development and Non-Development) was Rs1270.122 million. Against the budget, total expenditure of Rs 311.107 million was incurred by District Council during financial year 2019-20 which was less than allocated budget of Rs

1270.122 million indicating poor financial planning and resulting in saving of Rs959.015 million against the budget. The break-up of total budget and expenditure is given in the following table:

<b>Description</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age saving</b>
Salary	87.403	49.087	-38.316	44%
Non-Salary	119.747	262.020	142.273	-
Development	1,062.972	0	-1,062.972	100%
<b>Total</b>	<b>1,270.122</b>	<b>311.107</b>	<b>-959.015</b>	<b>75.51%</b>

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

<b>Financial Year</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age of saving</b>
2018-19	1,075.347	507.793	-567.554	52.78%
2019-20	1,270.122	311.107	-959.015	75.51%

There was 18.11% increase in budget allocation and 38.73% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 959.015 million during financial year 2019-20 showing an increase of 22.73% as compared to financial year 2018-19.

## **2.2 Sectoral Analysis**

No development scheme was executed during the period which showed poor progress of the management.

## **2.3 Brief comments on the status of compliance with PAC directives**

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meeting</b>
1	2018-19	32	Not convened
2	2019-20	05	Not convened

## 2.4 AUDIT PARAS

### 2.4.1 Value for money and service delivery issues

#### 2.4.1.1 Non-recovery of building plan fee – Rs 3.452 million

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of record of District Council, Attock for the Financial Year 2019-20 revealed that building plan was submitted by registrar of Air University, Islamabad (Kamra Campus) which was sanctioned by Chief Officer, District Council, Attock on 22.10.2019 without recovery of building plan fee imposed by DC, Attock. The conversion fee exemption was granted on the basis of decision of District Planning & Design Committee (DP&DC), Attock meeting dated 10<sup>th</sup> October, 2019 under Section 60 (2) of the Punjab Private Land Use Rules, 2009 besides the fact that Committee exempted only conversion fees, not the building plan fee. This resulted in non recovery of building plan fee Rs3.452 million as detailed below:

(Rs in million)

Sr. No.	Block	Covered Area	Rate Per Sft	Amount Recoverable
01	Academic block	204,000	12	2.448
02	Hostel Block	83,700	12	1.004
<b>Total</b>		<b>287,700</b>	<b>12</b>	<b>3.452</b>

Audit was of the view that due to poor managerial control building plan fee was not recovered.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 26.10.2021 wherein management replied that DP&DC in its meeting held on 10.10.2019 approved / exempted the building / conversion fee. Reply of the management was not tenable because only conversion fee was exempted and not building fee. DAC decided to keep the para pending till compliance and clarification about decision of DP&DC from Local Government but no further progress was intimated till the finalization of this report.

Audit recommends recovery at the earliest besides fixing of responsibility against person(s) at fault.

(PDP No. 02)

## **2.4.2 Others**

### **2.4.2.1 Non-recovery of water conservancy charges - Rs 58.297 million**

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of record of District Council, Attock for the Financial Year 2019-20 revealed that District Council Attock imposed water conservancy charges @ Rs.1,000,000 per cusec (Rs 409 per cubic meter) vide gazette notification No. 506 dated.16.07.2018 published on 30.07.2018 but water conservancy charges amounting to Rs 58.297 million for the period December, 2019 and January, 2020 were not recovered.

Audit was of the view that due to financial mismanagement, water conservancy charges were not recovered.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 26.10.2021 wherein management replied that case is pending in the Lahore High Court Rawalpindi Bench. After the decision of Court, recovery shall be made accordingly. Reply of the management was not tenable as record relating to correspondence with court was not provided. DAC decided to keep the para pending till decision of court but no further progress was intimated till the finalization of this report.

Audit recommends recovery besides fixing responsibility against person(s) at fault.

(PDP#01)

### **2.4.2.2 Less collection of lease – Rs 3.978 million**

According to Rule 27 of Punjab Local Government (Auction of Collection Right) Rules 2016, (1), the successful bidder shall, at the time of signing the agreement, furnish a surety for the due performance of the contract to the satisfaction of the local government concerned. (2) The surety shall be a person who has a valid national tax number and is an action tax payee. (3) The surety shall furnish a bank statement for the preceding six months also showing a bank balance equivalent to the amount of the surety. (4) In case of default of contractor to discharge his obligations under the contract for any reason, then, without prejudice to the claims of local government against the contractor, the local government shall be entitled to recover from the surety, not only the

amount including charges, dues and fees which may have become due under the contract, but also the cost of proceedings initiated in this regard.

Scrutiny of record of District Council, Attock for the Financial Year 2019-20 revealed that contract for collection rights of advertisement tax was awarded to Ch Naeem Akram M/s 3D Marketing Islamabad vide work order No.38 DO/F/DC/ATK/70 dated 07.10.2019 for Rs 6.300 million. Out of total recoverable Rs 6.930 million, including income tax of Rs 0.630 million, contractor only deposited Rs 2.952 million till date resulting in less collection of Rs 3.978 million. Moreover, it was noticed that surety was not obtained at the time of signing of agreement.

Audit was of the view due to poor managerial controls, the lease money was less collected and surety was not obtained.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 26.10.2021 wherein management replied that case had already been sent to the Deputy Commissioner, Rawalpindi for recovery as arrear of land revenue. Reply of the management was not tenable as recovery was not made till now. DAC decided to keep the para pending till recovery of outstanding amount but no further progress was intimated till the finalization of this report.

Audit recommends recovery besides fixing responsibility against person(s) at fault.

(PDP No. 06)

### **2.4.2.3 Less receipt of license fees – Rs 2.585 million**

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of receipt record of District Council, Attock for the Financial Year 2019-20 revealed that against target revenue of Rs 2,916,667\* the DC staff could only recover Rs 332,000 till October, 2019. This resulted in short recovery of Rs 2,584,667 than targeted recovery which was far below than actual income per month of the previous two financial years as detailed below:

<b>Financial Year</b>	<b>Revised Target (Rs)</b>	<b>Actual Income (Rs)</b>	<b>Actual Income Per Month (Rs)</b>
2019-20 (07/2019 to 01/2020)	2,916,667*	332,000	47,429
2018-19	3,000,000	3,224,500	268,708
2017-18	2,500,000	2,584,220	215,352

\*{(Budget estimate for 2019-20 Rs 5,000,000/12 = 416,667 PM) x 07 months (07/2019 to 01/2020)}

Chief Officer, District Council, Attock declared various officers as collecting officers / officials for collection of license with the direction to gear up recovery process so that the targets fixed in budget can be achieved and in case of any shortfall, strict disciplinary action would be taken against the concerned collecting officials. Instead of increase in recovery, no recovery was made in succeeding months which showed poor progress of the collecting officers / officials but no disciplinary action was initiated against them.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 26.10.2021 wherein management replied that collecting officer was deputed and directed to expedite the recovery process. Reply of the management was not tenable as neither recovery was made nor action was initiated against persons at fault. DAC decided to keep the para pending till compliance but no further progress was intimated till the finalization of this report.

Audit recommends probe for fixing of responsibility against person(s) at fault for non achievement of targets.

(PDP No. 10)

## CHAPTER 3

### District Council, Bhakkar

#### 3.1 Introduction

District Council Bhakkar was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Bhakkar

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Bhakkar	01	01	383.790	154.625
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 4.341 million were raised in this report during current audit of “District Council Bhakkar.” This amount also includes recoveries of Rs 1.203 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	-
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	4.341
5	Others	-
	<b>Total</b>	<b>4.341</b>

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

As per the Accounts for the financial year 2019-20 of the District Council Bhakkar, total original budget (Development and Non-Development) was Rs 784.779 million, no supplementary grant was allocated and the final budget Rs 784.790 million. Against the final budget, total expenditure of Rs 383.790 million was incurred by District



Council Bhakkar during financial year 2019-20 which was less than original grant of Rs 784.779 million indicating poor financial planning and resulting in saving of Rs 400.989 million against the final grant. The break-up of total budget and expenditure is given in the following table:

Description	Original Grant	Supp. Grant	Final Grant	Exp.	Excess (+) / Saving (-)
Salary	138.653	-	138.653	42.096	96.557
Non-Salary	71.078	-	71.078	341.694	(+)270.616
Development	575.048	-	575.048	0.700	574.348
<b>Total</b>	<b>784.779</b>	<b>-</b>	<b>784.779</b>	<b>383.790</b>	400.989
	<b>Receipt</b>			386.565	

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

Financial Year	Final Grant	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	493.949	121.28	372.669	75
2019-20	<b>784.779</b>	<b>383.790</b>	400.989	51

There was 58% increase in budget allocation and 216% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving of Rs 400.989 million during 2019-20 showing an increase of 7% as compared to financial year 2018-19.

### 3.2 Sectoral Analysis

District Council Bhakkar did not execute any development schemes during financial year 2019-20.

### 3.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	29	Not Convened
2	2019-20	08	Not Convened

### **3.4 AUDIT PARAS**

#### **3.4.1 Value for money and service delivery issues**

##### **3.4.1.1 Non-recovery of rent / fine from illegal occupants - Rs 2.772 million**

According to PLG 2013 (117) Collection of taxes, (1) (3) (4) a tax or fee levied under this Act shall be collected in the prescribed manner. If a person fails to pay any tax or fee or any other money payable to a local government, the local government and, if so requested by the local government, the Government shall recover the tax, fee or other money as arrears of land revenue.

Physical verification of the area under the jurisdiction of District Council Bhakkar for the financial year 2019-20 revealed that there were 77 No. of shops / khokas (7x7) in front of Tehsil Sports Center, Darya Khan but rent amounting to Rs 2.772 million for the period from July 2019 to June 2020 was not recovered from tenants.

Audit holds that due to weak supervisory and internal control, no action was taken against illegal occupants/encroachers.

This resulted in non-recovery on account of rent Rs 2.772 million.

The matter was reported to the PAO / CO in June, 2021. In DAC meeting held on 01-09-2021, management replied that as land of District Council situated in Darya Khan, the Govt. constructed a sports gym on 10 kanal while other land was used for construction of Civil Courts whereas, the Khokhas in front of this land are on highway land and are being encroached which was the responsibility of concerned Municipal Committee or the concerned Department to remove encroachment. DAC did not accept the view point of the management and directed to take up the matter with Chief Officer MC Darya Khan regarding his jurisdiction.

Audit recommends action against the illegal occupants besides recovery of rent / fine from the concerned.

[PDP No. 20]

##### **3.4.1.2 Illegal approval of land sub-division resulting in loss to Local Government –Rs 1.567 million**

According to rule 38 & 41 of Punjab Private Housing Schemes and Land Sub-division Rules 2009, developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if

valuation table is not available. A town municipal administration or a development authority shall, after verification of ownership documents, entertain an application for sub-division of land of forty to less than one hundred kanal subject to the requirements that developer does not own additional land in continuation of the land proposed for sub-division.

Scrutiny of the accounts record of District Council, Bhakkar for the Financial Year 2019-20 revealed that lands were permitted for conversion into land sub divisions. Audit noticed that management of District Council sanctioned land subdivision knowing the fact that owners own land in continuation of land sanctioned for sub-division and the developers utilized additional lands for development without payment of due fees. Detail is as under:

Name of housing Sub-division / Name of owner	Area of sanctioned Land sub-division	Land owned by the owners/developers in the same Khasra as per revenue record	Total Area where the land subdivision actually established	Amount was to be recovered from Developer according to 400 Kanals	Amount Deposited by developer on account of scrutiny and conversion fees	Amount still recoverable
Gulberg / Syed Hammad Hassan, Malik M. Ramzan, Mukhtar Hussain and Imran Hussain	98.5 Kanal	287.25 Kanal	200 Kanals (approximately)	996,000	498,870	497,130
Al Hasseb Town, Khasoor Road Darya Khan / Abdul Waheed, Abdul Hafeez, M. Saeed, M. Toheed, M. Tofeeq	99 Kanal	281 Kanal	At whole 281 Kanals (approximately)	1,672,320	602,134	1,070,186
<b>Total</b>						<b>1,567,316</b>

Audit holds that due to weak internal and financial controls, irregular approval of land subdivision was made and fees were not recovered on prescribed rates.

This resulted in irregular approval of land subdivision and less recovery of local government fees Rs1.567 million.

The matter was reported to the PAO / CO in June, 2021. In DAC meeting held on 01.09.2021, management replied that conversion fee would be collected at the time of conversion. DAC directed the department to recover the conversion fee.

Audit recommends revision of layout plan of housing society and recovery of conversion fee from the concerned.

[PDP No. 06 & 07]

## CHAPTER 4

### District Council, Chakwal

#### 4.1 Introduction

District Council, Chakwal was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Chakwal

(Rs. in millions)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited	Receipt audited
1	DC Chakwal	01	01	23.732	111.416
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 1.286 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.286 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million

Sr. No.	Classification	Amount placed under audit observations
1	Non-production of record to Audit	0
2	Reported cases of fraud, embezzlement and misappropriations.	0
3	<b>Irregularities</b>	0
	a. HR /Employees related irregularities	0
	b. Procurement related irregularities	0
	c. Management of accounts with commercial banks	0
4	Value of money and service delivery issues	-
5	Others	1.286
	<b>Total</b>	<b>1.286</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Chakwal, total budget (Development and Non-Development) was Rs927.088 million. Against the budget, total expenditure of Rs64.448 million was incurred by District Council financial year 2019-20. Which was less than allocated budget of Rs927.088

million indicating poor financial planning and resulting in saving of Rs826.640million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	45.641	18.190	-27.451	60%
Non-Salary	102.864	31.159	-71.705	70%
Development	778.583	15.099	-763.484	98%
<b>Total</b>	<b>927.088</b>	<b>64.448</b>	<b>-862.64</b>	<b>93.05%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	427.365	123.331	-304.034	71.14%
2019-20	927.088	64.448	-862.640	93.05%

There was 116.93% increase in budget allocation and 47.74% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs862.640 million during 2019-20 showing an increase of 21.91% as compared to financial year 2018-19.

#### 4.2 Sectoral Analysis

No development scheme was executed during the period which showed poor progress of the management.

#### 4.3 Brief comments on the status of compliance with PAC directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	22	Not convened
2	2019-20	01	Not convened

#### **4.4 AUDIT PARAS**

##### **4.4.1 Others**

###### **4.4.1.1 Non-collection of advertisement fee- Rs 1.286 million**

According to Rule 47 (1) of Punjab Local Government Budget Rules 2017, the collecting officers shall ensure that all revenue due is claimed, realized and credited immediately in the local fund.

Scrutiny of receipt record of District Council, Chakwal for the Financial Year 2019-20 revealed that contract for collection of advertisement fee was awarded to M/s Raja Muhammad Shahid for Rs 6,432,000. It was observed that the contractor failed to deposit Rs 1,286,800 out of total recoverable amount despite issuance of various notices.

Audit holds that due to weak financial controls government dues could not be recovered.

The matter was reported to PAO in May, 2021. DAC meeting was convened on 15.11.2021 wherein management replied that due to COVID-19 the contractor defaulted and his contract was cancelled by the competent authority. The contractor filed an appeal before the Secretary LG&CD Department, Lahore which was rejected and the case is under process for recovery with the District Collector, Chakwal as land revenue recovery. Reply of the management is not tenable as recovery was not made. DAC decided to keep the para pending till recovery of outstanding amount but no further progress was intimated till the finalization of this report.

Audit recommends recovery under land revenue act besides black listing the contractor.

(PDP#10)

## CHAPTER 5

### District Council, Gujranwala

#### 5.1 Introduction

District Council Gujranwala was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Gujranwala

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Gujranwala	1	1	81.49	79.946
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 6.727 million were raised in this report during current audit of “District Council Gujranwala”. This amount also includes recoveries of Rs 3.593 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million

Sr. No.	Classification	Amount Placed under Audit Observations
1	Non Production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
	a. HR/ Employees related irregularities	-
	b. Procurement related irregularities	1.004
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	3.723
5	Others	2.000
	Total	6.727

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Gujranwala, total budget (Development and Non-Development) was Rs 561.73 million. Against the budget, total expenditure of Rs 481.22 million was incurred by District Council during financial year 2019-20 which was less than allocated budget of Rs 561.73 million indicating poor financial planning and resulting in saving of Rs

80.51 million against the budget. The break-up of total budget and expenditure is given in the following table:

**(Rs in million)**

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	125.85	102.56	-23.29	-22.71%
Non-Salary	136.45	120.95	-15.5	-12.82%
Development	299.43	257.71	-41.72	-16.19%
<b>Total</b>	<b>561.73</b>	<b>481.22</b>	<b>-80.51</b>	<b>-16.73%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	952.122	222.468	-729.654	327.98%
2019-20	561.73	481.22	-80.51	-16.73%

There was 41 % decrease in budget allocation and 116% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 80.51 million during the financial year 2019-20 showing an decrease of 649% as compared to financial year 2018-19.

## 5.2 Sectoral Analysis

Out of total 122 development schemes, Management of District Council Gujranwala was able to complete 93 scheme indicating achievement of 76%.

## 5.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to following year was submitted to the Governor of the Punjab.

### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	08	Not convened
2	2019-20	11	Not convened



## **5.4 AUDIT PARAS**

### **5.4.1 Irregularities**

#### **5.4.1.1 Procurement related irregularities**

##### **5.4.1.1.1 Unauthorized expenditure on account of repair / construction – Rs 1.004 million**

According to Punjab Gazette July 05, 2017 Government of Punjab Local Government and community development department notification No.SOR(LG)38-3/2017, Para 5(2) for preparation of rough cost estimates, the engineering staff shall inspect the site and work out the feasibility of the work through images or photographs of the site.

Scrutiny of accounts of District Council Gujranwala revealed that the different schemes were awarded to the various contractors during the Financial Year 2019-20. The works were executed by the contractors at sites. The sub-engineer made record entry of earth filling, dry rammed brick or stone ballast and PCC (1:2:4)/RCC (1:2:4) on same day. The engineer did not observe the compaction of earth as well as dry rammed brick or stone ballast/sub-base / PCC(1:6:18) and made the record entry in MB. Moreover, pictorial evidence regarding earth filling and dry rammed brick or stone ballast/sub base/PCC (1:6:18) was not attached. Only the completed surface was shown in the pictures. Annexure-C

Audit holds that due to weak internal controls, expenditure was incurred without fulfilling codal formalities.

This resulted in unauthorized expenditure from the public exchequer.

The matter was reported to the CO / PAO in June, 2021. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends investigation of the matter besides fixing of responsibility against the person (s) at fault.

[PDP No. 01&11]

## 5.4.2 Value for money and service delivery issues

### 5.4.2.1 Wasteful expenditure on execution of schemes – Rs 2.631 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.

Scrutiny of accounts record of District Council Gujranwala revealed that the following schemes were executed by the contractors. However after payment of 1<sup>st</sup>/ running bill to the contractor, the contractor did not complete the scheme and the schemes were still abandoned. Due to non completion of schemes, incurrence of expenditure was useless. This resulted in wasteful expenditure of Rs. 2.13 million as detailed below.

(Amount in Rs)

Scheme	Work order No. & date	Date of completion	Contract amount	Payment till to date
Change of pump & motor and construction of boundary wall Bhatti Bhango	401 dated 25.09.2019	23.11.2019	1.137	0.556
Constn. Of streets drains PCC Mohallah Ahle Hadees Ghali Ansar Mohmood Dhonikay	235 dated 08.01.2018	31.05.2018	2.000	1.505
Providing installation of injector pump i/c construction of room in village Marray Waian	05.12.2016	04.02.2017	0.665	0.570
				<b>2.631</b>

Audit holds that due to non-compliance of rules and dereliction on the part of the financial management, schemes remained abandoned.

The matter was reported to the CO / PAO in June, 2021. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends investigation of the matter besides fixing of responsibility against the person (s) at fault.

[PDP No. 02]

### 5.4.2.2 Non-imposition of penalty - Rs 1.593 million

According to Clause 39 read with Clause 37 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out

per day but not exceeding maximum of 10% of the construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

District Council Gujranwala awarded nine (09) development schemes to various contractors during the financial year 2019-20. The schemes could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor penalty imposed on the contractors on account of delay. This resulted in non-recovery of liquidated damages for Rs.1.593 million, besides delaying the desired benefits to the community due to non-completion of the schemes within the stipulated period. Annexure-D

Audit holds that due to weak internal controls, penalty was not imposed on contractors due to delay in completion of schemes.

The matter was reported to the CO / PAO in June, 2021. Neither any reply was furnished nor DAC meeting was convened till the finalization of this report.

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

[PDP No. 09]

### **5.4.3 Others**

#### **5.4.3.1 Loss due to decreasing of reserve price-Rs 2.00 million**

According to Suo-Motu Case No. 27 of 2018 of the Supreme Court of Pakistan Islamabad ordered, the billboards/hoardings which have been installed in any public property under license or lease shall be uprooted within the same period of 45 days by the concerned advertising agency which own the concerned poles or displaying material or by the contractors if they own such material or by the authority with whose permission the billboards/hoarding is installed. In the intervening period, no fresh permission shall be granted by any of the authorities throughout Pakistan to allow the installation of any billboard / hoarding on any public property as has been clarified in the judgment of this Court.

Scrutiny of accounts of District Council Gujranwala revealed that the orders were issued on 17.10.2018 and resultantly the DO (Regulation) branch removed the billboards/hoardings within the specified period. The contract of advertisement tax was ongoing with M/s Shahid Khan S/o Hikmat Khan for the Financial Year 2018-19 for Rs 9.00 million. The contractor did not claim any rebate from the District Council and deposited the whole amount of contract. The auction process for the 2019-20 was initiated with the preparation of report for decrease of reserve price of Advertisement Tax. The reserved price was decreased from Rs 11.00 million (last year) to Rs 8.730 million. The contract was awarded to the Mr. Habib ullah S/o M Shafi due to highest bid of Rs 9.00 million. The local government sustained a loss of Rs 2.00 million by reducing the reserve price because the previous contractor deposited whole of contract which shows that no loss was incurred due to removing of billboards / hoardings as per orders of Supreme Court.

Audit holds that due to weak internal controls, reserve price was reduced without observing the interest of local government.

This resulted in loss of local government revenues of Rs 2.00 million.

The matter was reported to the CO / PAO in June, 2021. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

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

[PDP No. 03]

## CHAPTER 6

### District Council Gujrat

#### 6.1 Introduction

District Council Gujrat was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Gujrat

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Gujrat	1	1	392.29	82.35
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 282.395 million were raised as a result of this audit. This amount also includes recoverable of Rs 20.149 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observations
1	Non Production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	<b>Irregularities</b>	
	a. HR/ Employees related irregularities	-
	b. Procurement related irregularities	273.707
	c. Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	8.686
	<b>Total</b>	<b>431.936</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Gujrat, total budget (development and non-development) was Rs 1,652.93 million. Against the budget, total expenditure of Rs 674.19 million was incurred by District Council during financial year 2019-20 which was less than allocated budget of Rs 1652.93 million indicating poor financial planning and resulting in saving of Rs

978.74 million against the budget. The break-up of total budget and expenditure is given in the following table:

**(Rs in million)**

<b>Description</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age saving</b>
Salary	145.85	120.56	-25.29	-20.98%
Non-Salary	172.56	135.46	-37.1	-27.39%
Development	1334.52	418.17	-916.35	-219.13%
<b>Total</b>	<b>1652.93</b>	<b>674.19</b>	<b>-978.74</b>	<b>-145.17%</b>

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

<b>Financial Year</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age of saving</b>
2018-19	1081.984	294.393	-787.591	267.53%
2019-20	1652.93	674.19	-978.74	145.17%

There was 53 % increase in budget allocation and 129% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 145% million during the financial year 2019-20 showing an decrease of 122% as compared to financial year 2018-19.

## **6.2 Sectoral Analysis**

Out of total 235 development schemes, Management of District Council Gujrant was able to complete 195 scheme indicating achievement of 83%

## **6.3 Brief comments on the status of compliance with PAC directives**

The audit reports pertaining to following year was submitted to the Governor of the Punjab:

### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2018-19	38	Not convened
2	2019-20	04	Not convened

## **6.4 AUDIT PARAS**

### **6.4.1 Irregularities**

#### **6.4.1.1 Procurement related irregularities**

##### **6.4.1.1.1 Irregular preparation of rough cost estimate - Rs 238.350 million**

According to Section 5 of Punjab Local Government Works Rules 2017, the Local Govt. Engineer shall prepare rough cost estimates BDD-4 or, as the case may be on PC-I before undertaking the work. For the preparation of rough cost estimates, the engineering staff shall inspect the site and work out the feasibility of the work through images or photograph of the site.

During audit of District Council Gujrat it was observed that feasibility reports of sites through images and photographs were not taken while making the rough cost estimates of different schemes amounting to Rs 238.350 million by the engineer incharge during financial year 2019-20. This resulted in irregular preparation of rough cost estimates as detailed at **Annexure-E**

Audit holds that due to non compliance of rules, rough cost estimates were prepared without taking images and photographs of sites.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP No.13]

##### **6.4.1.1.2 Irregular payment of bitumen -Rs 24.016 million**

According to additional clause-13 of contract agreement of National Highway Authority that the bitumen for the use in the road work shall be obtained by the contractors from National Refinery Limited, Karachi, and documentary evidence in support there-of shall be produced to Executive Engineer for his reference and record before release of payment against the work done.

During audit of District Council Gujrat, it was observed that payment of Rs 24.016 million was made to contractor on account of bitumen used in different schemes during the financial year 2019-20 but no evidence was shown to audit that bitumen was supplied by the National

Refinery Limited, Karachi. Moreover, there were no test reports of the quality of the bitumen. Details are given below:

Name of Work	Name of Contractor	Quantity	Rates	Unit	Amount
Rehabilitation & improvement of road Kunjah to village Jheuranwali	M/S Warriach Construction Co.	194594	10002.01	% sft	19.459
Improvement and Rehabilitation of road from University Road to Chak Manju	Asjad Ali	22849	10090.4	% sft	2.306
Construction of road from Handay village to Santal	Muhammad Munawar	2170	10375	% sft	2.251
	<b>Total</b>				<b>24.016</b>

Audit holds that due to non-compliance of rules undue favour was extended to contractors.

This resulted in irregular expenditure Rs 24.016 million.

The matter was reported to PAO in May, 2021. Neither any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of expenditure besides fixing responsibility on person(s) at fault.

[PDP No. 19]

#### **6.4.1.1.3 Non-approval of Lead Chart - Rs 6.015 million**

According to (CSR) 1998 Vol-III, Part-II, (now MRS) The rates for various components of the Non-Scheduled items of work shall be based on Composite Schedule of Rates 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 of composite rates sanctioned by the Superintending Engineer for non-Schedule items shall be sent to the Secretary, Standing Rates Committee, according to Para 4(iii & iv) of CSR. Further in order to arrive at the rate analysis of non-schedule items the standard format on website has been prescribed which is to be filled from MRS and the market rates.

During audit of District Council Gujrat for the Financial Year 2019-20, scrutiny of development schemes revealed that the department paid earth filling for Rs 6.015 million to the contractors without getting approval of lead chart from competent authority. Moreover department did not attach "Fard Malkiyat" showing particulars of land owner from where the earth was carried to the site. Compaction test reports of earthwork for embankments were also not available with the vouchers. This resulted in irregular payment for earth filling due to non approval of lead chart.

#### **Annexure-F**



Audit holds that due to non compliance of rules earth filling was paid without approval of competent authority.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of expenditure besides fixing responsibility on person(s) at fault.

[PDP No. 10]

#### **6.4.1.1.4 Non-appointment of qualified technical personnel and non-deduction of Salary from contractor claim - Rs 3.27 million**

According to clause 18 of contract agreement the contractor shall employ for each contract, whole time qualified technical personnel to the satisfaction of the Engineer-in-charge for the supervision of the work at the scale given below:

- |                              |  |
|------------------------------|--|
| i) Upto Rs.7.5 Million       | One diploma engineer   |
| ii) Exceeding Rs.7.5 Million | One senior graduate engineer<br>One junior graduate engineer |

If the contractor fails to employ the qualified technical personnel to the above scale, the engineer-in-charge shall, after giving contractor 15 days notice to this effect, have the option to employ to make up the deficiency in the number of such persons at the risk and cost of the contractor.

Audit of District Council Gujrat for the financial year 2019-20, revealed that the qualified technical personnel were not appointed by the contractor. Neither the details of such personnel were available nor were notices served to contractors for appointment of the same. Moreover, the engineer-in-charge did not employ the technical person at the risk and cost of the contractor. The salaries of the qualified technical personnel, not employed by the contractors, were to be deducted from the amount of the agreement. **Annexure-G**

Audit holds that due to non compliance of rules whole time qualified staff was not employed by the contractor.

This resulted in non recovery of salary from contractor for Rs.3.270 million.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery from concerned besides fixing responsibility on person(s) at fault.

[PDP No. 16]

#### **6.4.1.1.5 Irregular expenditure without advertisement - Rs. 2.056 million**

According to Rule 12 (1) of PPRA 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Scrutiny of the account record of District Council Gujrat revealed that an expenditure of Rs. 2.056 million was incurred on account of outsourcing of Shehbaz Sharif Park and Tentage work at Sharine Aziz Bhatti Shaheed without advertising on PPRA website, as detailed below:

<b>Sr. No</b>	<b>Name of Contractor</b>	<b>Description</b>	<b>Cheque No.</b>	<b>Cheque Date</b>	<b>Amount</b>
1	New Shan Govt Contractor	Out sourcing of Shehbaz Sharif Park bill Sep-2019	4124567229	19.09.2019	543,000
2	New Shan Govt Contractor	Tentage work at sharine Aziz Bhatti Shaheed Ladian Gujrat	4124559342	19.09.2019	745,000
3	Bashir Ahmed Dar	washing /Distmper at sharine Aziz Bhatti Shaheed Ladian Gujrat	4124567253	02.10.2019	224,891
4	New Shan Govt Contractor	Out sourcing of Shehbaz Sharif Park bill Oct-2019	412456507	19.09.2019	543,000
<b>Total</b>					<b>2,055,891</b>

Audit holds that due to non compliance of rules expenditure was incurred without advertisement on PPRA website.

This resulted into irregular expenditure of Rs. 2.056 million

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of matter besides fixing responsibility on person(s) at fault.

[PDP No. 26]

## **6.4.2 Others**

### **6.4.2.1 Less-recovery of rent of shops - Rs 3.792 million**

According to Rule 17 (e) of Punjab Local Government (Budget) Rules 2017, 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 of District Council Gujrat for the period 2019-20 it was noticed that property of district council was rented out and the total recoverable rent was Rs 17.395 million. The department collected Rs 13.603 million from the lessees and failed to recover 3.792 million during the period. **Annexure-H**

This resulted in less-recovery of rent of shops for Rs.3.792 million.

Audit holds that due to weak internal control rent was not collected from lessees.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery from concerned besides fixing responsibility against officers at fault.

[PDP No.04]

### **6.4.2.2 Loss due to non-recovery of water rate charges - Rs 3.080 million**

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of demand and collection register of District Council Gujrat for the financial year 2019-20 revealed that a sum of Rs 3,079,939 was recoverable from residents on account of water rate charges but the same were not recovered from them during the year.

Audit holds that due to weak internal control and weak financial management water rate charges were not recovered from concerned.

This resulted into loss to government Rs. 3.080 million.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery from the concerned besides fixing responsibility against officers at fault.

### **6.4.2.3 Non recovery of income tax - Rs 1.816 million**

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

During Audit of District Council Gujrat it was observed that advance income tax for Rs 1.816 million on account of rent of shops during the financial year 2019-20 was not recovered from the tenants as detailed at **Annexure-I**.

Audit holds that due to weak internal control income tax was not recovered from concerned.

The matter was reported to PAO in May, 2021. Niether any reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery from concerned besides fixing responsibility against officers at fault.

**CHAPTER 7**  
**District Council, Hafizabad**

**7.1 Introduction**

District Council Hafizabad was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

**a) Audit Profile of District Council Hafizabad**

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Hafizabad	1	1	11.806	16.435
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

**b) Classified Summary of Audit Observations**

Audit observations amounting to Rs 10.791 million were raised as a result of this audit. This amount also includes recoverable of Rs 6.255 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

**Overview of audit observations**

Rs in million		
Sr. No.	Classification	Amount Placed under audit observations
1	Non Production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
	a. HR/ Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	10.791
	<b>Total</b>	<b>10.791</b>

**c) Comments on Budget and Accounts (Variacne Analysis)**

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Hafizabad, total budget (Development and Non-Development) was Rs 648.05 million. Against the budget, total expenditure of Rs 393.54 million was incurred by District Council during financial year 2019-20 which was less than allocated budget of Rs 648.05 million indicating poor financial planning and resulting in saving of Rs

254.51 million against the budget. The break-up of total budget and expenditure is given in the following table:

**(Rs in million)**

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	90.45	82.47	-7.98	-9.68%
Non-Salary	135.45	121.85	-13.6	-11.16%
Development	422.15	189.22	-232.93	-123.10%
<b>Total</b>	<b>648.05</b>	<b>393.54</b>	<b>-254.51</b>	<b>-64.67%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	65.767	35.66	-30.107	-84.43%
2019-20	648.05	393.54	-254.51	-64.67%

There was 885 % increase in budget allocation and 1004% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 254.51 million during the financial year 2019-20 showing an decrease of 20% as compared to financial year 2018-19.

## 7.2 Sectoral Analysis

Out of total 84 development schemes, Management of District Council Hafizabad was able to complete 67 scheme indicating achievement of 80%.

## 7.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Financial Year	No. of Paras	Status of PAC Meeting
1	2018-20	08	Not Convened

## **7.4 AUDIT PARAS**

### **7.4.1 Others**

#### **7.4.1.1 Loss to govt due to non-auction of shops - Rs 5.796 million**

According to Government of the Punjab Local Government & Rural Development Department letter No.SO-Estate(LG)2-2/2016 dated 30.04.2018, the local government shall lease out the shops/commercial property after the assessment of rent by the District Rent Assessment Committee.

District Council Hafizabad had 100 shops in Jalalpur. Out of these 31 shops were rented out and remaining were vacant. District Rent assessment committee (DRAC) Hafizabad assessed the monthly rent of these shops in 2017 and authorities of District Council could not auction the shops. This resulted in loss to Government amounting to Rs 5.796 million as detailed below:

(Amount in Rs)

<b>Sr No</b>	<b>Name of Market</b>	<b>No. of shops</b>	<b>New Assessed Monthly Rent</b>	<b>Rent assessed</b>	<b>Loss till 2019-20</b>
1	1 <sup>st</sup> Row of Market	8	8,000	Jul-17	2,304,000
2	2 <sup>nd</sup> Row of Market	34	2,000	Jul-17	2,448,000
3	3 <sup>rd</sup> Row of Market	29	1,000	Jul-17	1,044,000
			<b>Total</b>		<b>5,796,000</b>

Audit holds that due to negligence of the management, the government was suffering huge financial loss due to non auction of shapes.

The matter was reported to PAO concerned in June 2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends auction of the remaining shops besides fixing of responsibility against the person(s) at fault.

[PDP No. 02]

#### **7.4.1.2 Loss to government due to non-collection of land conversion / commercialization fee - Rs 1.80 million**

As per rule 60 of Land Use Rule 2009, the conversion fee 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 twenty percent of the

average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

During audit of District Council Hafizabad for the financial year 2019-20, it was observed that DO Planning issued legal notices to following owners of construction of commercial unit or school for commercialization of land, but conversion / commercialization fee of the land amounting to Rs 1.80 million was not obtained by the planning branch of District Council Hafizabad.

Sr. No	Description of Case	Nature of Building	Total Area (marla)	Rate / marla	Total Value	Conversion fee
1	Mumtaz Hussain, Focus Grammer model school, waniky tarrar	Private school	20	0.500	10.000	1.000
2	Naeem Ijaz S/O Muhammad Anwar	Shops	16	0.500	8.000	0.800
<b>Total</b>						<b>1.8</b>

Audit holds that collection of receipt was not expedited by management due to negligence and weak internal controls.

This resulted into loss of Rs 1.80 million to public exchequer.

The matter was reported to PAO concerned in June 2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of outstanding amount besides fixing of responsibility against person(s) at fault.

**[PDP No. 04]**

#### **7.4.1.3 Overpayment of funds to PLGB - Rs 1.666 million**

According to Section 125(5) of PLGA 2013, a local government shall contribute towards the expenditure of the Board an amount calculated at such rate as may, from time to time, be fixed by the Government and the accounts of the Board shall be maintained and audited in the prescribed manner.

During audit of District Council Hafizabad, it was noticed that Director Finance, PLGB, Lahore directed all administrators of District Councils in Punjab to submit 1.25% share of actual income including grants. As per rule 1.25% share of actual income was payable but a share of total income including PFC award and grant was paid to PLGB amounting to Rs 3.065 million. PFC award was not own source income of the District Council Hafizabad and transfer of share against PFC grant was un-justified. This resulted in over payment of Rs 1.666 million as detailed below:



Description	Amount Paid	Amount to be Paid
Revenue / income from Local Taxes	111,921,059	111,921,059
Development / Non-development grant	133,292,250	0
<b>Net Receipts on which share was payable</b>	<b>245,213,309</b>	<b>111,921,059</b>
<b>1.25% share to be paid</b>	<b>3,065,166</b>	<b>1,399,013</b>
<b>Excess payment made to PLGB</b>		<b>1,666,153</b>

Audit holds that due to poor financial management, share against the PFC award was paid.

The matter was reported to PAO concerned in June 2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP N03]

#### **7.4.1.4 Unauthorized payment of non scheduled items - Rs 1.349 million**

According to the instructions issued by the Finance Department vide No.RO (Tech) FD-18-23/ 2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of superintending engineer on the basis of input rates of relevant period placed at website of Finance Department.

During audit it was noticed that DO(I&S) of District Council Hafizabad executed various non-schedule items for Rs 1.349 million without preparation and approval of rate analysis during Financial Year 2019-20 in following cases. Rate analysis was neither prepared nor sent to technical wing of Finance Department for its standardization. Quotation for preparation of analysis was also not provided.

Sr. No.	Name of Scheme	Item	Quantity	Amount (Rs)
01	Const. of Janazgah at pini Baweray	P/Fixing pre-cost roof slab	4007 sft @ 218.00/sft	873,526
02	Const. of Janazgah at UC Solanghi Kharal		1153 sft @ 231.97/sft	360,133
03	Const. of nullah and pullian kot bakhtawar to kharak bhattian, Ramky chatta	Earth filling under floor	8884.8cft @ 5776.7/0%cft	51,325
		Earth work excavation in open cutting	5419.05cft @ 5419.05/0%cft	64,216
				<b>1,349,200</b>

This resulted in irregular payment of Non-schedule items without approval of rate analysis of Rs 1.349 million.

The matter was reported to PAO concerned in June 2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

[PDP No.07]

## CHAPTER 8

### District Council, Jhelum

#### 8.1 Introduction

District Council Jhelum was established on 01.01.2017 under Punjab Local Government Act 2013. A District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Jhelum

Rs in million

Sr. No.	Description	Total No.	Audited	Expenditure Audited	Receipt audited
1	DC Jhelum	01	01	24.918	39.366
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 5.306 million were raised as a result of this audit. This amount also includes recoverable of Rs 5.306 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million

Sr. No.	Classification	Amount placed under audit observations
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriations.	0
3	<b>Irregularities</b>	0
	a. HR /Employees related irregularities	0
	b. Procurement related irregularities	0
	c. Management of accounts with commercial banks	0
4	Value of money and service delivery issues	0
5	Others	5.306
	<b>Total</b>	<b>5.306</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Jhelum, total budget (Development and Non-Development) was Rs331.547 million. Against the budget, total expenditure of Rs51.351 million was incurred by District Council financial year 2019-20. Which was less than allocated budget of Rs331.547

million indicating poor financial planning and resulting in saving of Rs 280.196 million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	30.506	13.461	-17.045	56%
Non-Salary	51.915	36.519	-15.396	30%
Development	249.126	1.371	-247.755	99%
<b>Total</b>	<b>331.547</b>	<b>51.351</b>	<b>-280.196</b>	<b>84.51%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	276.125	275.125	-1.000	0.36%
2019-20	331.547	51.351	-280.196	84.51%

There was 20.07% increase in budget allocation and 81.34% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs280.196 million during the financial year 2019-20 showing an increase of 84.15% as compared to financial year 2018-19.

## 8.2 Sectoral Analysis

Out of total 01 development scheme, Management of District Council was able to complete 01 scheme indicating achievement of 100%.

## 8.3 Brief comments on the status of compliance with PAC directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2019-20	13	Not convened

## **8.4 AUDIT PARAS**

### **8.4.1 Others**

#### **8.4.1.1 Loss to local government due to non-recovery of license fee – Rs 3.679 million.**

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of record of District Council, Jhelum for the Financial Year 2019-20 revealed that license fees was not recovered from the business owners in violation of above rules. This resulted in loss to local government of Rs 3.679 million.

Audit was of the view that due to weak internal controls and mismanagement license fees was not collected from the defaulters.

The matter was reported to PAO in May, 2021. DAC meeting was convened on 14.06.2021 wherein management replied that notices were issued to defaulters for recovery and recovery will be made. Reply of the management is not tenable as no recovery was made. DAC decided to keep the para pending till recovery but no recovery was reported till finalization of this report.

Audit recommends recovery of outstanding license fees besides fixing of responsibility person(s) at fault.

[PDP-08]

#### **8.4.1.2 Overpayment of funds to PLGB – Rs 1.627 million**

As per section 103(2) of PLGA, 2013, “a local government shall not transfer monies to any other local government except by way of payment of debts, for carrying out deposit works or for such other purposes as may be prescribed.”

Scrutiny of record of District Council, Jhelum for the Financial Year 2019-20 revealed that management of District Council, Jhelum transferred fund of Rs 2,790,641 to Punjab Local Government Board at the rate of 1.25% of total income. Management over calculated its income by Rs 130,188,700 by adding miscellaneous grants and PFC award as detailed below:

<b>Particular</b>	<b>Amount (Rs.)</b>
Total income calculated	223,251,343
Less PFC Award & Misc grants	(130,188,900)
<b>Actual Income</b>	<b>93,062,443</b>

The actual income of the District Council, Jhelum was Rs 93,062,443 and due share @1.25% was Rs 1,163,280 but Rs 2,790,641 was transferred. This resulted in excess transfer of Rs 1,627,360 to PLGB.

Audit holds that due to miscalculation of actual income the excess funds were transferred to PLGB.

The matter was reported to PAO in May, 2021. DAC meeting was convened on 14.06.2021 wherein management replied that payment to the PLGB is the compliance of direction that local government shall contribute towards the expenditure of the board an amount calculated at such rate as may from time to time be fixed by government. The reply was not satisfactory because the letter of government regarding fixing of share was neither provided nor income was calculated after deducting miscellaneous grants and PFC etc. DAC decided to keep the para pending till recovery of overpaid amount of Rs 1.627 million but no recovery was reported till finalization of this report.

Audit recommends recovery of the excess amount from Punjab Local Government Board besides fixing of responsibility against the person(s) at fault.

[PDP-10]

## CHAPTER 9 District Council Kasur

### 9.1 Introduction

District Council Kasur was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Kasur

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Kasur	1	1	111.189	371.456
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 216.700 million were raised in this report during current audit of “District Council Defunct Kasur” This amount also includes recoveries of Rs 17.876 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	1.502
2	Reported cases of fraud, embezzlement, and misappropriation	0
3	<b>Irregularities:</b>	
	a. HR/Employees related irregularities	0
	b. Procurement related irregularities	205.875
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	9.323
	<b>Total</b>	<b>216.700</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Kasur, total budget (Development and Non-Development) was Rs 1086.83 million. Against the budget, total expenditure of Rs 185.31 million was incurred by District Council during financial year 2019-20 which was less than allocated budget of Rs 1086.83

million indicating poor financial planning and resulting in saving of Rs 901.52 million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	77.55	28.97	49	62.64
Non-Salary	345.01	152.08	193	55.92
Development	664.28	4.26	660	99.36
<b>Total</b>	<b>1,086.83</b>	<b>185.31</b>	<b>901.52</b>	<b>82.95</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	992	857	135	13.65
2019-20	1,086.83	185	902	82.95

There was 8.73 % increase in budget allocation and 362% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 902 million during the financial year 2019-20 showing an increase of 566.02% as compared to financial year 2018-19.

## 9.2 Sectoral Analysis

Out of total 22 development schemes, Management of District Council Kasur was complete 22 scheme indicating achievement of 100%.

## 9.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	17	Not Convened



## **9.4 AUDIT PARAS**

### **9.4.1 Non-production of record**

#### **9.4.1.1 Doubtful expenditure on removal of garbage-Rs 1.502 million**

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Management of District Council (defunct) Kasur expended Rs 1.502 million on removal of garbage from different sites during 2019-20. The requisite record like application / requisition, quantity of garbage, site of dumping, end user certificates were not on record. In the absence of above record the validity / authenticity of expenditure could not be verified whether expenditure was actually incurred for the subject purpose or not. **Annexure-J**

Audit holds that doubtful expenditure was incurred due to weak internal controls and defective financial management.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends that matter may be investigated and responsibility be fixed against the person(s) at fault.

(PDP No-01)

## **9.4.2 Irregularities**

### **9.4.2.1 Procurement related irregularities**

#### **9.4.2.1.1 Irregular expenditure on hiring of machinery - Rs 1.443 million**

As per Rule-9 of PPRA Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of procurement so planned. The annual requirement thus determined would be advertised in advance on the PPRA's website as well as on the web site of the procuring agency in case it has its website.

Management of District Council (defunct) Kasur spent Rs 1.443 million on hiring of machinery during the financial year 2019-20. The expenditure was incurred by splitting the job orders to avoid open tendering. **Annexure-K**

Audit holds that incurrence of irregular expenditure was due to weak internal controls and defective financial management.

This resulted in irregular and un-economical expenditure of Rs 1.443 million.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends that matter may be investigated and responsibility fixed against the person(s) at fault besides regularization of expenditure.

(PDP No-02)

### **9.4.3 Value for money and service delivery issues**

#### **9.4.3.1 Non-reconciliation of Tax on Transfer of Immovable Property - Rs 192.495 million**

As per Rules 14 of Punjab Local Government Accounts Rules, 2017 read with Rule 7 of the Punjab Local Government Budget Rules, 2017, the collecting officer shall ensure that the government dues are correctly assessed, timely recovered and promptly credited to the relevant head of account.

District Council (Defunct) Kasur collected TTIP income of Rs 192.495 million and deposited it into District Council Account. However, management did not reconcile TTIP income with Revenue Department of, Government of the Punjab. Hence, authenticity of receipts could not be verified.

Audit holds that due to weak internal and financial controls TTIP income was not reconciled with the Revenue Department.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends reconciliation besides fixing of responsibility against the person(s) at fault.

(PDP No-09)

#### **9.4.3.2 Irregular approval of building maps and non-recovery of conversion fee - Rs 8.540 million**

As per rule 60 of Land Use Rule 2009, the conversion fee for the conversion of residential, industrial peri-urban area or intercity service area to commercial use shall be five to twenty percent of the value of the commercial land as per valuation table or the five to twenty percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

Management of District Council (defunct) Kasur issued approvals of building maps without depositing conversion fee of LDA for conversion of agriculture land into industrial area @ 5% as detailed below.

<b>Name of Firm</b>	<b>Total Land</b>	<b>DC Rate Per Kanal</b>	<b>Total value of land</b>	<b>Conversion fee Amount</b>
Style Textile Mills	339 Kanal 05 Marla	437,500	148,509,375	7,425,469
Pepsi Cola Pakistan (PVT) Ltd	104 Kanal 19 Marla	212,500	22,301,875	1,115,094
	<b>Total</b>			<b>8,540,563</b>

Audit holds that due to weak internal controls approval of maps was issued without depositing conversion fee.

This resulted in irregular approval of maps and non-recovery of conversion fee amounting to Rs 8.540 million.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit Recommends that matter may be inquired at appropriate level and recovery of conversion fee be made.

(PDP No-24, 25)

#### **9.4.3.3 Non-recovery of liquidated damages - Rs 1.740 million**

According to clause 39 read with clause 37 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @ 1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out per day but not exceeding maximum of 10% of the construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

Management of District Council (defunct) Kasur awarded development schemes amounting to Rs 17.400 million to different contractors but these were not completed within stipulated time. The management neither granted time extension nor imposed penalty charges amounting to Rs 1.740 million on the contractors. **Annexure-L**

Audit holds that due to weak internal controls, penalties were not imposed on contractors.

This resulted in non-recovery of liquidated damages due to delay in completion of development works amounting to Rs 1.740 million.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends early recovery of liquidated damages besides fixing of responsibility against the person(s) at fault.

(PDP No-20)

#### **9.4.3.4 Less recovery of billboard / advertisement fee - Rs 1.657 million**

As per Rules 14 of Punjab Local Government Accounts Rules, 2017 read with rule 7 of the Punjab Local Government Budget Rules, 2017, the collecting officer shall ensure timely recoveries against each demand, entries in demand and collection register and credit in the local fund immediately. And As per rule 9(a) of Punjab Local Governments (Accounts) Rule 2017, the person functioning on behalf of the local government shall be personally responsible and shall be liable to make good the loss.

Management of District Council (Defunct) Kasur awarded a contract of billboard / advertisement to M/S Micro One Graphics Abid Hussain during 2019-20 for Rs 6.160 million but collected Rs 4.502 million only. This resulted in less recovery of bill board / advertisement fee amounting to Rs 1.657 million.

Audit holds that less recovery of fee was due to weak internal controls and defective financial management.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends early recovery of the amount besides fixing of responsibility against the officers at fault.

(PDP No-16)

#### **9.4.4 Others**

##### **9.4.4.1 Irregular expenditure due to non-approval of lead chart - Rs 9.323 million**

As per Manual of PWD Audit, the lead chart of carriage of earth should be approved by the competent authority i.e after personal verification by Superintending Engineer.

Management of District Council (Defunct) Kasur made payment of Rs 9.323 million during 2019-20 on account of earth filling by adding lead of 2 to 3 miles without getting approval of lead chart from Superintending Engineer / Chief Engineer. Audit further noticed that earthwork was done in streets by measuring quantity of 2.5 to 3 feet height in almost every scheme which is not justified and contractors were given undue benefit of extra quantity of earth work by adding abnormal height in narrow streets and paid higher rates by adding 2 to 3 mile lead without approval of competent authority. **Annexure-M**

Audit holds that due to weak internal and financial controls lead chart was not got approved from the competent authority.

This resulted in unjustified payment of Rs 9.323 million on account of earth filling.

The matter was reported to the management in June, 2021. Department neither submitted reply nor DAC meeting was convened till the finalization of this report.

Audit recommends regularization of matter besides fixing of responsibility for laps and negligence.

(PDP No-19)

## CHAPTER 10

### District Council Khushab

#### 10.1 Introduction

District Council Khushab was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Khushab

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Khushab	01	01	23.795	57.798
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 75.809 million were raised in this report during current audit of “District Council Khushab” This amount also includes recoveries of Rs 42.210 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	0
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	-
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	2.121
	c. Management of accounts with commercial banks	3.082
4	Value for money and service delivery issues	14.299
5	Others	56.307
	<b>Total</b>	<b>75.809</b>

#### c) Comments on Budget and Accounts Variance Analysis

As per the Accounts for the financial year 2019-20 of the District Council Khushab, original and final budget (development and non-development) was Rs 449.528 million. Against the final budget, total expenditure of Rs 243.574 million was incurred by District Council

Khushab during financial year 2019-20 which was less than original grant of Rs 449.528 million indicating poor financial planning and resulting in saving of Rs 205.954 million against the final grant. The break-up of total budget and expenditure is given in the following table:

Description	Original Grant	Supp. Grant	Final Grant	Exp.	Excess (+) / Saving (-)
Salary	181.851		181.851	71.571	110.28
Non-Salary	30.077		30.077	168.477	(+)138.4
Development	237.600		237.600	3.526	234.074
<b>Total</b>	<b>449.528</b>		<b>449.528</b>	<b>243.574</b>	205.954
	<b>Receipt</b>			251.182	

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

Financial Year	Final Grant	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	341.069	133.904	207.165	61
2019-20	449.528	243.574	205.954	46

There was 32% increase in budget allocation and 82% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 205.954 million during 2019-20 showing an increase of 99% as compared to financial year 2018-19.

## 10.2 Sectoral Analysis

District Council Khshab did not execute any development schemes during financial year 2019-20

## 10.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	12	Not Convened
2	2019-20	09	Not Convened



## **10.4 AUDIT PARAS**

### **10.4.1 Non-production of record**

#### **10.4.1.1 Non-production of record**

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of District Council Khushab for the financial year 2019-20, the management did not produce listed below auditable record despite repeated requests. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified.

- i. Stock register of moveable / consumable items
- ii. Performance security Register
- iii. Demand & collection Register
- iv. Tender Register and Tender Form Sale Register
- v. File regarding extension of time limit and office order file
- vi. Establishment Cheque Register
- vii. Security Deposit Register
- viii. Detail of Teh Bazari Register, Vehicle of Teh Bazari, Log book of Vehicle, Store Keeper Register of encroached items.
- ix. Building Maintenance Register
- x. Detail of all Parking Stands

Audit holds that due to weak internal controls and negligence on the part of management, relevant record was not produced.

This resulted in non-production of record.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

Audit recommends for immediate production of record besides fixing responsibility against the person(s) at fault.

[PDP No.22]

## **10.4.2 Irregularities**

### **10.4.2.1 HR related irregularities**

#### **10.4.2.1.1 Non recovery of HRA, CA and 5% maintenance charges - Rs1.889 million**

As per clarification issued by Government of the Punjab, Finance Department letter No FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw HRA even if he does not reside in it as well as conveyance allowance and will pay @5% maintenance charges even if the facility is not availed and residence remains vacant during the period.

Scrutiny of record of District Council Khushab for the financial year 2019-20 revealed that management did not recover a sum of Rs 1.889 million on account of HRA, CA and 5% maintenance charges from the employees, who were residing in designated residences. **Annexure-N**

Audit holds that overpayment was made to due to weak financial and weak internal controls.

This resulted in non-recovery of HRA, CA and 5% maintenance charges for Rs1.889 million.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

Audit recommends inquiry of matter and recovery of overpaid allowances besides fixing of responsibility against the persons at fault.

[PDP No. 16]

## **10.4.2.2 Procurement related irregularities**

### **10.4.2.2.1 Irregular expenditure due to non-approval of analysis of rate – Rs 2.121 million**

According to the instructions issued by the Finance Department, vide No.RO (Tech) FD-18-23/2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer / Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rates / MRS of relevant biannual and template placed at website of Finance Department.

Scrutiny of record of District Council Khushab for the financial year 2019-20 revealed that payment of Rs 2.121 million was made against non-scheduled items without approval. **Annexure-O**

Audit holds that due to weak administrative and financial controls, payment was made against non-scheduled items without approval of rate analysis by competent authority.

This resulted in unauthorized payment of non-schedule items Rs 2.121 million.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

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

[PDP No. 14]

### **10.4.2.3 Management of accounts with commercial banks**

#### **10.4.2.3.1 Difference between bank balance and receipts statement – Rs 3.082 million**

According to rule 12 and 16 of Punjab Local Government Accounts Rules, 2017, the head of Finance Office of a local Government shall be responsible for maintaining intra departmental accounts of the local government. Head of Finance Office shall prepare monthly and annual statement of receipt and expenditure and reconcile the statements with the accounts of the Accounts officer. The accounts officer shall prepare monthly and annual statements of receipt and expenditure of the local government and reconcile with the bank, head of finance office, other heads of offices, collecting officers and drawing and disbursing officers and point out discrepancy if any to the CO of local government and indicate the name of the employee.

Scrutiny of record of District Council Khushab for the Financial Year 2019-20 revealed that as per bank statement for the month of January 2020, total receipts of the department were Rs 46.760 million but receipts statement prepared by the department for the same period was Rs 48.877 million as collected receipts. Hence, there was a difference of Rs 2.177 million. Similarly, bank statement showing total debit entries of Rs 5.597 million for the month of January, 2020 but expenditure statement was showing an expenditure of Rs 4.692 million against same period. Hence there was a difference of Rs 0.905 million.

Audit holds that due to weak internal & financial controls, reconciliation could not be carried out.

This resulted in difference between bank statement and expenditure statement Rs 3.022 million.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

Audit recommends that matter may be investigated and reconciliation made on urgent basis besides fixing of responsibility against officers at fault.

[PDP No. 13]

### **10.4.3 Value for money and service delivery issues**

#### **10.4.3.1 Non-collection of conversion fee from illegal housing societies – Rs 12.410 million**

According to rule 38 of Punjab Private Housing Schemes and Land Sub-division Rules 2009, developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.

Scrutiny of record of District Council Khushab for the financial year 2019-20 revealed that a number of housing schemes were established but management of District Council Khushab did not recover the conversion fee of Rs 12.410 million from the housing societies.

#### **Annexure-P**

Audit holds that due to weak financial controls, District Council could not recover conversion fee from the housing societies.

This resulted in loss to the Govt. on account of non-collection of conversion fee.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

Audit recommends recovery of conversion fee from owners of the illegal housing societies besides fixing of responsibility against officers at fault.

[PDP No. 07]

#### **10.4.4 Others**

##### **10.4.4.1 Non-achievement of revenue targets – Rs 56.307 million**

According to Rule 47 (1) of the Punjab Local Government Budget Rules 2017, 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.

Scrutiny of record of District Council, Khushab for the financial year 2019-20 revealed that the house approved budget and set a receipt target of Rs 99.389 million but the department only realized sum of Rs 43.082 million, resulting in non-achievement of receipt targets by Rs 56.307 million. **Annexure-Q**

Audit holds that due to weak internal and financial controls, resources were not mobilized to realize the approved receipts by the house.

This resulted in less collection of revenue target of receipts by Rs 56.307 million.

The matter was reported to the management in June, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of the Report.

Audit recommends fixing of responsibility of non-achievement of revenues targets against the person (s) at fault.

[PDP No. 02]

**CHAPTER 11**  
**District Council Mandi Bahauddin**

**11.1 Introduction**

District Council Mandi Baha-ud-Din was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

**a) Audit Profile of District Council Mandi Baha-ud-din**

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Mandi Bahauddin	1	1	75.498	10.954
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

**b) Classified Summary of Audit Observations**

Audit observations amounting to Rs 120.056 million were raised in this report during current audit of “District Council Mandi Bahauddin”. This amount also includes recoveries of Rs 5.960 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

**Overview of audit observations**

Rs in million

Sr. No.	Classification	Amount Placed under audit observations
1	Non Production of record	7.189
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
	a. HR/ Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	112.867
	<b>Total</b>	<b>120.056</b>

**c) Comments on Budget and Accounts (Variance Analysis)**

As per the Appropriation Accounts for the financial year 2019-20 of the District Council M.B Din, total budget (Development and Non-Development) was Rs 918.13 million. Against the budget, total expenditure of Rs 344.54 million was incurred by District Council during

financial year 2019-20 which was less than allocated budget of Rs 918.13 million indicating poor financial planning and resulting in saving of Rs 573.59 million against the budget. The break-up of total budget and expenditure is given in the following table:

(Rs in million)

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	150.45	95.12	-55.33	-58.17%
Non-Salary	145.63	102.56	-43.07	-41.99%
Development	622.05	146.86	-475.19	-323.57%
<b>Total</b>	<b>918.13</b>	<b>344.54</b>	<b>-573.59</b>	<b>-166.48%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	403.761	97.474	-306.287	314.22%
2019-20	918.13	344.54	-573.59	166.48%

There was 127 % increase in budget allocation and 253% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 80.51 million during the financial year 2019-20 showing an decrease of 148% as compared to financial year 2018-19.

## 11.2 Sectoral Analysis

Out of total 85 development schemes, Management of District Council M.B Din was able to complete 72 scheme indicating achievement of 85%.

## 11.3 Brief comments on the status of compliance with PAC directives

This is the first audit report on accounts of District Council Mandi Bahauddin which was established in January 2017. Hence, no audit report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.



## 11.4 AUDIT PARAS

### 11.4.1 Non-production of record

#### 11.4.1.1 Non-production of receipts & expenditure record – Rs 7.189 million

According to Section 14 of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in complete as possible and with all reasonable expedition.

A. Defunct District Council Mandi Bahauddin collected the receipts of Rs 5.665 million on account of 'Fee for Approval of Building/Construction Plans' of under mentioned cases during the Financial Year 2019-20. Despite many verbal and written requests the supporting record was not provided for audit scrutiny.

Sr. No.	Name of Building plan	Name of applicant	Plot Area (marla)	Conversion Fee	Building Fee/Planning Fee	Total Amount
1	Housing Scheme	Hamid Mehmood S/O Fazal Kareem	192 Kanal	3,264,000	1,920,000	5,184,000
2	Petrol Pump	M.Tariq S/O Saeed Muhammad	41 Maral	43,860	56,334	100,194
3	Petrol Pump	Zafar Iqbal S/O M. Hayat	52 Marla	3,09,513	71,328	380841
<b>Total</b>				<b>3,317,376</b>	<b>2,047,662</b>	<b>5,665,035</b>

B. Defunct District Council Mandi Bahauddin drew an amount of Rs 1.524 million on account of POL for official vehicle during the Financial Year 2019-20 but did not produce log books. **Annexure-R**

In the absence of record, authenticity, validity, accuracy and genuineness of receipts and expenditures could not be verified

Audit holds that due to weak managerial controls and negligence, relevant record was not produced.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends production of record for audit besides fixing responsibility against person(s) at fault concealing the record from audit.

[PDP No. 09, 12]

## **11.4.2 Others**

### **11.4.2.1 Non-reconciliation of TTIP Income –Rs 107.445 million**

According to LG&CD department government of Punjab letter No SO tax (LG)2-46/08(PI) dated 20.2.2011 on the subject collection of Tax on transfer of immovable property the recovery of TTIP shall be reconciled with the revenue staff preferably on a daily basis any departure from the direction shall be interpreted as “misconduct” and “corrupt practice” in terms of PEEDA Act 2006.

During Audit of Defunct District Council Mandi Bahauddin for the period 2019-20, it was found that Rs 107.445 million was received during the period on account of Tax on Transfer of Immovable Property but the same was not reconciled with the Registrar office / Revenue office M.B.Din.

Audit holds that due to weak internal controls the revenue was not reconciled which resulted in unauthentic receipts.

This resulted in un-authentic receipt due to non- reconciliation and non maintenance of D&C register of TTIP income of Rs 107.445 million.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends reconciliation of the TTIP income with concerned registrar / revenue office besides fixing responsibility against officers at fault.

[PDP No. 04]

### **11.4.2.2 Non-achievement of revenue targets - Rs 5.422 million**

According to Rule 47 (1) of the Punjab Local Government Budget Rules 2017, 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.

District Council collected Rs 1.702 million on account of following receipts during the Financial Year 2019-20 against total demand of Rs 7.123 million resulting in loss of Rs 5.422 million to local government.

<b>Financial Year</b>	<b>Head of Account</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Short Realization</b>
2019-20	Water Charges	300,000	38,600	261,400
2019-20	Advertisement fee	3,250,000	26,600	3,223,400

2019-20	General Bus Stand	460,000	241,880	218,120
2019-20	Slaughter House	113,500	50,050	64,450
2019-20	license & permit fee	3,000,000	1,345,300	1,654,700
<b>Total</b>		<b>7,123,500</b>	<b>1,702,430</b>	<b>5,422,070</b>

Audit holds that due to poor internal and financial controls, resources were not mobilized to realize the approved receipts by the house.

This resulted in loss of Rs 5.422 million to district council fund.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends recovery of remaining amount besides fixing responsibility against officers at fault for not achieving receipt target.

[PDP No.02, 03, 06, 07 & 08]

## CHAPTER 12

### District Council, Mianwali

#### 12.1 Introduction

District Council Mianwali was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Mianwali

Sr. No.	Description	Total No. of Formations	Audited	Rs in million	
				Expenditure Audited	Receipts Audited
1	DC Mianwali	01	01	15.502	24.144
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 452.177 million were raised in this report during current audit of “District Council Mianwali. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Sr. No.	Classification	Rs in million
		Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	-
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	452.177
	<b>Total</b>	<b>452.177</b>

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

As per the Accounts for the financial year 2019-20 of the District Council Mianwali, total original budget (Development and Non-Development) was Rs 784.514 million, no supplementary grant was allocated and the final budget Rs 784.514 million. Against the final budget, total expenditure of Rs 231.505 million was incurred by District Council Mianwali during financial year 2019-20 which was less than

original grant of Rs 784.514 million indicating poor financial planning and resulting in saving of Rs 553.009 million against the final grant. The break-up of total budget and expenditure is given in the following table:

Description	Original Grant	Supp. Grant	Final Grant	Exp.	Excess (+) / Saving (-)
Salary	238.652	-	238.652	182.523	56.129
Non-Salary	70.814	-	70.814	25.802	45.012
Development	475.048	-	475.048	23.180	451.868
<b>Total</b>	<b>784.514</b>	<b>-</b>	<b>784.514</b>	<b>231.505</b>	<b>553.009</b>
	<b>Receipt</b>			274.079	

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

Financial Year	Final Grant	Expenditure	Excess (+) / Saving (-)	%age of saving
2018-19	322.038	319.287	2.751	1
2019-20	784.514	231.505	553.009	70

There was 143% increase in budget allocation and 38% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 553.009 million during 2019-20 showing an extra ordinary increase in savings as compared to financial year 2018-19.

## 12.2 Sectoral Analysis

Out of total 65 development schemes, management of DC Mianwali was able to complete 9 schemes indicating achievement of 5%.

## 12.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2019-20	14	Not Convened

## 12.4 AUDIT PARAS

### 12.4.1 Others

#### 12.4.1.1 Non-surrender of saving in budget - Rs 297.986 million

According to the rule 40 of the Punjab Local Government budget rules 2017, the statement of excess and surrender shall be prepared by the head of offices after the first eight month of the financial year on the basis of information given by the concerned drawing and disbursing officer. The statement of excess and surrender shall form basis of preparing revised estimates.

Scrutiny of accounts record of Chief Officer District Council, Mianwali revealed that the management neither utilized the funds nor surrendered the anticipatory savings of Rs 297.986 million in violation of rule *ibid*.

Sr. No.	Branch Name	Budget	Expenditure	Savings	Savings%
1	Chair Man	7,182,684	653,836	6,528,848	90.89705
2	Vice Chair man	3,904,768	246,874	3,657,894	93.67763
3	Chief Executive Officer	34,951,966	2,438,855	32,513,111	93.02227
4	DO(Finance)	99,160,828	23,382,878	75,777,950	76.41924
5	DO(I&S)	168,087,501	16,948,151	151,139,350	89.91707
6	DO(Planinig)	11,191,428	1,501,507	9,689,921	86.58342
7	DO(Regulation)	21,117,750	2,438,855	18,678,895	88.45116
<b>Total</b>		<b>345,596,925</b>	<b>47,610,956</b>	<b>297,985,969</b>	<b>86.22356</b>

Audit holds that due to weak financial control, management failed to utilize the budget.

This resulted in non-surrender of savings in budget Rs297.986 million.

The matter was reported to the PAO / CO in June, 2021. In DAC meeting held on 31-08-2021, management replied that the funds of Local Government bodies are not lapsable. So, it is not mandatory to surrender the savings. These savings would be retained and made part of opening balance of next year budget. These funds are public funds that do not need to be surrendered to Government. Reply of the department was totally contradictory to the Punjab Local Government Budget Rules 2017, all budget grants of the local governments are lapsable on 30<sup>th</sup> June. DAC upheld the viewpoint of audit, pended the para and directed the department for detail justification of savings.

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

[PDP No. 09]

**CHAPTER 13**  
**District Council Nankana Sahib**

**13.1 Introduction**

District Council Nankana Sahib was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

**a) Audit Profile of District Council Nankana Sahib**

**Rs in million**

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council, NNS	01	01	17.083	103.408
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

**b) Classified summary of Audit Observations**

Audit observations amounting to Rs 6.765 million were raised in this report during current audit of District Council Nankana Sahib This amount also includes recoveries of Rs 3.206 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

**Overview of audit observations**

**Rs in million**

Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	6.765
	<b>Total</b>	<b>6.765</b>

**c) Comments on Budget and Accounts (Variance Analysis)**

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Nankana Sahib, total budget (Development and Non-Development) was Rs 542.04 million. Against the budget, total

expenditure of Rs 28.473 million was incurred by District Council during financial year 2019-20. Which was less than allocated budget of Rs 542.04 million indicating poor financial planning and resulting in saving of Rs 513.567 million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	49.273	14.013	35.26	71.56
Non-Salary	242.602	14.46	228.142	94.04
Development	250.165	0	250.165	100.00
<b>Total</b>	<b>542.04</b>	<b>28.473</b>	<b>513.567</b>	<b>94.75</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
2018-19	465.45	274.45	191	41.04
2019-20	542.04	28.473	513.567	94.75

There was 14.13 % increase in budget allocation and 246% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 513.56 million during the financial year 2019-20 showing an increase of 168.88% as compared to financial year 2018-19.

### 13.2 Sectoral Analysis

District Council Nankana Sahib did not execute any development schemes during financial year 2019-20.

### 13.3 Brief comments on the status of compliance with PAC directives

Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial assembly.

Sr. No.	Audit Year	No. of Paras	Status of PAC meeting
1	2019-20	08	Not Convened



## 13.4 AUDIT PARAS

### 13.4.1 Others

#### 13.4.1.1 Non-achievement of income targets -Rs 3.206 million

According to Rule 7 (b, d, e & f) of the PLG Budget Rules 2017, the collecting officer shall make assessment of the tax, fee or levy by the local government on periodical basis for evaluating its potential and new tax proposal, ensure timely recovery against demand and that the revenue collected against the demand is credited to local fund immediately.

Scrutiny of accounts of District Council (defunct) Nankana Sahib revealed that the income targets of Rs 4.576 million were fixed during Financial Year 2019-20. However, department collected Rs 1.370 million resulting in short recovery of Rs 3.206 million. **Annexure-S**

Audit holds that due to financial mis-management, income targets were not achieved.

This resulted in less collection of Rs 3.206 million.

The matter was reported to PAO in June, 2021. Department neither submitted reply nor convened DAC meeting till finalization of this Report.

Audit recommends matter may be probed for recovery of arrears of income besides fixing of responsibility against person(s) at fault.

[PDP No. 07]

#### 13.4.1.2 Less recovery on account of receipt - Rs 3.559 million

According to Rule 47 (1) of the Punjab Local Government Budget Rules 2017, 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.

During audit of District Council (Defunct) Nankana Sahib for the financial year 2019-20, it was observed that management collected Rs 3.192 million against the demand of Rs 6.752 million. The remaining amount of Rs 3.559 million was not realized, as detailed below:

Sr. No.	Contract Name	Total	Amount received	Balance Receivable
1	Adda Tanga Raksha Rehan Wala	1,098,900	420,936	677,964
2	Adda Tanga Raksha Morkhunda	1,380,500	758,060	622,440
3	Adda Tanga Raksha Mangtaanwala	93,500	35,915	57,585
4	Advertisement Sign Board Nankana	4,180,000	1,978,025	2,201,975
	<b>Total</b>	<b>6,752,900</b>	<b>3,192,936</b>	<b>3,559,964</b>

Audit holds that due to weak internal and managerial controls, management could not recover full contract value from the contractor on account of advertisement fee.

This resulted in less recovery of receipt contracts amounting to Rs 3.559 million.

The matter was reported to PAO in June, 2021. Department neither submitted reply nor convened DAC meeting till finalization of report.

Audit recommends early recovery from the contractor besides taking further action against the defaulter.

[PDP 04 & 15]

## CHAPTER 14

### District Council Narowal

#### 14.1 Introduction

District Council Narowal was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Narowal

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Narowal	1	1	75.799	30.125
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 157.267 million were raised in this report during current audit of “District Council, Narowal.” This amount also includes recoveries of Rs 15.482 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	14.453
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	
	a. HR/Employees related irregularities	0
	b. Procurement related irregularities	0
	c. Management of accounts with commercial banks	1.046
4	Value for money and service delivery issues	1.518
5	Others	140.250
	<b>Total</b>	<b>157.267</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Narowal, total budget (Development and Non-Development) was Rs 1214.29 million. Against the budget, total expenditure of Rs 966.31 million was incurred by District Council during

financial year 2019-20 which was less than allocated budget of Rs 1214.29 million indicating poor financial planning and resulting in saving of Rs 247.98 million against the budget. The break-up of total budget and expenditure is given in the following table:

(Rs in million)

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	165.85	115.26	-50.59	-43.89%
Non-Salary	170.45	135.95	-34.5	-25.38%
Development	877.99	715.1	-162.89	-22.78%
<b>Total</b>	<b>1214.29</b>	<b>966.31</b>	<b>-247.98</b>	<b>-25.66%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	678.55	532.632	-145.918	-27.40%
2019-20	1214.29	966.31	-247.98	-25.66%

There was 79 % increase in budget allocation and 81% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 247.98 million during the financial year 2019-20 showing an increase of 102% as compared to financial year 2018-19.

## 14.2 Sectoral Analysis

Out of total 176 development schemes, Management of District Council Narowal was able to complete 145 scheme indicating achievement of 82%.

## 14.3 Brief comments on the status of compliance with PAC directives

This is the first audit report on accounts of District Council Narowal which was established in January 2017. Hence, no audit report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

## **14.4 AUDIT PARAS**

### **14.4.1 Non-production of record**

#### **14.4.1.1 Non-production of receipt & expenditure record – Rs 17.163 million**

According to Section 14 of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in complete as possible and with all reasonable expedition.

Defunct District Council Narowal collected Rs 15.969 million on account of fee for approval of building / construction plans and advertisement fee during the Financial Year 2019-20. Despite many verbal and written requests, the supporting record such as agreement file, demand & collection register, receipts books and survey reports were not provided for audit scrutiny. Moreover, an expenditure of Rs 1.193 million was incurred on following development schemes during the Financial Year 2019-20 but the supporting record such as estimates vouchers and MBs were not provided for audit scrutiny.

<b>Name of Scheme</b>	<b>Amount (Rs)</b>
Installation of Filtration Plant Ropo Check Zafarwal	591,480
PCC Streets & Drainage Ropo Check Zafarwal	320,160
PCC Streets & Drainage Moza Dade Shakagarh	109,062
PCC Streets & Drainage Moza Reba Kalan Shakagarh	173,078
<b>Total</b>	<b>1,193,780</b>

In the absence of record, authenticity, validity, accuracy and genuineness of expenditure and receipts could not be verified

Audit holds that due to weak managerial controls and negligence, relevant record was not produced.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends production of record for audit besides fixing responsibility against person(s) at fault concealing the record from audit.

[PDP No. 10, 11, 12]

## **14.4.2 Irregularities**

### **14.4.2.1 Management of accounts with commercial banks**

#### **14.4.2.1.1 Difference in cash balance between cash book and bank statement - Rs 1.046 million**

The DDO shall reconcile the income and expenditure with Accounts Officer by 10<sup>th</sup> of every following month for the previous month according to Rule 67(2) of the PDG (Budget) Rules 2017.

During Audit of Defunct District Council Narowal for the financial period 2019-20 it was noticed that the closing balance as per Cash Book was 415,495,634 and closing balance as per Bank statement was 417,509,555 resulting in the difference of Rs 1,046,816 as detail below:-

<b>Name of Account</b>	<b>Balance as per Cash Book</b>	<b>Balance as per Bank Statement</b>	<b>Difference</b>
General	408,876,298	411,159,590	777,444
Security	6,619,336	6,349,964	269,372
<b>Total</b>	<b>415,495,634</b>	<b>417,509,554</b>	<b>1,046,816</b>

Audit holds that due to poor internal and financial controls, reconciliation was not made, resultantly difference as evident from the record was of Rs 1.046 million.

The matter was reported to the management in April, 2020. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends inquiring the matter at appropriate level besides fixing responsibility against officers at fault.

[PDP No. 01]

### **14.4.3 Value for money and service delivery issues**

#### **14.4.3.1 Non-recovery of rent of agriculture land - Rs 1.518 million**

According to Rule 17 (e) of Punjab Local Government (Budget) Rules 2017, 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.

Defunct District Council Narowal did not recover the outstanding lease charges pertaining to the previous year's amounting to Rs 1.518 million against the use of agricultural land during the Financial Year 2019-20. During the scrutiny of demand & collection register, it was noticed in most of cases lease amount not paid for last 3 to 5 years.

Audit holds that due to poor internal and financial controls, resources were not mobilized to realize the approved receipts by the house.

This resulted in loss of Rs 1.518 million to district council fund.

The matter was reported to the management in April, 2020. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends recovery of remaining amount besides fixing responsibility against officers at fault.

[PDP No.15]

#### **14.4.4 Others**

##### **14.4.4.1 Non-reconciliation of TTIP Income –Rs 80.809 million**

According to LG&CD department government of Punjab letter No. SO tax(LG)2-46/08(PI) dated 20.2.2011 on the subject collection of Tax on transfer of immovable property the recovery of TTIP shall be reconciled with the revenue staff preferably on a daily basis any departure from the direction shall be interpreted as “misconduct” and “corrupt practice” in terms of PEEDA Act 2006.

During audit of Defunct District Council Narowal for the period 2019-20, it was observed that Defunct District Council Narowal received Rs 80.809 million during the period on account of Transfer Tax on Immovable Property but same was not reconciled with the Registrar office/ Revenue office Narowal. This resulted in un-authentic receipt due to non- reconciliation of TTIP income of Rs 80.809 million.

Audit holds that due to weak internal controls, the revenue was not reconciled.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends reconciliation of the TTIP income with concerned registrar / revenue office besides fixing responsibility against officers at fault.

[PDP No. 07]

##### **14.4.4.2 Non-achievement of revenue targets – Rs 12.695 million**

According to Rule 47 (1) of the Punjab Local Government Budget Rules 2017, 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.

Defunct District Council Narowal did not recover the government revenue on account of water charges, rent of shops and license & permit fee of Rs 12.695 million during the Financial Year 2019-20. Total demand was Rs 16.237 million but only a sum of Rs 3.541 million was recovered. This resulted in less recovery of Rs 12.695 million. A huge amount was still outstanding but no serious efforts were made for recovery of the outstanding amount as detail below;-

<b>Head of Account</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Short Realization</b>
------------------------	--------------------------	------------------------	--------------------------



Water Charges	4,127,000	875,890	3,251,110
Arrears of Water Charges	3,825,000	305,060	3,519,940
Rent of Shops	2,900,000	1,260,547	1,639,453
license & permit fee	5,385,000	1,100,000	4,285,000
<b>Total</b>	<b>16,237,000</b>	<b>3,541,497</b>	<b>12,695,503</b>

Audit holds that due to poor internal and financial controls, resources were not mobilized to realize the approved receipts by the house.

This resulted in loss of Rs 12.695 million to district council fund.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends recovery of remaining amount besides fixing responsibility against officers at fault for not achieving receipt target.

[PDP No. 02, 03, 04 & 09]

#### **14.4.4.3 Illegal occupation of the shop – Rs 3.3 million**

According to Rule 4(a)(i)&(l) of Punjab Local Government (Property) Rules 2018, the manager shall take such care of the property of the local government as a man of ordinary prudence would take care of his own property of like nature and under similar circumstances and the manager shall keep all title deeds and other documents in the duplicate in safe study. Furthermore manager should be vigilant about encroachments on, or wrongful occupation of the property.

Audit of Defunct District Council Narowal for the financial year 2019-20 revealed that property No. 45 measuring 11 marlas at Railway Road Shakargarh valuing Rs 3.300 million was occupied by unauthorized tenant and being used as a shop. Management of DC Narowal did not make any efforts to vacate the property.

Audit holds that due to negligence of the management, concerned officials did not provide the record intentionally to hide possible misappropriation.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends investigation of the matter at appropriate level, fixing of responsibility against the person(s) at fault.

[PDP No. 17]

#### **14.4.4.4 Loss due to lease of shops below market rate - Rs 2.9 million**

According to Rule 4(d) of Punjab Local Government (Property) Rules 2018, the manager shall ensure that the rented property fetches the maximum rent. Further according to Rule 4 (i) the manager shall keep all title deeds and other documents in the duplicate in safe study. Moreover, according to Rule 9 & 16 of PLG (Property) Rules 2018 and Government of The Punjab Local Government & Rural Development, Department letter No. SO-Estate (LG)2-2/2016 dated 30.04.2018 the local government shall lease out the shops/commercial property after the assessment of rent by the District Rent Assessment Committee.

Defunct District Council Narowal owned various commercial shops including Tharas (Pavement) in different areas of the District Narowal. Shops were placed on rent about 8 decades ago by the District Council Narowal on nominal rent whereas with passage of time and development of city the rent of these shops as compared with market rates was very low, due to which local government suffered financial loss. These units were required to be re auctioned after rent assessment by District Rent Assessment Committee which was not done. This resulted in short realization by the amount of Rs 2.9 million.

<b>No of Shops</b>	<b>Budgeted Receipts</b>	<b>Expected Receipts</b>	<b>Short Realization</b>
District Council Narowal	2,000,000	4,000,000	2,000,000
UUC Ahmed Abad	900,000	1,800,000	900,000
Total	2,900,000	5,800,000	2,900,000

Audit holds that due to weak financial management rent of shops could not be revised according to current prevailing rent.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends investigation of the matter at appropriate level and auction of shops besides fixing of responsibility against officers at fault.

[PDP No. 05]

#### **14.4.4.5 Doubtful expenditure on repair of transport - Rs 1.3 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.

Defunct District Council Narowal incurred an expenditure amounting to Rs 1.3 million on account of transport, as detailed below, for repair and change of parts of official vehicle. It was noticed that demand or request for repair of vehicles from the drivers was not in record. Detail of repair & maintenance was neither entered in log book nor in the stock register.

<b>Financial Year</b>	<b>Description</b>	<b>Vehicle</b>	<b>Amount</b>
2019-20	Repair of Vehicles	STD-3333 Land Crouser	300,000
2019-20	POL	STE-330 Photohar Jeep	100,000
2019-20	POL	NL-333 Nisan Suuny	400,000
2019-20	POL	NLG-17-100	500,000
<b>Total</b>			<b>1,300,000</b>

Audit holds that due to non-compliance of government rules, expenditure was incurred in violation of rules.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends investigation of the matter besides fixing responsibility against the person (s) at fault.

[PDP No. 05]

#### **14.4.4.6 Irregular expenditure on account of POL and repair of vehicle Rs.1.146**

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.

During scrutiny of records for the financial year 2019-20 of Defunct District Council Narowal, it was noticed that Toyota Fortuner NLG-17-100 was purchased from M/s Toyota Motors for Rs 5,127,050/- for chairman District Council Narowal. Now after the devolution of local government the vehicle was being used by Deputy Commissioner Narowal who was drawing POL and repair of the vehicle regularly which was not entitled to him. Despite of that Deputy Commissioner Narowal was already using the official vehicle. It is wroth mentioning that expenditure on account of POL of other four vehicles was Rs 616,646 and the expenditure of single vehicle under the use of Deputy Commissioner was 646,545 duirng the period.

Audit holds that due to non consideration of economy and austerity such an irregular and extravagant expenditure was incurred as detail below:-

<b>Financial Year</b>	<b>Description</b>	<b>Amount (Rs)</b>
2019-20	POL	646,545
2019-20	Repair of Vehicles	500,000
<b>Total</b>		<b>1,146,545</b>

Audit holds that due to non-compliance of government rules, expenditure was incurred in violation of rules.

The matter was reported to the management in May, 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends investigation of the matter besides fixing responsibility against the person (s) at fault.

[PDP No. 18]

## CHAPTER 15

### District Council, Okara

#### 15.1 Introduction

District Council Okara was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Okara

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Okara	01	01	1629.172	620.963
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified summary of Audit Observations

Audit observations amounting to Rs 220.673 million were raised in this report during current audit of District Council Okara. This amount also includes recoveries of Rs 220.673 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	220.673
	<b>Total</b>	<b>220.673</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Okara, total budget (Development and Non-

Development) was Rs 1,629.17 million. Against the budget, total expenditure of Rs 132.172 million was incurred by DCs during financial year 2019-20, which was less than allocated budget indicating poor financial planning and resulting in saving of Rs 1,497 million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	197.829	125.429	-72.4	-36.60%
Non-Salary	206.197	6.743	-199.454	-96.73%
Development	1,225.15	0	-1225.146	-100.00%
<b>Total</b>	<b>1,629.17</b>	<b>132.172</b>	<b>-1497</b>	<b>-91.89%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	1385.831	414.355	-971.476	-70.10%
2019-20	1629.17	132.172	-1496.998	-91.89%

There was 17.56 % increase in budget allocation and 68.10 % decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving of Rs 1,497 million during the financial year 2019-20 showing an increase of 54.1 % as compared to financial year 2018-19.

## 15.2 Sectoral Analysis

District Council Okara did not execute any development schemes during financial year 2019-20.

## 15.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	6	Not Convened

## **15.4 AUDIT PARAS**

### **15.4.1 Others**

#### **15.4.1.1 Unauthentic receipts of Tax on Transfer of Immovable Property- Rs 175.46 million**

As per Rule 14 of Punjab Local Government Accounts Rules, 2017 read with Rule 7 of the Punjab Local Government Budget Rules, 2017, the collecting officer shall ensure that the government dues are correctly assessed, timely recovered and promptly credited to the relevant head of account. Further, he shall ensure that the transaction of receipts is properly entered in the books of accounts of the department.

During audit of District Council Okara for the financial year 2019-20, it was observed that tax on Transfer of Immoveable Property (TTIP) was collected to the tune of Rs 175.46 million. Collection of receipt was held unauthentic because amount was not reconciled with the revenue department.

Audit holds that due to weak internal controls the TTIP was not reconciled from the revenue department.

This resulted in unauthentic collection of government receipts amounting to Rs 175.46 million.

The matter was reported to PAO in June, 2021. Department neither submitted reply nor convened DAC meeting till finalization of report.

Audit recommends that the tax be reconciled with revenue department besides fixing of responsibility against person (s) at fault.

(PDP-01)

#### **15.4.1.2 Non-achievement of receipts targets-Rs 45.213 million**

According to Rule 7 (b, d, e & f) of the PLG Budget Rules 2017, the collecting officer shall make assessment of the tax, fee or levy by the local government on periodical basis for evaluating its potential and new tax proposal, ensure timely recovery against demand and that the revenue collected against the demand is credited to local fund immediately.

During the audit of District Council Okara, it was observed that management collected Rs 196.437 million on account of different receipts against the targeted figure of Rs 241.65 million. This resulted in less realization of receipts Rs 45.213 million as detailed below:

<b>Sr. No.</b>	<b>Detail Receipt Head</b>	<b>Budget</b>	<b>Actual 2019-20</b>	<b>Short fall</b>
1	Tax on Transfer of Immovable Property	200,000,000	175,459,886	24,540,114

2	Fee for change in land use	30,000,000	14,865,143	15,134,857
3	Advertisement Fee on billboards/ hoardings	6,650,000	2,699,670	3,950,330
4	License fee ( Dangerous and Offensive Trade)	5,000,000	3,412,153	1,587,847
		<b>241,650,000</b>	<b>196,436,852</b>	<b>45,213,148</b>

Audit holds that due to weak internal control government receipts were less recovered.

The matter was reported to PAO in June, 2021. Department neither submitted reply nor convened DAC meeting till finalization of report.

Audit recommends responsibility may be fixed for less recovery of government receipts.

(PDP No. 02)



**CHAPTER 16**  
**District Council, Rawalpindi**

**16.1 Introduction**

District Council, Rawalpindi was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

**a) Audit Profile of District Council Rawalpindi**

Rs in million

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited	Receipt audited
1	DC Rawalpindi	01	01	76.606	354.516
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

**b) Classified Summary of Audit Observations**

Audit observations amounting to Rs 15.043 million were raised as a result of this audit. This amount also includes recoverable of Rs 5.539 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

**Overview of audit observations**

Rs in million

Sr. No.	Classification	Amount placed under audit observations
1	Non-production of record to Audit	0
2	Reported cases of fraud, embezzlement and misappropriations.	0
3	<b>Irregularities</b>	0
	a. HR /Employees related irregularities	0
	b. Procurement related irregularities	4.624
	c. Management of accounts with commercial banks	0
4	Value of money and service delivery issues	4.880
5	Others	5.539
	<b>Total</b>	<b>15.043</b>

**c) Comments on Budget and Accounts (Variance Analysis)**

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Rawalpindi, total budget (development and non-development) was Rs 1447.738 million. Against the budget, total expenditure of Rs 191.514 million was incurred by District Council financial year 2019-20 which was less than allocated budget of Rs 1447.738 million indicating poor financial planning and resulting in

saving of Rs1,256.224 million against the budget. The break-up of total budget and expenditure is given in the following table:

<b>Description</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age saving</b>
Salary	269.500	98.290	-171.210	64%
Non-Salary	110.820	35.392	-75.428	68%
Development	1,067.418	57.832	-1,009.586	95%
<b>Total</b>	<b>1,447.738</b>	<b>191.514</b>	<b>-1,256.224</b>	<b>86.77%</b>

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

<b>Financial Year</b>	<b>Budget Allocation</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age of saving</b>
2018-19	1,221.870	381.156	-840.714	68.81%
2019-20	1,447.738	191.514	-1,256.224	86.77%

There was 18.49% increase in budget allocation and 49.75% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs1,256.224 million during financial year 2019-20 showing an increase of 17.96% as compared to financial year 2018-19.

## **16.2 Sectoral Analysis**

Out of total 11 development schemes, Management of District Council was able to complete 08 schemes indicating achievement of 73%.

## **16.3 Brief comments on the status of compliance with PAC directives**

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meeting</b>
1	2018-19	24	Not convened
2	2019-20	11	Not convened

## **16.4 AUDIT PARAS**

### **16.4.1 Irregularities**

#### **16.4.1.1 Procurement related irregularities**

##### **16.4.1.1.1 Irregular expenditure on procurement – Rs 4.624 million**

According to Rule 9 of Punjab 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 the procurements so planned. Further, Rule 12(1) states that procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time.

Scrutiny of record of District Council, Rawalpindi for the Financial Year 2019-20 revealed that Rs 4.624 million were incurred on purchase of steamers, flags and lighting through quotations by declaring urgency under rule 59 (d)(iii) of PPRA without reasons of extreme urgency brought about by events unforeseeable by the procuring agency. Moreover, quotations attached with bills were arranged as M/s Zain Associates & M/s Awan Associates run by same person as both have same address. This resulted in irregular expenditure. **Annexure-T**

Audit was of the view that due to non compliance of rules, the expenditure was incurred irregularly.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 06.07.2021 wherein management replied that quotations were called for provision of steamers, skins, flags and anti dengue campaign. The contractor quoted lowest rate therefore contract was awarded to him. As regard matter relating to same address is concerned it was not observed that address was same but contractors are different. Reply of the management was not tenable as procurement was made in violation of PPRA. DAC decided to keep the para pending till regularization but no further progress was intimated till the finalization of this report.

Audit recommends regularization besides fixing responsibility against person(s) at fault.

(PDP No. 09)

## 16.4.2 Value for money and service delivery issues

### 16.4.2.1 Non-execution of scheme on risk & cost of contractor – Rs 4.880 million

According to clause 3 (c) of contract agreement Municipal Officer, shall have power to measure up the work of the contractor, and to take such part thereof as shall be unexecuted out of his hands, and to give it to another contractor to complete, in which case any expenses which may be incurred in excess of the sum, which would have been paid to the original contractor, if the whole work had been executed by him shall be borne and paid by the original contractor and may be deducted from any money due to him by the Committee under the contract or otherwise, or from his security deposit or the proceeds of sale thereof or a sufficient part thereof.

Scrutiny of record of District Council, Rawalpindi for the Financial Year 2019-20 revealed that contracts for the following schemes costing Rs 8.386 million were awarded but after a lapse of considerable time works were partially completed. Department did not take action regarding rescindment of the work and allotment of remaining work of Rs 4.880 million to other contractor against the risk & cost of contractor. This resulted in non completion of schemes.

Name of Scheme	Name of Contractor	Upto Date Payment	Balance Work
Const of street Katara road to Masjid Mouza Narrar, road Bahalian road to Mouza Narrar, street village Kapandi UC-13 Narrar (PLGDP-17)	M/s Saeed & Co	425,013	1,649,974
Const of open plot of District Council Rwp near Govt Qadri High School Gujar Khan (BM-012)	M/s Hussain Mahdi Brothers Const.	852,209	458,582
Const of PCC path UC 07 Chhajjan (PLGDP-11)	M/s Diamond Const	935,782	1,564,218
Const of path Ban Chowk etc UC 08 Malot Sattian	Co.	1,292,656	1,207,344
<b>Total</b>		<b>3,505,660</b>	<b>4,880,118</b>

Audit was of the view due to weak managerial controls, neither the contractor was black listed nor the work was rescinded and awarded to other contractor.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 06.07.2021 wherein management replied that notice were issued to contractors falling within jurisdiction of Tehsil Council Kahuta & Kotli Sattian, however, no progress was intimated regarding Tehsil Council Gujar Khan. DAC decided to keep the para pending till regularization but no further progress was intimated till the finalization of this report.

Audit recommends completion of scheme at the risk & cost of contractor besides fixing of responsibility against officers at fault.

(PDP No. 07)

### 16.4.3 Others

#### 16.4.3.1 Non recovery of rent - Rs.4.245 million

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

During scrutiny of demand & collection register of District Council, Rawalpindi for the Financial Year 2019-20, it was noticed that three shops, as detailed below, were auctioned on 01-02-2007 in Tehsil Gujjar Khan for period of five years and awarded to Sh. Javed Iqbal. Since then no re-assessment / auction was made and rent was demanded with 10% annual increase. The rent of shops was pending since long as neither the outstanding rent was collected nor management issued notices to the defaulters. This resulted in non recovery of Rs 4.245 million

Last Agreement Period	Monthly Rent on 01.02.2007	Rent P.M w.e.f. 7/2019 to 01/2020	Rent for Feb-20	Total Due
D	E	F	G	H = (F×7)+G
01.02.2007 to 31.01.2012	51,000	160,060	176,066	1,296,486
01.02.2007 to 31.01.2012	76,000	238,521	262,373	1,932,020
01.02.2007 to 31.01.2012	40,000	125,537	138,091	1,016,850
	<b>Total</b>			<b>4,245,356</b>

Audit was of the view that due to poor performance of management, the shops rent was not recovered.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 06.07.2021 wherein management replied that matter was related to Tehsil Council Gujjar Khan, letter has been issued and reply was awaited. Reply of the management was not tenable as no recovery was made. DAC decided to keep the para pending till recovery but no further progress was intimated till the finalization of this report.

Audit recommends recovery besides fixing responsibility against person(s) at fault.

(PDP No. 08)

#### 16.4.3.2 Less recovery of rent by applying incorrect rates – Rs 1.294 million

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

During scrutiny of shop files of District Council, Rawalpindi for the Financial Year 2019-20, it was noticed that last agreement was made with tenants of shops of Tehsil Gujar Khan in 01.07.1998 on the basis of monthly rent along with 10% increase each year. Monthly rent deposited of some shops is less than monthly rate by adding 10% each year in initial rent. Furthermore, rent of shop No. 01 of Chak Beli Khan was also miscalculated. This resulted in less collection of rent Rs 1.294 million.

#### **Annexure-U**

Audit was of the view that due to poor financial management, the miscalculations were made which resulted in less collection of rent.

The matter was reported to PAO in June, 2021. DAC meeting was convened on 06.07.2021 wherein management replied that notices issued to shop of Chak Beli Khan and remaining shops related to Tehsil Council Gujar Khan for which letter has been issued but reply is awaited. Reply of the management is not tenable as no recovery was made. DAC decided to keep the para pending till recovery but no further progress was intimated till the finalization of this report.

Audit recommends recovery of outstanding amount besides fixing responsibility against person(s) at fault.

(PDP No. 02)

## CHAPTER 17

### District Council Sargodha

#### 17.1 Introduction

District Council Sargodha was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Sargodha

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Sargodha	01	01	27.830	75.636
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 279.782 million were raised in this report during current audit of “District Council Sargodha.” This amount also includes recoveries of Rs 14.788 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

(Rs in million)		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	<b>Irregularities:</b>	-
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	-
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	13.506
5	Others	266.276
	<b>Total</b>	<b>279.782</b>

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

As per the Accounts for the financial year 2019-20 of the District Council Sargodha, original and final budget (development and non-development) was Rs 743.362 million. Against the final budget, total

expenditure of Rs 431.535 million was incurred by District Council Sargodha during financial year 2019-20 which was less than original grant of Rs 743.362 million indicating poor financial planning and resulting in saving of Rs 311.827 million against the final grant. The break-up of total budget and expenditure is given in the following table:

Description	Original Grant	Supp. Grant	Final Grant	Exp.	Excess (+) / Saving (-)
Salary	460.333	-	460.333	163.232	297.101
Non-Salary	210.248	-	210.248	267.551	(+) 57.303
Development	72.781	-	72.781	0.752	72.029
<b>Total</b>	<b>743.362</b>	<b>-</b>	<b>743.362</b>	<b>431.535</b>	<b>311.827</b>
	<b>Receipt</b>			<b>866.635</b>	

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

Financial Year	Final Grant	Expenditure	Excess (+) / Saving (-)	%age of saving
2018-19	532.524	414.806	117.718	22
2019-20	743.362	431.535	311.827	42

There was 39% increase in budget allocation and 4% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 311.827 million during 2019-20 showing an increase of 165% as compared to financial year 2018-19.

## 17.2 Sectoral Analysis

District Council Sargodha did not execute any development schemes during financial year 2019-20.

## 17.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	29	Not Convened
2	2019-20	16	Not Convened



## **17.4 AUDIT PARAS**

### **17.4.1 Irregularities**

#### **17.4.1.1 HR related irregularities**

##### **17.4.1.1.1 Non-recovery of standard rent - Rs 3.031 million**

According to Letter No.EO(S&GAD)Policy/2009/688 Government of the Punjab Services and General Administration Department (Estate Office) Dated Lahore, the 07<sup>th</sup> May, 2018, A Government servant occupying a house un-authorizedly and illegally will be charged penal rent @ 60% of his basic salary.

Scrutiny of record of District Council Sargodha for the financial year 2019-20 revealed that a number of accommodations within premises of District Council Sargodha were occupied by officers of different departments without any lawful authority. District Council neither made any effort to vacate these residences nor recovered standard rent.

#### **Annexure-V**

Audit holds that due to weak management control, residences were not vacated and penal rent was not recovered.

This resulted in non-recovery of standard rent Rs 3,030,624.

The matter was reported to the PAO / CO in June, 2021. In DAC meeting held in September 2021, management replied that recovery of HRA is recovery at regular rates from some employees and letters have been issued to other employees. DAC directed the department to recover full HRA from defaulters and provide evidences of recovery and pend the para for further verification.

Audit recommends vacation of residences from illegal occupants besides recovery of penal rent.

[PDP No.12]

## **17.4.2 Value for money and service delivery issues**

### **17.4.2.1 Non recovery on account of rent of shops – Rs 7.956 million**

According to PLGA 2013 (117) Collection of taxes, (1) (3) (4) a tax or fee levied under this Act shall be collected in the prescribed manner. If a person fails to pay any tax or fee or any other money payable to a local government, the local government and, if so requested by the local government, the Government shall recover the tax, fee or other money as arrears of land revenue. The recovery of tax, fee or other money under subsection shall not absolve the person from prosecution for any offence under this Act or any other law.

Audit of District Council Sargodha for the financial year 2019-20 revealed that District Council had different shops whose rent was not assessed since long. Audit further noticed that Honorable High Court directed the department to collect the rent from shops located at Malbaro Hotel under the supervision of Tehsildar but department failed to do so. Due to this negligence on the part of the management, District Council sustained a loss of Rs7,956,000 as detailed below:

<b>Financial Year / Period</b>	<b>No. of Shops recovered from old tenants</b>	<b>Estimated per month Rent (Rs)</b>	<b>Recovery (Rs)</b>
2019-20/ 12 months	78	8,500	7,956,000

Audit holds that due to weak financial and managerial control, management failed to recover the rent of shops.

This resulted in non-recovery on account of rent of shops of Rs 7.956 million.

The matter was reported to the PAO / CO in June. In a DAC meeting convened in September 2021, management replied that they had sealed all the shops and going to file legal suit against defaulters. DAC pended the para for further verification.

Audit recommends early recovery besides fixing of responsibility for lapse and negligence.

[PDP No. 13]

### **17.4.2.2 Loss due to non-auctioning of advertisement board fee – Rs 1.250 million**

According to rule 10, 11 & 12 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, the reserve price for an income shall be determined by average actual income of the respective local

government received for last preceding three years. At least three attempts shall be made to award the contract through open bid, equal to the reserve price or more, by the administration of local government before the commencement of financial year.

During scrutiny of the record of District Council, Sargodha for the financial year 2019-20, it was observed that management auctioned the collection rights of advertisement board for Rs 3.750 million which was below than reserve price of Rs 5.000 million without making three advertisement attempts.

Audit holds that due to poor financial control, efforts were not made to realize advertisement board fee.

This resulted in loss of Rs. 1.250 million to local fund on account of advertisement board fee.

The matter was reported to the PAO / CO in June, 2021. In DAC meeting held on September 2021, management replied that they advertised the collection rights twice but no bidder quoted rates more than reserve price. Hence, department awarded the collection rights to highest bidder. DAC directed the department to regularize the matter as they handed over collection rights at price less than reserve price and pend the para for want of regularization.

Audit recommends fixing of responsibility against the person (s) at fault.

[PDP No. 10]

### 17.4.3 Others

#### 17.4.3.1 Non-achievement of receipt targets – Rs 320.276 million

As per Rules 14 of Punjab Local Government Accounts Rules, 2017 read with rule 7 of the Punjab Local Government Budget Rules 2017, the collecting officer shall ensure timely recoveries against each demand, entries in demand and collection register and credit in the local fund immediately.

Scrutiny of the accounts record of District Council, Sargodha for the financial year 2019-20 revealed that management of the District Council set a receipts target of Rs 415.673 million and was able to collect only a sum of Rs 95.391 million. Hence there was a short fall of Rs 320.276 million under different receipt heads. Detail is as under:

Head of Receipts	Budgeted Receipts	Achieved (Rs)	Less Recovery
B01302 UIPT	60,006,000	0	60,000,600
B01302 TTIP	220,000,000	74,286,809	145,713,191
C01803 Interest on investment	41,877,000	0	41,877,000
Building Rent	7,000,000	0	7,000,000
C0388027 - Fee for approval of Building/ Construction Plan	10,000,000	8,490,997	1,509,003
C0388029 - Conversion Fee for change in building use	60,000,000	6,606,505	53,393,495
C0388008 - License and Permit Fee	4,500,000	1,268,773	3,231,227
C0388019 - Suzuki/ Pickup Stand fee	2,110,000	380,764	1,729,236
C0388007- Wagon fee	7,350,000	1,899,558	5,450,442
C0388081 - Rent of municipal Property - Shops (Shopping centers)	2,830,000	2,457,483	372,517
<b>Grand Total</b>	<b>415,673,000</b>	<b>95,390,889</b>	<b>320,276,711</b>

Audit holds that due to poor financial control, budgeted targets were not achieved.

This resulted in non-achievement of receipts target Rs320.276 million.

The matter was reported to the PAO / CO in June, 2021. In a DAC meeting convened in September 2021, management replied that they tried their best to achieve the targets. DAC directed the department to revise estimates and pend the para till compliance.

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

[PDP No. 09]

## CHAPTER 18

### District Council Sheikhpura

#### 18.1 Introduction

District Council Sheikhpura was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Sheikhpura

Rs in million					
Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	District Council Sheikhpura	01	01	220.354	277.039
2	<ul style="list-style-type: none"><li>• Assignment Account</li><li>• SDAs</li></ul>	-	-	-	-
3	Foreign Aided Projects	-	-	-	-

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 542.697 million were raised in this report during current audit of “District Council defunct Sheikhpura.” This amount also includes recoveries of Rs 11.959 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

##### Overview of audit observations

(Rs in million)		
Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	30.663
2	Reported cases of fraud, embezzlement, and misappropriation	0
3	<b>Irregularities:</b>	<b>0</b>
	a. HR/Employees related irregularities	-
	b. Procurement related irregularities	0
	c. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	512.034
5	Others	0
	<b>Total</b>	<b>542.697</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Sheikhpura, total budget (Development and Non-Development) was Rs 1357.14 million. Against the budget, total expenditure of Rs 363.07 million was incurred by Zila Council during financial year 2019-20. Which was less than allocated budget of Rs 1357.14 million indicating poor financial planning and resulting in saving of Rs 994.07 million against the budget. The break-up of total budget and expenditure is given in the following table:

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	136	44	92	67.64
Non-Salary	914	312	602	65.86
Development	308	7	300	97.67
<b>Total</b>	<b>1,357.14</b>	<b>363.07</b>	<b>994.07</b>	<b>73.25</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	932	332	599	64.32
2019-20	1,357	363	994	73.25

There was 31.36 % increase in budget allocation and 8.45% increase in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 994 million during the financial year 2019-20 showing an increase of 65.90% as compared to financial year 2018-19.

## 18.2 Sectoral Analysis

Out of total 86 development schemes, Management of DC Sheikhpura was able to complete 71 scheme indicating achievement of 83%.

## 18.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2018-19	16	Not Convened

## **18.4 AUDIT PARAS**

### **18.4.1 Non-production of Record**

#### **18.4.1.1 Income without documentary support - Rs 30.663 million**

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

District Council (Defunct) Sheikhpura planning branch received Rs 30.663 million during 2019-20 and included in income head “Building Map Fee”. The income was not supported by documentary evidence to verify the authenticity and validity of income received by the District Council.

(Rs in million)

<b>Date</b>	<b>Contractor Name</b>	<b>Total</b>
05.11.2019	Muhammad Mushtaq S/O Muhammad Din	0.668
05.11.2019	Muhammad Mushtaq S/O Muhammad Din	17.186
08.11.2019	Muhammad Mushtaq S/O Muhammad Din	5.269
07.11.2019	Muhammad Mushtaq S/O Muhammad Din	7.252
08.11.2019	Muhammad Mushtaq S/O Muhammad Din	0.286
<b>Total</b>		<b>30.663</b>

Audit holds that due to weak internal and financial controls, supporting documents for collection of receipt was neither prepared nor shown to audit for verification.

This resulted in un-authentic income amounting to Rs 30.663 million.

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends production of relevant record for authenticity of receipt of District Council Defunct for verification of Audit.

(PDP No. 03)

## **18.4.2 Value for money and service delivery issues**

### **18.4.2.1 Non-achievement of income target -Rs 308.479 million**

According to Rule 47(1) PLG (Budget) Rules, 2017 the collecting officer shall ensure that all revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Management of District Council (Defunct) Sheikhpura collected Rs 335.325 million against the income target of Rs 643.804 million, resulting in short recovery of Rs 308.479 million. **Annexure-V**

Audit holds that due to internal control failures and financial mis-management, income targets were not achieved which resulted in short recovery of income amounting to Rs 308.479 million.

This resulted in non-achievement of income targets Rs 308.479 million

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends matter be probed and recovery of arrears of income besides fixing of responsibility against the person(s) at fault.

(PDP-15)

### **18.4.2.2 Non-reconciliation of TTIP income - Rs 185.661 million**

According to LG&CD department government of Punjab letter No SO tax (LG)2-46/08(PI) dated 20.2.2011 on the subject collection of Tax on transfer of immovable property the recovery of TTIP shall be reconciled with the revenue staff preferably on a daily basis any departure from the direction shall be interpreted as “misconduct” and “corrupt practice” in terms of PEEDA Act 2006.

District Council (Defunct) Sheikhpura collected TTIP income of Rs 185.661 million and deposited it into District Council Account. The management did not get the TTIP income reconciled with the Revenue Department. Hence, neither the authenticity could be validated nor possibility of less collection / deposit can be ruled out.

Audit holds that due to weak internal and financial controls TTIP income was not reconciled with the Revenue Department.

This resulted in non-reconciliation of TTIP income with Revenue Department amounting to Rs 185.661 million



The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends reconciliation besides fixing of responsibility against the person(s) at fault.

**(PDP-16)**

#### **18.4.2.3 Unauthorized receipt of composition fee-Rs 6.60 million**

According to sub section a to j of section 14 of PLG Accounts Rule 2017, Collecting officer is responsible to prepare estimates of receipt of every income head, prepare demand and collection register of every receipt head and should collect Govt. revenue in proper and transparent manner.

During audit of District Council (Defunct) Sheikhpura for the period 2019-20, scrutiny of the demand and collection register and case file of AR complex Plaza owned by Mr. Ikhlaq Ahmad S/O Nazir Hussain revealed that case of extension area of AR plaza was approved by the District Council by constituting High Level Density Committee Meeting without approval of LDA and payment of conversion fee to LDA. The committee charged composition fee of Rs 6,599,600 and issue approval letter for use of extended plaza on commercial basis without approval / involvement of LDA Authority.

Audit holds that approval of conversion of land was awarded without obtaining NOC from LDA, was due to weak internal controls.

This resulted in an un-authorized approval of commercial plaza extension with receipt of composition fee of Rs 6.600 million.

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends inquiry into matter besides fixing of responsibility against officers at fault.

**(PDP-21)**

#### **18.4.2.4 Less recovery of rent on account of leases - Rs 5.073 million**

As per Rules 14 of Punjab Local Government Accounts Rules, 2017 read with rule 7 of the Punjab Local Government Budget Rules, 2017, the collecting officer shall collect the receipt in a transparent manner beyond any doubt of misappropriation frauds, embezzlement or compromise. Cause to credit the monies so collected in local fund. Ensure

timely recoveries against each demand and ensure that the revenue collected against a demand is credited in the local fund immediately and necessary entries are made in demand and collection register.

Management of District Council (Defunct) Sheikhupura collected less amount of Rs 5.073 million on account of rent of leases during 2019-20. No serious efforts were made by the management to recover full lease value and no action was taken against the contractors. **Annexure-W**

Audit holds that due to weak internal and managerial controls, management could not recover rent of shops.

This resulted in non-recovery of leases of Rs 5.073 million.

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends early recovery of remaining lease amount besides fixing of responsibility.

(PDP No. 06, 08)

#### **18.4.2.5 Less recovery of building map fee - Rs 4.808 million**

As per Rules 14 of Punjab Local Government Accounts Rules, 2017 read with rule 7 of the Punjab Local Government Budget Rules, 2017, the Collecting Officer shall ensure timely recoveries against each demand, entries in demand and collection register and credit in the local fund immediately.

Management of District Council (defunct) did not notify its own building map fee rates by notification in official gazette and after getting approval from the council, instead applied rates of MC SKP for approval of building map fee. Further scrutiny revealed that planning branch of District Council (Defunct) Sheikhupura received less per square foot rates as prevailing in the Municipal Corporation, Sheikhupura. This resulted in loss to the local Govt. of Rs4.808 million. (Detail given below):

Description	Covered Area in Sft.	Rate applied of defunct TMA	Amount Received	Current Rate to be applied	Amount to Be received	Less Recovery
Marriage Hall	19,796	5	98,980	25	494,900	395,920
Sabir Poultry Pvt. Ltd	367,666	3	1,102,998	15	5,514,990	4,411,992
<b>Total</b>						<b>4,807,912</b>

Audit holds that due to weak internal and financial controls, less recovery was made because of un-due delay in deciding current rates of building map fee and application of defunct TMA rates instead of current rates.

This resulted in loss to the Government of Rs 4.808 million.

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends inquiry into matter for fixing of responsibility for loss to the local government.

(PDP No. 02)

#### **18.4.2.6 Non-deposit of income tax into FBR account - Rs 1.413 million**

According to section 236(A) of Income Tax Ordinance 2001, any person making sale by public auction or auction by a tender, of any property or goods (including property or goods confiscated or attached) either belonging to or not belonging to the Government, local Government, any authority, a company, shall collect advance tax @ 10% of such amount from filers and 15% from non-filers.

Management of District Council (Defunct), Sheikhpura awarded contracts for lease of land to different firms during 2019-20 but income tax of Rs 1.413 million (10% of Rs 14.129 million) was not deposited into government account. **Annexure-X**

This resulted in non-deposit of income tax amounting to Rs 1.413 million.

The matter was reported to PAO in June 2021. Neither reply was submitted nor DAC meeting convened till finalization of this Report.

Audit recommends deposit of income tax in FBR account besides fixing of responsibility against officers at fault.

(PDP 04 & 11)

## CHAPTER 19

### District Council Sialkot

#### 19.1 Introduction

District Council Sialkot was established on 01.01.2017 under Punjab Local Government Act (PLGA) 2013. Under the clauses of Act, a District Council shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

#### a) Audit Profile of District Council Sialkot

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DC Sialkot	1	1	187.25	47.348
2	<ul style="list-style-type: none"> <li>• Assignment Account</li> <li>• SDAs</li> </ul>				
3	Foreign Aided Projects				

#### b) Classified Summary of Audit Observations

Audit observations amounting to Rs 122.773 million were raised as a result of this audit. This amount also includes recoverable of Rs 46.070 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

##### Overview of audit observations

Rs in million

Sr. No.	Classification	Amount placed under audit observations
1	Non-production of record to Audit	0
2	Reported cases of fraud, embezzlement and misappropriations.	0
3	Irregularities	
	a. HR /Employees related irregularities	-
	b. Procurement related irregularities	10.127
	c. Management of accounts with commercial banks	-
4	Value of money and service delivery issues	-
5	Others	112.646
	<b>Total</b>	<b>122.473</b>

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

As per the Appropriation Accounts for the financial year 2019-20 of the District Council Sialkot, total budget (Development and Non-Development) was Rs 1030.33 million. Against the budget, total expenditure of Rs 870.93 million was incurred by District Council during

financial year 2019-20 which was less than allocated budget of Rs 1030.33 million indicating poor financial planning and resulting in saving of Rs 159.4 million against the budget. The break-up of total budget and expenditure is given in the following table:

(Rs in million)

Description	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age saving
Salary	195.85	155.56	-40.29	-25.90%
Non-Salary	145.45	125.45	-20	-15.94%
Development	689.03	589.92	-99.11	-16.80%
<b>Total</b>	<b>1030.33</b>	<b>870.93</b>	<b>-159.4</b>	<b>-18.30%</b>

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

Financial Year	Budget Allocation	Expenditure	Excess (+) / Saving (-)	% age of saving
2018-19	1640.42	1631.78	-8.64	-0.53%
2019-20	1030.33	870.93	-159.4	-18.30%

There was 37 % decrease in budget allocation and 47% decrease in expenditure incurred during financial year 2019-20 as compared to financial year 2018-19, while there was overall saving / excess of Rs 159.4 million during the financial year 2019-20 showing an increase of 18% as compared to financial year 2018-19.

## 19.2 Sectoral Analysis

Out of total 236 development schemes, Management of District Council Sialkot was able to complete 196 scheme indicating achievement of 83%.

## 19.3 Brief comments on the status of compliance with PAC directives

The audit report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	32	Not convened
2	2018-19	07	Not convened

## **19.4 AUDI PARAS**

### **19.4.1 Irregularities**

#### **19.4.1.1 Procurement related irregularities**

##### **19.4.1.1.1 Irregular expenditure on procurements - Rs 8.349 million**

As per Notification issued by the Finance Department vide No.RO(TECH)F.D.2-3/2004, dated 02.08.2004, all the rate analysis of non-standardized items should be prepared by applying input rates notified by the Finance Department for the relevant quarter. Further, According to instructions issued by the Finance Department vide No. RO (TECH) FD-18-29/2006 dated 08.08.2005, plant & machinery and other store items are required to be purchased as per procedure prescribed in purchase manual (now PPRA 2014).

During of District Council Sialkot it was noticed that various procurements were made during the Financial Year 2019-20 for Rs 8,348,830. It was observed that procurements were made through contracts like civil works instead of adopting procedure of procurement as mentioned in PPRA. Estimates using non-scheduled items were prepared but input rates of finance department were not used. It was mentioned that estimates were based on quotations from open market but these quotations were not available on record. Flags were purchased for onward distribution to various sectors of community and dengue pana flex and banners to fix in different places of the city. Items such as barbed wire, copper wire 7/29 valuing Rs 456,580 which was fixed in various areas during Muharm-ul-haram was not taken in to stock which leads to misappropriation. Cash of Rs 500,000 was paid to District Sports officer, Sialkot for payment of prizes and TA/DA of volley ball team but list of participant of team member was not provided. **Annexure-Y**

Audit holds that non-transparent expenditure was incurred due to poor financial discipline and weak internal controls.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends for regularization of matter besides fixation of responsibility on person (s) at fault.

[PDP-15]

#### **19.4.1.1.2 Irregular procurement of shopping bags - Rs 1.778 million**

According to instructions issued by the Finance Department vide No.RO (TECH) FD-18-29/2006 dated 08.08.2005, plant & machinery and other store items are required to be purchased as per procedure prescribed in purchase manual (now PPRA 2014) instead of through contactors by allowing contractor's profit and overheads.

District Council Sialkot made procurement of 2760 KG shopping bags for Edi-ul-Azha for Rs 1.778 million during financial Year 2019-20 through (M/S S.S Enterprises) contractor by allowing 10% contractor's profit and 5% overhead charges. As per instructions of the Finance Department such supplies items were required to be procured by department directly from the manufacturers after competitive bidding without allowing contractor's profit and overhead charges. Violation of Finance Department's instructions resulted in loss of Rs 200,790.

Further, it was also noticed that the shopping bags were purchased for 118 rural councils and 6 urban councils but demand was not obtained from these union councils. All 2760KG shopping bags were entered on a page of stock register but quantity issued to different union councils and closing balance was not shown in the stock register. Acknowledgement for distribution of shopping bags was not obtained from the secretaries union councils.

Audit holds that due to weak internal controls, irregular procurement was made.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends that matter may be inquired at appropriate level besides regularization and responsibility be fixed against officers at fault.

[PDP-01]

## **19.4.2 Others**

### **19.4.2.1 Loss to govt. due to non collection of land conversion / commercialization fee - Rs 16.103 million**

According to Rule 60(1)(a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009, A City District Government or a Tehsil Municipal Administration shall levy fee for conversion of residential, industrial, peri-urban area or intercity service area to commercial.

During audit of District Council Sialkot for the Financial Year 2019-20, it was observed that various cases of construction of factory, commercial unit, shops or school were submitted for approval but conversion / commercialization fee of the land worth Rs 16,103,305 was not obtained by the planning branch of District Council Sialkot.

#### **Annexure-Z**

Audit holds that collection of receipt was not expedited by management due to negligence and weak internal controls. This resulted into loss of Rs 16.103 million to public exchequer.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of outstanding amount besides fixing of responsibility on person(s) at fault.

[PDP No. 02]

### **19.4.2.2 Non-recovery of land conversion fee - Rs 14.550 million**

According to Rule-60(1) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009 “City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use.

District Council Sialkot approved Diamond City Housing Scheme during 2019-20. On account of this scheme land conversion fee@ 1% of value of land as per valuation table was charged and consequently collected an amount of Rs 9,840,000 in the light of Rule-39 of Punjab Private Housing Schemes & Land Sub Division Rules-2010. It was noticed that land conversion fee was not charged at the rates mentioned above for commercial area of society. Consequently, sum of Rs 14.550 million was recoverable from developer as detailed below:



Approved by	Commercial area	Value per Marla	Total value of land	Commercialization fee @ 10%
(Ex) TMA Sialkot	314 Marls	150,000	47,100,000	4,710,000
District Council Sialkot	656 Marls	150,000	98,400,00	9,840,000
<b>Total</b>				<b>14,550,000</b>

Audit holds that due to weak financial discipline and negligence, government sustained loss of Rs 14.550 million.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility against the persons at fault beside recovery.

[PDP-24]

#### **19.4.2.3 Non-credit of lapse securities into Government Revenue – Rs 13.782 million**

According to Rule 5.4 of Department Financial Rules (DFR) read with Rule 12.7 of Punjab Financial Rules, Volume- I and Finance Department's letters No. IT (FD) 3-4/2002 dates 27<sup>th</sup> August,2002 and 23<sup>rd</sup> September,2002 Public Works Deposits unclaimed for more than three account years will, at the close of June in each year, be lapsed and credited to Government revenue.

Scrutiny of Final Account Form (AR-38-Securities) of District Council Sialkot for the financial year 2019-20 revealed that Rs 13.782 million was closing balance of the security account at the end financial year. The securities of all completed development schemes were refunded to the contractor. Unclaimed securities were required to be deposited in Government Revenue.

Audit holds that due to weak financial controls lapsed securities were not deposited into government account.

This resulted into non credit of lapse securities into Government account.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends that lapse securities be credited into Government account besides fixing the responsibility on persons at fault.

[PDP-23]

#### **19.4.2.4 Unauthorized claim of uncashed cheques - Rs 13.065 million**

According to rule 3(6) of part-II of The Punjab Local Governments (Accounts) Rules, 2017, the funds will be lapsed on 30<sup>th</sup> June of the respective financial year and the available balance as on 30<sup>th</sup> June shall be deposited in the respective receipt head of the account of the local Government. Further, according to 4(2) & (3) of *ibid*, if a pre audit cheque is not claimed or presented or paid within due date or upto 30<sup>th</sup> June of the relevant financial year, it shall be a stale cheque and a new cheque shall be issued on deposit of stale cheque with the drawing and disbursing officer. The stale cheque shall be processed and marked as “cancelled” and presented to the accounts officer for the issuance of new cheque and the reverse entry shall be made in the relevant books of the account against the cheque so cancelled.

During audit of District Council Sialkot for the year 2019-20, it was noticed that 50 cheques valuing Rs 13,064,860 were issued before 30<sup>th</sup> June 2019 but remained un-cashed/ un-presented at the end of financial year. The cheques were claimed in next Financial Year 2019-20. In violation of the above rules, neither said cheques were cancelled nor new cheques issued in new Financial Year. **Annexure-AA**

Audit holds that due to non-compliance of rules, the stale cheques were not got cancelled and allowed to claim after 30<sup>th</sup> June.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No. 08]

#### **19.4.2.5 Non-collection of arrears of water charges -Rs 10.082 million**

According to Rule 11(2)(C) of Punjab Local Government Accounts Rules 2017, the Chief Officer shall ensure that any sums due to the local government are promptly realized and credited to the local fund. According to Rule 47(1) of *ibid*, the collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

Scrutiny of record of District Council Sialkot for the year 2019-20 revealed that amount of Rs 10,082,100 were recoverable on account of arrears

of water charges from domestic & commercial connections. This resulted in non-collection of water charges as detailed below:

Sr. No	Name of Collection Unit	No. of Total Connection	No. of Active Connection	Period	Amount of Arrears
1	Urban UC Kalaswala	321	176	Up to June 2020	1,019,000
2	Urban UC Chowinda	3015	2641		3,875,000
3	Begowala	170	157		1,558,100
4	Bhopalwala	2210	984		3,415,000
5	Urban UC Kotli Lahoran	900	860		215,000
<b>Total</b>					<b>10,082,100</b>

Audit holds that due to weak internal control, water rates were less collected.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends for regularization of matter besides fixation of responsibility on person (s) at fault.

[PDP No. 14]

#### **19.4.2.6 Irregular expenditure on annual contract of rent of machinery – Rs 9.915 million**

According to Sr No 2.5 of B&R Code, before technical sanction is accorded an “Administrative approval” should be obtained for every work from Administrative Department. Administrative approval will thus be a concurrence and formal acceptance of the Administrative Department concerned to the incurring of the proposed expenditure and in effect will amount to an order to execute specified works at a stated sum to meet the Administrative requirements of that department.

According to Sr No 2.61(1) of B&R Code, in giving out works on contracts, tenders, be invited in the most opened and public manner possible, after the estimate has been technically sanctioned and the contract documents have been approved by an authority not lower than that empowered to accept the tender.

During audit of District Council Sialkot for the financial year 2019-20 it was noticed that annual contract of “Provision of excavator and machinery on rental basis” in flood emergency situation and monsoon season and other urgent work including cleaning of water ponds and nullahs etc for Rs 9.915 million was awarded to M/S Islam-Ud-Din & Co. Audit has noticed the following short comings in the contract

- i. Rough cost estimate of different types of machineries was prepared on per hour rent basis but basis of per hour rate was not mentioned in estimate because these rates were not in MRS.
- ii. Technical sanction Estimate was prepared on 01.07.2019, advertisement was published in news paper on 10.07.2019 and bids were open on 27.07.2019. Items wise rates were called from the bidders instead of percentage over and above the estimate. During bidding 9 contracts submit different rates of machinery but lowest rate offered by the M/S Islam-ud-din which was 100% equal to the estimate prepared by the sub-engineer and submitted by DO(I&S) before bidding. This showed the undue favor to contractor by any person in department.
- iii. Income tax was required to be deducted @ 10% but on 1<sup>st</sup> running bill of Rs 1,417,288 income tax was deducted @ 7.50% thus Rs 35,432 was less deducted.
- iv. Bids were called from NTN and PST registered contractors but proof for this registration was not available.
- v. On rent of machinery, Rs 8.00 million, Rs 8.50 million and Rs 9.195 million was incurred during financial years 2017-18, 2018-19 and 2019-20 respectively but a scheme for purchase of own machinery was not prepared.

Audit holds that due to weak administrative and financial controls, irregular expenditure was incurred on rent of machinery.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No. 22]

#### **19.4.2.7 Loss due to non-auction of old trees – Rs 9.220 million**

According to Rule 3 (g) of the Punjab Local Government (Budget) Rules 2017, the chairman district council shall determine key performance indicators and evaluate progress against them for purposes of achieving economy, efficiency and effectiveness in the expenditure and efficiency in revenues collection services.

During audit of District Council Sialkot for the financial year 2019-20 it was noticed that District Council Sialkot started the auction of

dried / dead trees on 31 roads under its jurisdiction. Out of these, 498 dried / dead trees on 19 roads were auctioned for Rs 27,159,000 but 260 dried / dead trees on 12 roads could not be auctioned and District Council Sialkot sustained a loss of Rs 9,221,552 due to non-auction. **Annexure-AB**

Audit holds that due to poor management, dried / dead trees could not be auctioned.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends auction of old trees and investigation of the matter besides fixing of responsibility against officers at fault.

[PDP-11]

#### **19.4.2.8 Excess payment to PLGB on PFC share and Government Grants – Rs 9.032 million**

According to Section 125(5) of PLGA 2013, a local government shall contribute towards the expenditure of the Board an amount calculated at such rate as may, from time to time, be fixed by the Government and the accounts of the Board shall be maintained and audited in the prescribed manner. Further, Government of the Punjab, Local Government Community development Department vide its letter No.LCS(Acctt-Misc)2(40)/2011 dated 18<sup>th</sup> June 2011, enhanced the existing rate of contribution towards PLGB from 1% to 1.25% of actual income of the preceding year.

During audit of District Council Sialkot it was noticed that Director Finance, PLGB, Lahore vide his letter No.LCS(Acct-Misc-DOI)2(40)/2019 dated 6<sup>th</sup> September 2019, directed to All Administrators DCs in, Punjab to submit 1.25% share of actual income including Grants. As per rule 1.25% share of actual income was payable but a share of total income including PFC award and grant was paid to PLGB amounting to Rs 17,248,849. PFC award was not own source income of the District Council Sialkot and transfer of share against PFC award/grant was irregular and un-justified because approval was not obtained from Finance Department. This resulted in over payment of Rs 9.0321million as detailed below:

Description	Amount Paid	Amount to be Paid
Revenue / income from Local Taxes	730,982,392	730,982,392
Income from other sources (PFC)	722,547,004	0
<b>Net Receipts on which share was payable</b>	<b>1,453,529,396</b>	<b>730,982,392</b>
<b>1.25% share to be paid</b>	<b>18,169,117</b>	<b>9,137,280</b>
Less: Misc Recovery	920,268	920268

Description	Amount Paid	Amount to be Paid
Net share	17,248,849	8,217,012
<b>Excess payment made to PLGB</b>		<b>9,031,838</b>

Audit holds that due to poor financial management, share against the PFC award was paid.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter from Finance Department besides fixing of responsibility against officers at fault.

[PDP-09]

#### **19.4.2.9 Non-deposit of income tax deducted / collected – Rs 4.10 million**

According to Section 160 of income tax Ordinance 2001, any tax that has been collected or purported to be collected under or deducted or purported to be deducted shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

During audit of District Council Sialkot for the year 2019-20 it was noticed that income tax was collected / deducted from different contracts during the year for Rs 4,099,637 but the same was not transferred to commissioner income tax and the amount remained in the general fund account of District Council Sialkot. **Annexure-AC**

Audit holds that due to poor financial management, income tax deducted/collected from contractors was not transferred to income tax department.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends immediate transfer of tax to income tax department besides fixing of responsibility against officers at fault.

[PDP-10]

#### **19.4.2.10 Irregular expenditure due to non-approval of lead chart for earth work - Rs 3.709 million**

Sr No.17 of Market Rates System (MRS) issued by Finance Department Government of the Punjab described about the transportation and the carriage of the whole distance to the site of work shall be

calculated on the basis of the rates of the actual means of transport used in carriage, i.e. road and/or rail, as the case may be. It shall be payable from the nearest approved quarry from sit of work.

During audit of District Council Sialkot, for the Financial Year 2019-20, scrutiny of development schemes revealed that the department paid for earth work amounting to Rs 3.709 million adding lead upto 3 miles to the contractors without getting approval of lead chart from the competent authority by violating the above rule.

Sr. No.	Name of Scheme	Item	Amount (Rs)
1	Construction/rehabilitation of Flood effected roads in Village panj gran Tehsil pasroor	Earth work in O/S for making embankment including all lead	3,452,096
2	Const Cause way link road main harpal Dhoda panj grain Tehsil Pasroor	Excavating of earth and disposal 3 mole	257,013
			<b>3,709,109</b>

Moreover department did not attach “Fard Malkiyat” showing particulars of land owner from where the earth was carried to the site. Compaction test reports of earthwork for embankments were also not available with the vouchers.

Audit holds that due to non-approval of lead chart for earth work by the competent authority, irregular payment was made. This resulted in irregular payment of Rs 3.709 million.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends investigation and fixing responsibility against the person(s) at fault under report to audit.

[PDP No. 16]

#### **19.4.2.11 Loss due to lease of shops below proposed market rate – Rs 3.245 million**

According to Government of the Punjab Local Government & Rural Development Department letter No.SO-Estate(LG)2-2/2016 dated 30.04.2018, the local government shall lease out the shops/commercial property after the assessment of rent by the District Rent Assessment Committee.

District Council Sialkot had more than 78 commercial units in different areas of Sialkot. These units were rented out to different people since long. Rent of these shops as compared to private owners was much low due to which heavy financial loss has suffered each year to government exchequer.

Additional Deputy Commissioner (Revenue) Sialkot, Assistant commissioners of all Tehsils of District Sialkot and Excise & Taxation Officer surveyed through shop to shop for re-assessment of rent as directed in above mentioned letter. On the basis of survey DPAC (District Price Assessment Committee) in its meeting held on 22.06.2019 approved the new assessed rent of various properties owned by Zila Council according to market rent.

Even after assessment of new rent following shops holders were still paying old rent during FY 2019-20, this resulted in loss to Government Rs 3.245 million as detailed below:

Sr No	Name of Market	Shop No.	New Assessed Monthly Rent	Rent Received	Less Rent	Less recovery
	<b>Tehsil Sialkot</b>					
1	Inside Zail Ghar	1 to 12	9000	6114	2886	415,584
2	Bano Bazar	1 to 6	32000	14570	17430	1,254,960
3	Trunk Bazar	1 to 8	22000	14570	7430	713,280
	<b>Tehsil Daska</b>					
4	Shifa Khana Hewanat	1 to 12	20000	14615	5385	775,440
	<b>Tehsil Pasroor</b>					
5	Shopping center	3 to 6	5500	3706	1794	86,112
	<b>Total</b>					<b>3,245,376</b>

Audit holds that due to negligence of the management, the government was suffering huge financial loss due to non recovery of actual shape of rent.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends auction of shops at market rates besides fixing of responsibility against officers at fault.

[PDP-03]

#### **19.4.2.12 Unjustified expenditure improvement and maintenance of Khayaban-e-Iqbal Park - Rs 1.674 million**

According to Rule 2.33 of PFR Volume-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. According to 5.6 (ii) Chapter V General Financial



Rules of DDO codes, all Heads of Departments are responsible for enforcing financial order and strict economy at every step. They should ensure that all financial rules are strictly adhered to internal check against irregularities, waste and fraud.

During the audit of District Council Sialkot for the financial year 2019-20, it was observed that parks were handed over to PHA all over Punjab. Khayaban-E-Iqbal Park Sialkot was also handed over to during 2018 but District Council Sialkot incurred expenditure of Rs 1,673,784 on improvement and maintenance of Khayaban-E-Iqbal Park Sialkot Cantt during the financial year 2019-20. The expenditure was not justified because it was not in preview of District council Sialkot now. Further, chances of duplication of expenditure by District Council Sialkot as well as PHA on maintenance of park cannot be ignored.

On detailed scrutiny of bill of payment, it was also noticed that a number stock/ store items and pots with plants were provided and installed in park but these items were not taken in stock which may leads to misappropriation of items.

Audit holds that due to weak administrative and financial controls, irregular expenditure was incurred on improvement of park.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization besides fixing of responsibility against person(s) at fault.

[PDP-21]

#### **19.4.2.13 Loss due to non-auction of commercial plaza – Rs 1.452 million**

According to Rule 4 of the Punjab Local Government Property Rules 2018, The Manager of property shall (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature; (b) administer the property as a trust used to the maximum benefit of the public; (d) ensure that the rented Property fetches the maximum rent; (e) prevent the impairment of the value and utility of the rented Property (f) prevent the use of Property for any purpose and in any manner other than specified; (g) take necessary steps for repair of all buildings under his management and control.

Scrutiny of record of District Council Sialkot for the Year 2019-20 revealed that District Council Sialkot owned commercial plaza with 22 shops in Pasrur city. DPAC (District Price Assessment Committee) in its meeting held on 22.06.2019 approved the new assessed rent of each shop @ Rs 5,500 per month. But the plaza was not auctioned till the date of audit which resulted in loss amounting to Rs 1.452 million.

Audit holds that due to poor managerial control, shops were not auctioned resulting in loss to District Council Sialkot.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends inquiry and fixing of responsibility against the person(s) at fault.

[PDP-04]

#### **19.4.2.14 Irregular expenditure on non-scheduled items - Rs 1.367 million**

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

According to condition No.06 of Technical Sanction of work accorded by Chief Engineer (HQ) of Punjab Local Govt. Board Lahore, rate analysis of the non-scheduled items in incorporated with the estimate on the basis of technical feature and lowest market quotations.

During audit of District Council Sialkot scrutiny of following development scheme executed during financial year 2019-20, it was observed that payment of Rs 1,367,463 was made to contractor against non-scheduled items without approval of competent authority.

Name of Scheme	Description of item Executed	Qty	Rate / Unit	Amount (Rs)
Improvement and maintenance of Khayaban-E-Iqbal park Sialkot Cantt	14" pot size plants	473	682.68	322,624
	24" pot size plants	04	16147	64,589
	36" pot size plants	01	50251	50,251
	24" pot size plants	11	14059	154,649
	18" pot size plants	40	4210	168,432

	10" pot size plants	550	236.64	130,152
	16" pot size plants	50	1670.40	83,520
	36" pot size plants	01	25195	25,195
	P/L Korian Grass	11498 sft	32.01	368,051
	<b>Total</b>			<b>1,367,463</b>

Audit holds that payment for non-scheduled items was made to contractor by management due to weak internal controls.

This resulted in irregular expenditure of Rs 1.367 million.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter besides fixing the responsibility on person(s) at fault.

[PDP-19]

#### **19.4.2.15 Less recovery from the contractors – Rs 1.350 million**

According to Rule 9 (b) of the Punjab Local Government accounts rules 2017, the collector of tax, fee, rate, charges of the local government shall be personally responsible for any overcharging, fraud, misappropriation or delay for crediting the amounts so collected to the account of the local government.

Scrutiny of accounts of District Council Sialkot for the financial year 2019-20 revealed that following contracts of collection rights were auctioned for Rs 14.451 million against which Rs 1.350 million was still outstanding.

Sr. No.	Name of Contract	Name of Contractor	Auction Amount including Taxes	Amount not collected
1	collection rights of Tax on Advertisements	Mr. M. Akbar Bloch S/O Ameer Muhammad M/S Subhan & Co	12,606,528	1,066,186
2	Bus Stand Chawinda	Rafaqat Ali Butt	1,844,000	283,500
	<b>Total</b>		<b>14,450,528</b>	<b>1,349,686</b>

Audit was of the view that due to weak internal control, fewer dues were collected from contractors.

The matter was reported to PAO concerned in June-2021 but neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of outstanding government dues from the contractors besides fixing of responsibility against officers at fault.

[PDP-12]

## **ANNEXURES**

**Annexure-A**

**Memorandum for Departmental Accounts Committee**  
**Paras Pertaining to Audit Year 2020-21**

Rs in million

Sr. No	Description of Para	Nature of Para	Amount
<b>District Council Attock</b>			
1	Less recovery of rent due to miscalculation	Others	0.344
2	Non recovery of rent	Others	0.071
3	Non transfer of funds to succeeding LGs	Others	5.256
4	Overpayment of share to PLGB	Others	2.531
5	Unauthorized payment to daily wagers	HR	1.304
6	Illegal housing schemes/land sub divisions	Others	-
7	Non-Collection of Map Fee & TTIP from Private Housing Societies	Others	-
8	Non recovery of maintenance charges of Zila Council Residences	HR	0.325
9	Non-collection of PST on auction of collection rights		1.008
<b>District Council Bhakkar</b>			
1	Less-recovery of conversion fee	Value for money	0.028
2	Difference in bank profit as per cash book and as per annual account	-do-	5.129
3	Less-recovery of conversion fee of commercial area	Value for money	0.120
4	Illegal approval of land sub-division despite the developers own additional land in continuity of land sub-division, resulting in loss to local Govt. in fees	Others	0.498
5	Less-recovery of conversion fee of commercial area	Value for money	0.026
6	Non-recovery of auction amount	-do-	0.853
7	Non-verification/non-stock taking of the properties of district council	Others	0
8	Less recovery of conversion fee	Value for money	0.174
9	Irregular payment on account of electricity bills of rest house	-do-	0.147
10	Non-recovery of rent of godown	-do-	0.343
11	Less-recovery of conversion fee	-do-	0.028
12	Less-recovery of conversion fee of commercial area	-do-	0.026
13	Less recovery of conversion fee	-do-	0.174
14	Loss to district council on account of bank profit	Others	2.779
15	Non-recovery of auction amount	Value for money	0.803
<b>District Council Chakwal</b>			
1	Irregular issuance of acceptance letter causing loss to government	Others	0.594
2	Less deduction of PST on construction works	Others	0.574
3	Overpayment of share to PLGB	Others	1.935
4	Un-justified Expenditure on POL	Others	1.431
5	Loss to local government	Others	0.512
6	Misclassification of expenditure	Others	20.00
7	Less-recovery of conversion fee	Others	0.135
8	Less recovery of rent due to miscalculation	Others	0.325
9	Non-execution of scheme on risk & cost of contractor	Value of money & Service Delivery	1.958
10	Non-collection of Arrears on account of License Fee	Others	5.500

11	Non-collection of PST on auction of collection rights		1.029
<b>District Council Gujranwala</b>			
1	Unauthorized expenditure without advertisement	Procurement	1.975
2	Unauthorized award to schemes to single contractor	Procurement	3.865
3	Non recovery of building plan and conversion fee	Others	5.182
4	Unauthorized expenditure due to calling of quotation instead of tender	Procurement	0.200
5	Unjustified payment of pension	HR	3.833
6	Unjustified payment of arrear of family pension	HR	1.062
7	Non-realization of NOC fee	Others	0.600
8	Irregular expenditure	Others	1.223
9	Unjustified payment on account of POL	Others	0.177
10	Unauthorized payment of pension	HR	0.525
11	Unauthorized payment of meter and repair charges	Others	0.063
12	Building plans in violation of Building Bylaws	Service delivery	-
13	Non-issuance of Completion Certificate of development schemes -	Service delivery	4.161
<b>District Council Gujrat</b>			
1	Loss to govt due to non conduction of survey of manufacturer, vendor and trader	Others	--
2	Non-auction of shops and loss thereof	Others	1.080
3	Non deduction of harrow sand	Others	0.601
4	Non imposition of penalty	Others	0.350
5	Unauthorized addition of PST	Others	8.418
6	Recovery on account of non-deduction of brick rate due to using bricks of less measurement	Others	0.900
7	Non recovery of contractor renewal Fee	Others	0.672
8	Non imposition of penalty due to non submission of programme	Others	7.927
9	Non-deduction of shrinkage on earth work	Others	0.600
10	Non-reduction of Steel Rate from the Bills of Contractors	Others	0.116
11	Non Deduction of Old Material	Others	0.167
12	Non Collection of Professional Tax from contractors	Others	0.420
13	Irregular payment of expenditure for sub base and base course material.	Others	20.443
14	Non reconciliation of TTIP Income	Others	
15	Irregular Expenditure on account of Previous Year's Liabilities	Others	1.062
16	Non-transparent process of conversion/commercialization of land.	Others	
17	Non-preparation of PC-I -		
18	Less deposit of rent of shops into treasury -	Others	
<b>District Council Hafizabad</b>			
1	Non reversal entry of stale cheque on 30 <sup>th</sup> June	Others	0.628
2	Non-recovery of penalty on late completion	Others	0.480
3	Irregular expenditure due to procurement of steel from the non-sales tax registered firm	Others	0.283
4	Overpayment due to non-reduction of rate for use of local sand	Others	0.191
5	Non-recovery of PST from the contracts	Others	0.097
6	Non deduction of penal rent	Others	1.398
7	Irregular execution of schemes without PC-I	Others	3.50
8	Non-recovery on account of non-deduction of brick rate due to using less PSI bricks and measurement	Others	1.391
<b>District Council Jhelum</b>			
1	Less collection of auction money from the contractors-	Others	0.777
2	unauthorized retention of income tax-	Others	0.255
3	Unjustified maintenance of Security fund account	Others	4.685
4	Non-collection of PST from the contractors		1.435

5	Non-verification/non-stock taking of the properties of district council	Others	-
<b>District Council Kasur</b>			
1	Non-transparent expenditure on Destiling of RohiNallah	Irregularity	0.372
2	Overpayment due to irregular purchase of General Store items	Recovery	0.068
3	Irregular Payment of Legal Charges/Court Fee and TA/DA	Irregularity	0.156
4	Irregular expenditure on construction of drains	Irregularity	0.295
5	Expenditure in excess of budget allocation	Irregularity	0.233
6	Irregular expenditure on account of PCC work	Irregularity	0.684
7	Unauthorized drawl of Additional Charge Allowance	Recovery	0.072
8	Unauthorized Block Allocation of Budget	Irregularity	0
9	Non Utilization of Funds for Sports and Youth Affairs	Irregularity	0
10	Payment of Financial Assistance without Supporting Document	Irregularity	0
11	Non-transparent expenditure on account of Stationery	Irregularity	0.13
12	Non deposit of income tax into FBR account		0.56
13	Non-deduction of brick rate	Recovery	0.225
14	Recovery on account of 10% Shrinkage of earth due to manual labour	Recovery	0.373
15	Non-maintenance/reconciliation of Expenditure and Receipt Record	Irregularity	0
16	Loss to Government due to non-deduction of PST/PRA from contractors and charging to works Rs 4.709 million	Irregularity	4.709
17	Unauthorized collection of building map fee	Irregularity	0
18	Unjustified expenditure on sub base and base course	Irregularity	0
19	Non-achievement of receipt targets – Rs 206.207million	Irregularity	0
<b>District Council Khushab</b>			
1	Non-maintenance of cash book for expenditure and receipt	Others	0
2	Irregular / Doubtful expenditure on POL	Others	0.946
3	Irregular/Doubtful calculation of rates of non-schedules items	Others	0.858
4	Non production of record	Non production	0
5	Less recovery on account of Tax on Transfer of Immovable Property	Value for money	38.477
6	Illegal occupation of Government rest house Phulwari and estimated loss to the Government	Value for money	7.300
7	Non-verification of receipts record	Others	3.813
8	Loss on account of receipt due to non-auction of Guzargah	Value for money	3.646
9	Irregular provision of block allocation	Others	2.050
10	Irregular payment of pending liabilities	Others	1.077
11	Irregular payment due to non-verification of pensioners certificates from Bank	Irregularity	40.952
12	Unauthorized payment without laboratory tests	Irregularity	1.723
13	Irregular payment of expenditure for earthwork, sub base and base course material	Irregularity	1.263
14	Less recovery of profit on fixed deposits	Value for money	4.423
15	Irregular / Doubtful expenditure on POL	Irregularity	0.946
16	Unjustified / Irregular budget allocations	Irregularity	54.680
17	Unjustified / Doubtful creation of liabilities	Others	46.0
18	Loss due to non- recovery of arrear of past leases and rent of shops	Value for money	23.488
<b>District Council Mianwali</b>			
1	Non Collection of Conversion/Commercialization Fee & Building Fee	Value for money	0
2	Non recovery of arrear of past leases	Value for money	0.100

3	Less-recovery of conversion fee of commercial area	Value for money	0.307
4	Non-reconciliation of expenditure incurred of defunct District Council	Others	72.456
5	Un-authentic receipt of TTIP due to collection in non-transparent manner	Others	60.360
6	Non preparation of DDO-wise cash books	Others	47.611
<b>District Council Mandi Baha-ud-Din</b>			
1	Less Receipt of Land Conversion Fee	Others	0.542
2	Irregular expenditure on account of POL and Repair of vehicle	Others	0.319
3	Doubtful Repair of Official Vehicle	Others	0.264
4	Non-preparation of Annual Account	Others	202.09
5	Un-authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	others	1.345
<b>District Council Nankana Sahib</b>			
1	Less recovery on account of lease value	Recovery	0.399
2	Non Deposit of income tax into FBR Account	Recovery	0.380
3	Non Transparant expenditure	Irregularity	0.807
4	Non Deposit of PST into Government Account	Recovery	0.160
5	Non Deposit of Income tax into FBR Account	Recovery	0.134
6	Non reconciliation of TTIP income with Revenue Department	Irregularity	58.528
7	Non Deposit of income tax into FBR Account	Recovery	0.297
8	Un-authentic Govt., receipt fee for approval of building plan	Irregularity	0.413
9	Unauthorized Block Allocation of Budget	Irregularity	7.50
<b>District Council Narowal</b>			
1	Non-recovery of Riksha Stand Fee	Others	0.339
2	Non-recovery of arrears of lease Charges	Others	0.805
3	Doubtful Consumption of POL due to defective maintenance of log book	Others	0.616
4	Non Preparation of maps for immoveable properties	Others	-
5	Un-authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	Others	1.100
<b>District Council Okara</b>			
1	Irregular expenditure due to non maintenance of accounts	Irregularity	0.508
2	Irregular expenditure on account of repair and maintenance	Irregularity	0.877
3	Irregular expenditure without tender	Irregularity	0.325
4	Irregular expenditure on account of POL charges	Irregularity	0.264
<b>District Council Rawalpindi</b>			
1	Non transfer of funds to respective Tehsil Councils	Others	12.791
2	Non-re-auction of shops causing less income	Value of money & Service Delivery	-
3	Overpayment of share to PLGB	Others	4.867
4	Non - achievement of receipts targets	Value of money & Service Delivery	-
5	Non recovery of rent of properties	Others	-
6	Non execution of scheme	Value of money & Service Delivery	14.000
7	Unjustified payment of street lights electricity bills	Others	-
8	Non-recovery of water conservancy charges	Others	214.122



9	Non-collection of PST on auction of collection rights		1.840
<b>District Council Sargodha</b>			
1	Non achievement of Suzuki/pickup & Riksha stand fee	Others	0.877
2	Less-recovery of conversion fee	Value for money	53.394
3	Non reconciliation of TTIP with revenue department	Others	74.287
4	Non-auction of Un-serviceable Vehicles	Others	1.700
5	Loss to district council on account of conversion and building approval fee	Value for money	2.90
6	Non-recovery of rent of godown	Value for money	2.532
7	Mis-classification of expenditure	Others	132.758
<b>District Council Sheikhpura</b>			
1	Irregular expenditure on the arrangement of Nagar Kirtan Procession	Irregularity	0.328
2	Non-transparent expenditure on account of removal of garbage	Irregularity	0.48
3	Loss to Government due to non-deduction of PST/PRA from contractors and charging to works	Recovery	0.2
4	Less recovery of rent of shops	Recovery	0.465
5	Irregular expenditure on the procurement of Gamla & Plants	Irregularity	0.181
6	Non-recovery of rent of buildings from Literacy Department	Recovery	0
7	Unauthorized Block Allocation of Budget	Irregularity	0
8	Irregular transfer of Funds to PLGB	Irregularity	0
9	Non Utilization of Funds for Sports and Youth Affairs	Irregularity	0
10	Non-maintenance/reconciliation of Expenditure and Receipt Record	Irregularity	0
<b>District Council Sialkot</b>			
1	Doubtful Payment of Pension as Non Availability of Death Certificates	Others	0.877
2	Irregular payment of bitumen	Others	0.362
3	Loss of revenue due to non-construction of commercial buildings	Others	-
4	Unauthentic expenditure and receipt due to non-provision of signed appropriation of Accounts	Others	-
5	Irregular payment due to non-verification of live certificates of pensioners	HR Related	2.647
6	Irregular payment family pension of the deceased Government servants	HR Related	1.284
7	Overpayment due to allowing inadmissible lead	Others	3.038
8	Excess payment on account of PST	Others	2.312
9	Non-recovery of PST from the contracts		1.997

**Annexure-B**

<b>Sr. No</b>	<b>District Council</b>	<b>Revised Budget</b>	<b>Expenditure</b>	<b>Excess / (saving)</b>
1	District Council Attock	1,270.122	311.107	(959.015)
2	District Council Bhakkar	784.779	383.790	(400.989)
3	District Council Chakwal	927.088	64.447	(862.641)
4	District Council Gujranwala	561.730	481.220	(80.510)
5	District Council Gujrat	1,652.926	674.187	(978.739)
6	District Council Hafizabad	648.053	39.354	(608.699)
7	District Council Jhelum	331.547	51.551	(279.996)
8	District Council Kasur	1,086.830	185.315	(901.515)
9	District Council Khushab	449.528	243.574	(205.954)
10	District Council Mandi Baha-ud-Din	948.127	344.540	(603.587)
11	District Council Mianwali	784.514	231.505	(553.009)
12	District Council Nankana Sahib	542.041	28.473	(513.568)
13	District Council Narowal	1,214.285	966.306	(247.979)
14	District Council Okara	1,629.172	132.172	(1,497.000)
15	District Council Rawalpindi	1,447.738	191.514	(1,256.224)
16	District Council Sargodha	743.362	431.535	(311.827)
17	District Council Sheikhupura	991.989	367.257	(624.732)
18	District Council Sialkot	1,030.325	870.932	(159.393)
<b>Total</b>		<b>17,044.156</b>	<b>5,998.779</b>	<b>(11,045.377)</b>

### Annexure-C (Para No. 5.4.1.1.1)

(Amount in Rs)

Scheme	Contractor	Award letter No. & date	MB No. & page	Description	Qty.	Rate	Amount
Repair of PCC etc. Moharam Ul Haram rout in Rasool Nagar	M/s Abdullah Hameed & Co.	DO (I&S) 2019/358 dated 22.08.2019	22322 at page 22-24	earth filling	1885 cft	7827.50	14755
-do-	-do-	-do-	-do-	dry rammed brick or stone ballast	1283 cft	4443.15	57007
Repair of PCC, Nallah for Moharam Ul Haram rout Banka Cheema	M/s Farhan Shabbir	DO (I&S) 2019/370 dated 28.08.2019	22322 at page 19-21	earth filling	8857 cft	7827.50	69328
-do-	-do-	-do-	-do-	dry rammed brick or stone ballast	2712 cft	4443.15	120498
Repair of PCC, Nallah for Moharam Ul Haram rout Eminabad	M/s Imran Khan	DO (I&S) 2019/370 dated 01.08.2019	15464 at page 46-48	P/L sand filling	4876 cft	1760.90	85861
-do-	-do-	-do-	-do-	dry rammed brick or stone ballast	1219	4064	49540
Construction of Nallah/drains PCC Buddo Ratta	M/s Ch. M. Akbar Gujjar	258 dated 27.05.2017	15087/ 92-93	Earth filling lead upto one mile	9870	6237.95	61568
-do-	-do-	-do-	-do-	Brick ballast (1:6:18)	3088	4200.85	129722
Construction of RCC Abdal road & cleanliness nallah Jatt Siakot road Abdal road Buttranwali Phase – I	M/s M Sarfraz Khan	330 dated 02.8.2019	15098 page 87-90	earth filling	12268 cft	7827.50	96027
Construction of RCC Abdal road & cleanliness nallah Jatt Siakot road Abdal road Buttranwali Phase – II	M/s M Sarfraz Khan	471 dated 20.11.2019	30.12.2019	earth filling	12268 cft	7827.50	96027
-do-	-do-	-do-	-do-	Sub-base	1529 cft	8376.78	128081
Total							908414

**(b)**

Description	QTY	Supplier	Amount
Earth filling	8744 cft	7827.50	68443
Excavator machine on rent	4.5 hours	5950/hour	26775
Total			95218

$$a + b = \text{Rs } 908,414 + \text{Rs } 95,218 = \text{Rs } 1,003,632$$

## Annexure-D

### Non-imposition of penalty - Rs 1.593 million

(Amount in Rs)

Scheme	contractor	No. & date of work order	time limit	contract amount	Bill paid	Completed on	Penalty
Repair of PCC etc. Moharam Ul Haram rout in Rasool Nagar	M/s Abdullah Hameed & Co.	DO (I&S) 2019/358 dated 22.08.2019	01.09.2019	649720	1st / final	20.10.2019	64972
Repair of PCC, Nallah for Moharam Ul Haram rout Banka Cheema	M/s Farhan Shabbir	DO (I&S) 2019/370 dated 28.08.2019	08.09.2019	1000000	1st / final	11.11.2019	100000
Repair of PCC, Nallah for Moharam Ul Haram rout Eminabad	M/s Imran Khan	DO (I&S) 2019/370 dated 01.08.2019	01.09.2019	625000	1st / final	20.10.2019	62500
Construction of RCC Abdal road & cleanliness nallah Jatt Siakot road Abdal road Buttranwali Phase – II	M/s M Sarfraz Khan	471 dated 20.11.2019	30.12.2019	1895000	1st / final	29.06.2020	189500
Construction of RCC Abdal road & cleanliness nallah Jatt Siakot road Abdal road Buttranwali Phase – I	M/s M Sarfraz Khan	330 dated 02.08.2019	25.10.2019	1970000			197000
Change of pump & motor and construction of boundary wall, disposal works Bhatti Bhango	M/s Ch. Raza Hussain Virk	No.401 dated 25-09-2019	23.11.2019	1137000	1st / running bill	18.11.2019	113700
Construction of Janazgah Balleywala UCC Jalal Balagan	M/s Arsal Enterprises & Co.	265 dated 08.01.2018	31.05.2018	1500000	2nd / Final	07.07.2019	150000
providing / installation of injector pump i/c construction of room in village Marray Waian	M/s Amir Raza	43 dated 05.12.2016	04.02.2017	700000	1st / running bill	07.07.2019	70000

Construction of streets drains PCC main Bazar Lonkay UC Boopra Kalan	M/s Ashfaq Ahmad Malhi	326 dated 08.01.2018	30.04.2018	1000000	1st / Final	07.07.2019	100000
Construction of boundary wall graveyard Rangla UC Kali Sooba	M/s Khadam Hussain & Co.	524 14.03.2018	20.06.2018	1155000		19.08.2019	115500
construction of drains PCC gali Muhammad Bashir wali Jewany wali UC Kaka Kolo	M/s M Sabar Bajwa	238 dated 27.05.2017	26.07.2017	299250		29.06.2019	29925
Construction of PCC, street & drains mahalah Masjid Ahle Hadees & Main Rasta Dhonikey	M/s Abdullah Hameed & Co.	235 dated 08.01.2018	31.05.2018	2000000	1st / running bill	WIP	200000
Construction of Nallah/drains PCC Buddo Ratta	M/s Ch. M. Akbar Gujjar	258 dated 27.05.2017	25.05.2017	1000000	2nd / Final	2019-20	100000
Construction of soling drains Nawan Dera Dhalim Dogran UC Said Nagar	M/s Asif Ali & Co.	78 dated 01.01.2018	15.02.2018	1000000	1st/final	07.07.2019	100000
Total							1593097

### Annexure-E (Para No. 6.4.1.1.1)

Sr. No.	Name of work	Contractor Name	Amount
1	Construction of streets and drains/Nullah village Saroki	Kashif Ishaq & Co	14,900,000
2	Construction of streets and drains/Nullah villag Jheuranwali	Sajjad Construction	14,900,000
3	Construction of streets and drains/Nullah village Gorali	Zubair Aslam	14,000,000
4	Construction of road from Handay village to Santal	Asjad Ali	13,280,000
5	Rehabilitation and Improvement of road Bhangranwala to bridge	Zulfiqar Ali Warraich	12,000,000
6	Improvement and Rehabilitation of road from Tanda road to Bhagowal	Ch. Inayat Afzal	10,000,000
7	Construction of streets and drains/Nullah village Kathala	Muhammad Hanif Butt Const. Co.	10,000,000
8	Construction of streets and drains/Nullah village Gorala	New Suchal Builders	10,000,000
9	Construction of Nullah Drainage including Culverts Bokan Sharif Dars to Bhinder Nullah	J. Mason Engineers	9,000,000
10	Rehabilitation and Improvement of road from Ranjha Jhumat to Dhudra	Khawar Nashaid	8,690,000
11	Construction of streets and drains/Nullah village Natt	Muhammad Munawar	8,000,000
12	Construction of streets and drains/Nullah village Majra	Sajjad Haidar	8,000,000
13	Construction of streets and drains/Nullah village Nagrianwala	U & N builders	7,000,000
14	Construction of Road streets and drains/Nullah village Chak Bega	M. Muzammal Iqbal	6,500,000
15	Construction of road village Kot Ghulam	Badar Iqbal Sayan	6,300,000
16	Improvement and Rehabilitation of road from University Road to Chak Manju	Asjad Ali	5,780,000
17	Construction of streets and drains/Nullah Village Chak Kala	Shahzada Tabraiz	5,600,000
18	Construction of streets and drains/Nullah village Rungra	Ch. Javaid & Co.	5,200,000
19	Construction of path Tanda Ada to Chowk Khatana Sweet Tanda	Muhammad Hanif Butt	5,200,000
20	Construction of streets and drains/Nullah Village Bhalesar	Muhammad Munawar	5,000,000
21	Construction of streets and drains/Nullah village Chobara, Mari Khokharan	M.A Warraich	5,000,000
22	Construction of streets and drains/Nullah village Pandi Tatar	Muhammad Munawar	5,000,000
23	Construction of streets and drains/Nullah village Sheikh Qureshian	Rajid Ali & brothers	5,000,000
24	Construction of streets and drains/Nullah village Chak Chohdu	Shahazada Tabraiz	5,000,000
25	Construction of streets and drains/Nullah village Jaboki	R.A Majeed Construction Co.	5,000,000
26	Construction of streets and drains/Nullah village Chak Dhillu	Ch. Sarfraz Ahmed Cheema	5,000,000
27	Construction of streets and drains/Nullah village Kahna	R.A Majeed Construction Co.	5,000,000
28	Construction of streets and drains/Nullah village Dhorkey	Sajjad Haidar	5,000,000
29	Construction of streets and drains/Nullah village Chakora	Chand Mehmood	5,000,000
30	Construction of streets and drains/Nullah village Kot Allah Bukhsh	ITTHAD Construction	5,000,000
31	Construction of streets and drains/Nullah village Chakori Bakhu	Ch. Gul Sher Construction Co.	5,000,000
32	Construction of Nullah Village Ali Pur	Quick Builders	4,000,000
<b>Total</b>			<b>238,350,000</b>

### Annexure-F (Para No. 6.4.1.1.3)

Name of Work	Work Order No	Work Order Date	Item	Quantity % 0 Cft	Amount	
Construction of road from Handay village to Santal	138	06.08.2019	Earth work & Earth filling in ordinary soil incl. all lead	219309	1,809,859	
Improvement and Rehabilitation of road from University Road to Chak Manju	53	02.08.2019		77041	635,785	
Construction of streets and drains/Nullah Village Sikryali	75	02.08.2019		64720	461,453	
Construction of Road streets and drains/Nullah village Chak Bega	25	12.07.2019		63953	455,984	
Rehabilitation and Improvement of road from Ranjha Jhumat to Dhudra	54	02.08.2019		44764	369,417	
Construction of streets and drains/Nullah village Saroki	30	12.07.2019		44187	315,067	
Construction of streets and drains/Nullah Village Bhalesar	51	02.08.2019		35993	256,670	
Construction of streets and drains/Nullah village Nagrianwala	13	12.07.2019		34890	248,765	
Construction of streets and drains/Nullah village Dhorkerkey	19	12.07.2019		33789	240,915	
Construction of road village Kot Ghulam	55	02.08.2019		24147	199,274	
Improvement and Rehabilitation of road from Tanda road to Bhagowal	49	02.08.2019		20375	168,145	
Construction of streets and drains/Nullah villag Jheuranwali	23	12.07.2019		18836	134,300	
Construction of streets and drains/Nullah village Chakora	10	12.07.2019		17372	123,862	
Construction of streets and drains/Nullah village Chakori Bakhu	12	12.07.2019		12873	91,784	
Construction of streets and drains/Nullah village Rungra	139	06.08.2019		11562	82,448	
Construction of streets and drains/Nullah village Kahna	20	12.07.2019		1,112	79,321	
Construction of streets and drains/Nullah Village Chak Hakeem	66	02.08.2019		10478	74,708	
Construction of streets and drains/Nullah village Jaboki	22	12.07.2019		9852	70,244	
Construction of streets and drains/Nullah village Kot Allah Bukhsh	16	12.07.2019		7411	52,840	
Construction of streets and drains/Nullah Village Chak Kala	50	02.08.2019		6842	48,702	
Construction of streets and drains/Nullah village Rungra	139	06.08.2019		12887	39,730	
Construction of streets and drains/Nullah Village Budho Kalis Islam Pura Chakar Mohallah	115	02.08.2019		3420	34,388	
Construction of streets and drains/Nullah village Chak Dhillu	21	12.07.2019		2471	17,618	
Improvement and Rehabilitation of road from University Road to Chak Manju	53	02.08.2019		682	3,583	
<b>Total</b>						<b>6,014,862</b>

### Annexure - G (Para No. 6.4.1.1.4)

Sr. #	Name of work	Contractor Name	Amount	Deduction of salary
1	Construction of streets and drains/Nullah Village Chak Kala	Shahzada Tabraiz	5,600,000	120,000
2	Improvement and Rehabilitation of road from University Road to Chak Manju	Asjad Ali	5,780,000	120,000
3	Rehabilitation and Improvement of road from Ranjha Jhumat to Dhudra	Khawar Nashaid	8,690,000	200,000
4	Construction of streets and drains/Nullah village Rungra	Ch. Javaid & Co.	5,200,000	120,000
5	Construction of road from Handay village to Santal	Asjad Ali	13,280,000	200,000
6	Construction of road village Kot Ghulam	Badar Iqbal Sayan	6,300,000	120,000
7	Construction of Nullah Drainage including Culverts Bokan Sharif Dars to Bhinder Nullah	J. Mason Engineers	9,000,000	200,000
8	Rehabilitation and Improvement of road Bhangranwala to bridge	Zulfiqar Ali Warraich	12,000,000	200,000
9	Construction of path Tanda Ada to Chowk Khatana Sweet Tanda	Muhammad Hanif Butt	5,200,000	120,000
10	Improvement and Rehabilitation of road from Tanda road to Bhagowal	Ch. Inayat Afzal	10,000,000	200,000
11	Construction of streets and drains/Nullah village Kathala	Muhammad Hanif Butt Const. Co.	10,000,000	200,000
12	Construction of streets and drains/Nullah village Gorali	Zubair Aslam	14,000,000	200,000
13	Construction of streets and drains/Nullah village Gorala	New Suchal Builders	10,000,000	200,000
14	Construction of streets and drains/Nullah village Natt	Muhammad Munawar	8,000,000	200,000
15	Construction of streets and drains/Nullah village Saroki	Kashif Ishaq & Co	14,900,000	200,000
16	Construction of streets and drains/Nullah village Majra	Sajjad Haidar	8,000,000	200,000
17	Construction of Road streets and drains/Nullah village Chak Bega	M. Muzammal Iqbal	6,500,000	120,000
18	Construction of streets and drains/Nullah villag Jheuranwali	Sajjad Construction	14,900,000	200,000
19	Construction of streets and drains/Nullah village Nagrianwala	U & N builders	7,000,000	150,000
<b>Total</b>				<b>3,270,000</b>



### Annexure-H (Para No. 6.4.2.1)

Shop No	Name of Lessee	Monthly rent 01.07.2019	Arrears as on 01.07.2019	Amount Due	Amount Received	Arrears as on 30.06.20
3	Muhammad Zaman	13,505	99,444	261,504	176,544	84,960
4	Mushtaq Ahmed	13,505	99,444	261,504	172,524	88,980
5	Liaqat Ali	13,505		162,060	133,699	28,361
6	Amir Nawaz	15,400	61,600	246,400	195,580	50,820
6A	Amir Nawaz	15,400	77,000	261,800	194,040	67,760
7	Arshad Mehmood	13,505	23,651	185,711	143,845	41,866
12	Muhammad Hussain	8,576		102,912	76,326	26,586
13	Jamshaid Iqbal	8,576	47,556	150,468	81,002	69,466
45	Dilawar Hayat	8,576		102,912	59,174	43,738
46	Imtiaz Ahmed Butt	17,000		204,000	92,076	111,924
47	Parveen Kausar	16,215	32,430	227,010	173,499	53,511
48	Syed Ali Hassan	15,909	120,042	310,950	178,905	132,045
49 A	Ghulam Mustafa	12,980	47,200	202,960	146,428	56,532
49-B	Ghulam Mustafa	10,670	38,800	166,840	144,750	22,090
52	Atif Azam	14,850	44,784	222,984	170,918	52,066
53	Munawar Hussain	16,078	-	192,936	157,564	35,372
54	Ejaz Ahmd	38,885	57,601	524,221	244,794	279,427
55	Ejaz Ahmd	24,211	4,241	294,773	234,122	60,651
56	Ejaz Ahmd	27,117		325,404	271,170	54,234
57	Jehanzeb Khan	24,652	-	295,824	241,590	54,234
58	Sheraz Iqbal	25,724	25,724	334,412	249,524	84,888
59	Ehsan Elahi Malik	25,724		308,688	223,800	84,888
59 A	Ehsan Ullah Tanveer	25,724		308,688	231,516	77,172
60	Salman yousaf	32,285	64,308	451,728	345,621	106,107
61	Salman yousaf	46,585	84,852	643,872	632,937	10,935
62	Parvaiz Anwar	32,154		385,848	279,741	106,107
63	Parvaiz Anwar	321,564		3,858,768	3,752,661	106,107
65	Amjad Ali	32,154	125,693	511,541	308,972	202,569
66	Syeda Tasleem Kausar	32,154	96,462	482,310	376,203	106,107
67	Ch. Dildar Ahmed	32,154	64,308	450,156	379,418	70,738
68	Ch. Dildar Ahmed	32,154	64,308	450,156	379,418	70,738
69	Muhammad Ilyas	32,154	96,462	482,310	344,049	138,261
69A	Qazi Amjad Hussain	20,365	37,028	281,408	159,218	122,190
69B	Muhammad Ilyas	20,365	37,028	281,408	159,218	122,190
70	Abdul Rehman	29,250	87,769	438,769	341,994	96,775
71	Ahmed Nawaz Shahid	32,154	64,308	450,156	247,587	202,569
72	Muhammad Riaz	32,154	188,987	574,835	431,742	143,093
73	Ghaffar Ali	29,520	7,513	361,753	277,578	84,175
74	Ghaffar Ali	29,520	7,513	361,753	277,578	84,175
76	Nasir Ahmed	69,667	126,668	962,672	684,004	278,668
76 B	Khawar Iqbal	12,235	11,123	157,943	109,003	48,940
77 A	Iftexhar Hussain	6,000	10,233	82,233	67,417	14,816
77 B	Iftexhar Hussain	5,000	10,233	70,233	55,417	14,816
<b>Total</b>			<b>1,964,313</b>	<b>17,394,813</b>	<b>13,603,166</b>	<b>3,791,647</b>

### Annexure-I (Para No. 6.4.2.3)

Shop No	Name of Lessee	Monthly rent 01.07.2019	Arrears as on 01.07.2019	Amount Due	Amount Received	10% Income tax
1	Syed Akhtar Hussain	15,297	73,703	257,267	257,267	25,727
2	Shehzad Ahmed	16,517	16,517	214,721	214,721	21,472
3	Muhammad Zaman	13,505	99,444	261,504	176,544	17,654
4	Mushtaq Ahmed	13,505	99,444	261,504	172,524	17,252
5	Liaqat Ali	13,505		162,060	133,699	13,370
6	Amir Nawaz	15,400	61,600	246,400	195,580	19,558
6A	Amir Nawaz	15,400	77,000	261,800	194,040	19,404
7	Arshad Mehmood	13,505	23,651	185,711	143,845	14,385
12	Muhammad Hussain	8,576		102,912	76,326	7,633
13	Jamshaid Iqbal	8,576	47,556	150,468	81,002	8,100
15-29	Tanveer Hussain	181,088		2,173,056	2,173,056	217,306
41	Muhammad Arif	6,430	12,275	89,435	89,435	8,944
45	Dilawar Hayat	8,576		102,912	59,174	5,917
46	Imtiaz Ahmed Butt	17,000		204,000	92,076	9,208
47	Parveen Kausar	16,215	32,430	227,010	173,499	17,350
48	Syed Ali Hassan	15,909	120,042	310,950	178,905	17,891
49	M. Masud Akhtar	15,909	47,249	238,157	238,157	23,816
49 A	Ghulam Mustafa	12,980	47,200	202,960	146,428	14,643
49-B	Ghulam Mustafa	10,670	38,800	166,840	144,750	14,475
50	Mirza Mehmoob Rehman	16,078	-	192,936	192,936	19,294
51	Muhammad Arif	16,078	32,156	225,092	225,092	22,509
52	Atif Azam	14,850	44,784	222,984	170,918	17,092
53	Munawar Hussain	16,078	-	192,936	157,564	15,756
54	Ejaz Ahmd	38,885	57,601	524,221	244,794	24,479
55	Ejaz Ahmd	24,211	4,241	294,773	234,122	23,412
56	Ejaz Ahmd	27,117		325,404	271,170	27,117
57	Jehanzeb Khan	24,652	-	295,824	241,590	24,159
58	Sheraz Iqbal	25,724	25,724	334,412	249,524	24,952
59	Ehsan Elahi Malik	25,724		308,688	223,800	22,380
59 A	Ehsan Ullah Tanveer	25,724		308,688	231,516	23,152
60	Salman yousaf	32,285	64,308	451,728	345,621	34,562
61	Salman yousaf	46,585	84,852	643,872	632,937	63,294
62	Parvaiz Anwar	32,154		385,848	279,741	27,974
63	Parvaiz Anwar	321,564		3,858,768	3,752,661	375,266
64	Muhammad Rafiq	42,816		513,792	513,792	51,379
65	Amjad Ali	32,154	125,693	511,541	308,972	30,897
66	Syeda Tasleem Kausar	32,154	96,462	482,310	376,203	37,620
67	Ch. Dildar Ahmed	32,154	64,308	450,156	379,418	37,942
68	Ch. Dildar Ahmed	32,154	64,308	450,156	379,418	37,942
69	Muhammad Ilyas	32,154	96,462	482,310	344,049	34,405
69A	Qazi Amjad Hussain	20,365	37,028	281,408	159,218	15,922
69B	Muhammad Ilyas	20,365	37,028	281,408	159,218	15,922
70	Abdul Rehman	29,250	87,769	438,769	341,994	34,199
71	Ahmed Nawaz Shahid	32,154	64,308	450,156	247,587	24,759
72	Muhammad Riaz	32,154	188,987	574,835	431,742	43,174
73	Ghaffar Ali	29,520	7,513	361,753	277,578	27,758
74	Ghaffar Ali	29,520	7,513	361,753	277,578	27,758
75	Syed Asif Raza	29,510	125,693	479,813	479,813	47,981
76	Nasir Ahmed	69,667	126,668	962,672	684,004	68,400
76A	Muhammad Farman	12,235	22,246	169,066	169,066	16,907
76 B	Khawar Iqbal	12,235	11,123	157,943	109,003	10,900
77 A	Iftekhar Hussain	6,000	10,233	82,233	67,417	6,742
77 B	Iftekhar Hussain	5,000	10,233	70,233	55,417	5,542
<b>Total</b>			<b>2,294,152</b>	<b>21,948,148</b>	<b>18,156,501</b>	<b>1,815,650</b>

### Annexure-J (Para No. 9.4.1.1)

Sr. No	Cheque/Vr.No. & Date	Sanction Date	Site	Name of Firm	Amount
1	4 of 03.02.19	05.11.19	Sarai Mughal Pattoki	Bismillah Traders Chunian	49,488
2	5 of 03.02.19	05.11.19	Sardar mill Multan Road Pattoki		46,994
3	6 of 03.02.19	05.11.19	Rescue Office Multan Road Pattoki		49,147
4	7 of 03.02.19	05.11.19	Lahore Feed Multan Road Pattoki		48,256
5	8 of 03.02.19	05.11.19	IttafaqAdda Multan Road Patoki		49,147
6	9 of 03.02.19	05.11.19	Khankay more Multan Road Pattoki		47,291
7	10 of 03.02.19	05.11.19	SaraiChemba Multan Road Pattoki		49,741
8	11 of 03.02.19	05.11.19	SaraiChemba Multan Road Pattoki		48,850
9	12 of 03.02.19	05.11.19	Madina Colony JambarPattoki		49,518
10	13 of 03.02.19	05.11.19	National Highway store Multan Road Pattoki		47,365
11	14 of 03.02.19	05.11.19	RohiNallaPattoki		47,328
12	15 of 03.02.19	05.11.19	Haleeb Factory Multan Road Pattoki		49,741
13	17 of 03.02.19	05.11.19	Qabarastan Haji Lal Din Multan Road Pattoki		48,256
14	18 of 03.02.19	05.11.19	RanaSarfarazChowkPattoki		49,889
15	19 of 03.02.19	05.11.19	JajjanKalanPattoki		48,256
16	20 of 03.02.19	05.11.19	Rescue Office Multan Road Pattoki		49,741
17	21 of 03.02.19	05.11.19	Taj Petrol Pump Multan Road Pattoki		47,662
18	211 of 08.11.2019		Pattoki		49,741
19	217 of 08.11.2019		Pattoki		49,444
20	218 of 08.11.2019		Pattoki		48,256
21	219 of 08.11.2019		Pattoki		47,514
22	225 of 08.11.2019		Pattoki		48,998
23	226 of 08.11.2019		Chunian		46,400
24	227 of 08.11.2019		Chunian		49,024
25	229 of 08.11.2019		Chunian		44,800
26	235 of 08.11.2019		Chunian		49,600
27	242 of 08.11.2019		Pattoki		48,546
28	249 of 08.11.2019		Kasur		48,000
29	285 of 11.2019		Kasur		48,546
30	284 of 11.2019		Kasur	Al-Muqaddam Professionals	48,024
31	286 of 11.2019		Kasur	Al-Muqaddam Professionals	48,546
					<b>1,502,109</b>

## Annexure-K

### Irregular expenditure on hiring of machinery Rs 1.443 million

Sr. No	Cheque/Vr.No. & Date	Description	Site	Name of Firm	Amount
1	115	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	45,444
2		Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,859
3	49	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	45,915
4	98	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	49,741
5	111	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,233
6	117	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	49,444
7	108	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,256
8	207 of 08.11.2019	Hiring of machinery for anti-encroachment	Kasur	Bismillah Traders Chunian	46,980
9	209 of 08.11.2019	Hiring of machinery for anti-encroachment	Kasur	Bismillah Traders Chunian	48,256
10	210 of 08.11.2019	Hiring of machinery for anti-encroachment	Kasur	Bismillah Traders Chunian	49,518
11	212 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	45,658
12	213 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,256
13	222 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	47,982
14	223 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	49,444
15	228 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,256
16	230 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	49,444
17	231 of 08.11.2019	Hiring of machinery for anti-encroachment	Kasur	Bismillah Traders Chunian	49,600
18	232 of 08.11.2019	Hiring of machinery for anti-encroachment		Bismillah Traders Chunian	48,859
19	233 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	49,741
20	234 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	46,980
21	238 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	48,233
22	239 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,998
23	240 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	44,544
24	241 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	46,994
25	243 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,256
26	244 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	48,256
27	245 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	48,256
28	247 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	46,980
29	252 of 08.11.2019	Hiring of machinery for anti-encroachment	Pattoki	Bismillah Traders Chunian	49,444
30	253 of 08.11.2019	Hiring of machinery for anti-encroachment	Chunian	Bismillah Traders Chunian	48,671
					<b>1,443,498</b>

**Annexure-L****Non-recovery of liquidated damages due to delay in completion of work Rs –1.740 million**

<b>Sr. No</b>	<b>Name of Scheme</b>	<b>Contract Value</b>	<b>Date of award of Work with 2-3 months time period</b>	<b>Penalty 10 %</b>
1	Rehabilitation of Jamber Road	3,000,000	22.04.19	300,000
2	Rehabilitation of Road from GHS MuhallamKalan Kasur	2,000,000	10.12.18	200,000
3	Const. of Brick Soling, Drains Culverts Nallah and PCC at New Abadies The Lakhney key	2,500,000	31.10.17	250,000
4	Const. of Road from AbadiNarooki to JanazGahNarooki	8,000,000	28.09.2018	800,000
5	Const. of Soling, Drain DhalaKalaan UC 120	1,900,000	06.05.2019	190,000
<b>Total</b>		<b>17,400,000</b>		<b>1,740,000</b>

**Annexure-M**

**Non Approval of Lead Chart - Rs 9.323 million**

Sr. No	Name of Scheme	Contractor Name	Earth Filling		
			Qty	Rate	Amount
1	Const. of Soling, Drain and PCC at village Dina Nath	Faiz Brothers	10,592	8,445	89,452
2	Rehabilitation of Jamber Road	Malik Nawaz	51,158	8,493	434,493
3	Rehabilitation of Road from GHS MuhallamKalan Kasur	AashiqTahir	45,476	8,493	386,234
4	Const. and Repair of Road KRK Kasur Rd Phhaja Bye Pass	Shan Construction	227,730	8,414	1,916,166
5	Rehabilitation of Road Raiwind Road to Village Noul	Al Moez Const. Co	13,300	8,320	110,662
6	Rehabilitation of Road, BhoayAsal	Hafiz Muhammad Rafique	12,038	8,493	102,241
7	Const. of Brick Soling, Drains Culverts Nallah and PCC at New Abadies The Lakhney key		35,855	7,933	284,422
8	Const. of RaodAzAddaJamshed to Boy HS Chak No 24	SharjeelUzairand Co\	191,430	9,325	1,785,094
9	Const. and Repair of Road GBHS JasherChak NO 24	SharjeelUzair and Co\	158,400	8,185	1,296,552
10	Const. of Road from Bonga Mala to GBHS JamiaJamhoria to GBPS ZarhaBathhPsZarhBathh		53,752	8,805	473,311
11	Const. of Road from AbadiNarooki to JanazGahNarooki		167,720	9,325	1,563,997
			69,520	8,805	612,155
12	Const. of Soling, Drain DhalaKalaan UC 120	Muhammad AshiqTahir	31,781	8,445	268,398
<b>Total</b>					<b>9,323,176</b>

### Annexure-N (Para No. 10.4.2.1.1)

Name & Designation	Period	B Pay Average	HRA	Recovery	CA	Recovery	5% M. Charges	Recovery
Iftikhar Ahmed Ali CO	18.3.17-17.7.18=16 month	50000	4433	70928	5000	80000	2500	40000
Faisal Shahzad CO	18.7.18-17.11.18=05	50000	4433	22165	5000	25000	2500	12500
Ch. Tariq Mehmood – CO	24.11.18-28.3.19=04	50000	4433	17732	5000	20000	2500	10000
Ch. Rashid Garmala – CO	11.4.19-8.11.19=07	57970	4433	31031	5000	35000	2899	20293
Ch. M. Razzaq CO	9.12.19-8.3.20=03	50000	4433	13299	5000	15000	2500	7500
H. M. Ehsan DO I&S	1.2.17-8.8.17=06	50000	2955	17730	5000	30000	2500	15000
M. Bashir Ahmad DO I&S	9.8.17-12.1.18=05	50000	2955	14775	5000	25000	2500	12500
RehmanSafdar DO I&S	31.1.18-30.8.18=07	50000	2955	22104	5000	35000	2500	17500
RehmanSafdar DO I&S	31.8.18-12.9.18=13	50000	2955	22104	5000	2000	2500	1083
H. M. Ramzan DO I&S	1.10.18-31.8.20=23	50000	2955	69585	5000	115000	2500	57500
H. M. Ramzan DO I&S	13.9.18-30.10.18=17	50000	2955	69585	5000	2500	2500	1417
Sh.M. Ameen – DO F	18.3.17-15.2.18=11	69470	2955	32505	5000	55000	3474	27500
Imran Khalid – DO F	16.2.18-31.10.18=8 /15 days	50000	2955	23640	5000	42500	2500	21250
BadarMunir – DO P	1.2.17-30.6.18=17	50000	2955	50235	5000	85000	2500	42500
DilberHussainJafri-DO P	1.7.18-31.10.18=04	50000	2955	11820	5000	20000	2500	10000
DilberHussainJafri-DO P	1.11.18-11.11.18=11 days	50000	2955	1084	5000	1500	2500	917
Detail N/A	12.11.18-09.9.19=10	50000	2955	1084	5000	50000	2500	25000
M. Hayat – DO P	10.09.19-29.02.20=5 / 22 days	50000	2955	14775	5000	28000	2500	14333
NaveedulHaq ATC	18.3.17-8.5.17=01	40000	1818	1818	5000	5000	2000	2000
NaveedulHaq ATC	2.10.19-31.5.21=20	40000	1818	36360	5000	100000	2000	40000
M. Younas Sub Eng	15.7.17-31.5.21=22	40000	1818	39996	5000	110000	2000	44000
	<b>Total</b>			<b>584355</b>		<b>881500</b>		<b>422793</b>
	<b>Grand Total</b>			<b>584355+881500+422793 = 1,888,648</b>				

### Annexure-O (Para No. 10.4.2.2.1)

Name of Work	Description of item	Unit	Qty	Rate	Amount
Special repair of Road link Road DhokriDhoka Road	Sub base Course	% Cft	1539	3911.88	60203
Special repair of Road link Road DhokriDhoka Road	Base course		2397	7143.41	16627
Special repair of Road link Road DhokriDhoka Road	TST	sft	7000	3400	238000
Special repair of Road link Road DhokriDhoka Road	Sign Board		1	15500	15500
Construction of Link Road Girote by passes to DeraRega khan UC Girot in District Khushab	Sub base Course	% Cft	5063	4554.79	228832
Construction of Link Road Girote by passes to DeraRega khan UC Girot in District Khushab	Base course		3356	7612.48	255474
Construction of Link Road Girote by passes to DeraRega khan UC Girot in District Khushab	TST	sft	10110	2980.79	301358
Construction of Link Road Girote by passes to DeraRega khan UC Girot in District Khushab	Sign Board		1	15500	15500
Construction of PCC slabs with Drain in UC Hussainpur	Earth work		18690	7058.75	131928
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	Glazed Ceramic Tile		211	250	52,750
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	False ceiling		1053	165	173,745
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	PVC/Fiber sheet		1347	148	199,356
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	Double Bed		1	160000	160000
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	Sofa Set		2	100000	200,000
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	Diamond 8" Mattress		1	52000	52000
Improvement and renovation of Rest House Phulwari District Khushab (Phase-1)	Plastic Chairs		1	20000	20,000
	<b>Total</b>				<b>2,121,273</b>



### Annexure-P (Para No. 10.4.3.1)

Sr. No.	Name of Scheme with Developer / Owner Name	Area	Total Marla's	Average DC Rate per Marla in District Council in 2019-20	Total Value of Land	1% of Total Value of Land
1	Kazmi Colony chak no.63.MB. Zeeshan Haider Shah R/O Abbas Town Jauharabad Cell No 03024344643	10 Acr/80 K	1600	130,000	208000000	2080000
2	Madina Garden Near Sultana Garden Muzaffer Garh Road Chak No.14/53 MB 1. Malik Tasawer Hussain ( Cell No 0345-1467411) ( Cell No 0307-6073995) 2. Malik Qurban ( Cell No 03401007265) ,Ch.MJameel	115 Kanal,06 Marla	2306	130,000	299780000	2997800
3	Anwer Town Mitha Tiwana Road Ch.No.44 M.B Malik Sarwar Aheer	05 Acr./40 K	800	130,000	104000000	1040000
4	Awami Doctor Colony Canal Road Near Badli Wala Khushab Malik Falak Sher	08 Acr./64 K	1280	130,000	166400000	1664000
5	Ismail Town Near 3 Marla Housing Scheme Chak No.63M.B Jauharabad Muhmad Umer, Malik Zafar ( Cell No 03056405252) ( Cell No 03008360902	03 Acr/24 K	480	en	62400000	624000
6	Azeem Town Near Umer Khan House Muzafar Garh Road Chak NO 07 Malik Muhammad Azeem R/O Jauharabad ( Cell NO 03023538283)	N/A	0	130,000	0	0
7	I . Land sub Division Scheme Janah Colony Chak no 53/MB II . Land sub Division Scheme Muzafar Garh Road Saim Pul Chak no 53/MB	24 Kanal	480	130,000	62400000	624000
8	Tasneem Garden(LSD) Sakaser Road Near Badly Wala Khushab Shamasud din Ahmed Khan S/O Muhammad Khan Mohallah Aziz Bhati Town Sargodha NIC NO 38403-8018519-5	40 Kanal	800	130,000	104000000	1040000
9	Al Hayat Colony( LSD) Near Badly Wala Sakaser Road Khushab Malik Akber Hayat S/O Malik Muhammad Hayat Gunjial R/O Gunjial Hal House No 80/A Mohallah Gulshon Bilal Town Sargodha	90 Kanal	1800	130,000	234000000	2340000
<b>Total</b>					<b>1240,980,000</b>	<b>12409800</b>

## Annexure-Q

<b>Detailed Head / Code</b>	<b>Budget Estimate F.Y 2019-20</b>	<b>Actual from 1.7.2019-31.1.2020</b>	<b>Less realization</b>
B01313 -Tax on Transfer of Immovable Property	55,000,000	38,476,853	16,523,147
C0388007 - License fee – others	1,000,000	31,500	968,500
C0388027 - Fee for approval of Building	3,000,000	1,689,914	1,310,086
C0388029 - Conversion Fee for change in building	1,500,000	1,035,820	464,180
C0388030 - Fine for construction without approval of building plan	50,000	45,625	4,375
C0388031 - Fine for building violations	50,000	0	50,000
C0388049 - Receipts on account of sale of water – industrial	8,000,000	0	8,000,000
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	100,000	0	100,000
C0388072 - Renewal of Registration	100,000	16,000	84,000
C0388073 - Tender Fee	200,000	1,500	198,500
C0388074 - Contractor Advances/Deposits	2,000,000	0	2,000,000
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	600,000	0	600,000
C0388079 - Arrears of Shops	11,488,000	0	11,488,000
C0388085 - Other rents	500,000	90,110	409,890
C0388087 - Copying fee	1,000	0	1,000
C0388089 - Sale of trees and plants	100,000	16,120	83,880
C0388091 - Others Miscellaneous Fee	3,000,000	1,627,471	1,372,529
C0388096 - NOC Fee	700,000	50,700	649,300
C0388099 - Arrears of Leases	12,000,000	0	12,000,000
<b>Total</b>	<b>99,389,000</b>	<b>43,081,613</b>	<b>56,307,387</b>

**Annexure-R**

<b>Vehicle No.</b>	<b>July 19</b>	<b>August 9</b>	<b>September 19</b>	<b>October 19</b>	<b>November 19</b>	<b>Total</b>
Tractor 1009	43,152	94,412	-	-	43,462	181,026
Tractor 9450	39,433	47,794	-	66,820	43,285	197,332
Tractor 5859	39,246	51,362	20,821	82,993	142,833	337,255
Tractor 1250	30,087	32,947	-	34,033	19,223	116,290
Generator	10,288	12,860	-	16,505	11,619	51,272
Tractor 8624	18,647	60,680	-	-	66,414	145,741
Tractor 7634	19,290	19,220	-	17,897	38,334	94,741
Water Generator Mandi	14,186	-	-	-	19,106	33,292
Water Generator Malakwal	14,872	10,066	-	16,744	38,211	79,893
MB 01	68,622	-	-	180,344	38,211	287,177
<b>Total</b>	<b>297,823</b>	<b>329,341</b>	<b>20,821</b>	<b>415,336</b>	<b>460,698</b>	<b>1,524,019</b>

**Annexure-S****Non-achievement of income target -Rs 3.206 million**

(Rs in million)

<b>Sr. No.</b>	<b>Name of Tax</b>	<b>Target</b>	<b>Collected</b>	<b>Short/less collection</b>
1	C0388002 - License fee ( Dangerous and Offensive Trade)	20,000	-	(20,000)
2	C0388026 - Fee for approval of Housing Colony	200,000	-	(200,000)
3	C0388030 - Fine for construction without approval of building plan	10,000	-	(10,000)
4	C0388035 – Enforcement	10,000	-	(10,000)
5	C0388071 - Registration/ Enlistment of Contractors	100,000	65,000	(35,000)
6	C0388072 - Renewal of Registration	60,000	-	(60,000)
7	C0388073 - Tender Fee	100,000	57,000	(43,000)
8	C0388077 - Advertisement Fee on sign boards of shops/ commercial places	2,068,975	1,248,525	(820,450)
9	C0388099 - Arrears of Leases	1,425,000	-	(1,425,000)
10	C0388080 - Others Arrear	582,700	-	(582,700)
<b>Total:</b>		<b>4,576,675</b>	<b>1,370,525.00</b>	<b>(3,206,150.00)</b>

### Annexure-T (Para No. 16.4.1.1.1)

Name of Supplier	Token NO & Date	Bill No & date	Particulars	Amount	Work order No. & date	Remarks
M/s Zain Associates	289 dated.07.11.2019	115 dt.01.11.2019	Steamers, Skins, Flags	728,325	63 dated.26.10.2019	Letter was issued by S&GAD vide No. SO(FG) 5-6/2019 dated.11.10.2019 regarding observance of 27.10.2019 as Kashmir Black Day. ADC (General) Rawalpindi given reference of his letter No.GHC/5297 dated.07.10.2019 regarding observance of black day vide letter No.GHC/5636 dated.23.10.2019 The quotations attached with bills were arranged as M/s Zain Associates & M/s Awan Associates run by same person as both have same address
-do-	284 dt.07.11.2019	Dt.24.10.2019	Anti Dengue Campaign steamers 300 qty	410,670	68 dated.23.10.2019	Letter No.5257 /ADC (HQ) dated.06.10.2019 and letter dated.04.10.2019 by LG The quotations attached with bills were arranged as M/s Zain Associates & M/s Awan Associates run by same person as both have same address
-do-	283 dt.07.11.2019		Anti Dengue Campaign steamers 200 qty	376,740	65 dated.28.09.2019	
-do-	106 dt.30.09.2019	405 dt.17.08.2019	Flag, wire, baneers etc on eid ul azha, 14 august , Kashmir day & anti dengue	591,386	48 dated.11.08.2019	Quotations, comparative statement etc not available
		Dt.17.08.2019	Lighting on eid ul azha, 14 august , Kashmir day & anti dengue	691,200		
-do-	402 dt.23.12.2019		Banners with frame etc for dengue activity	1,263,600		Only top sheet of bill available remaining supporting documents not traceable
-do-	403 dt.23.12.2019		Muzaffarabad March Steamers	561,600		
<b>Total</b>				<b>4,623,521</b>		

**Annexure-U (Para No. 16.4.3.2)**

**Gujar Khan:**

Shop No	Allottee name	Rent Agreed in 01.07.1998	Period	Rent Due Per Month	Rent Recovered PM	Monthly Difference	Less Recovered
7	Raja Ejaz	1,427	07/2019 to 02/2020	10,560	5,293	5,267	42,136
			07/2018 to 06/2019	9,600	4,812	4,788	57,456
			07/2017 to 06/2018	8,727	4,374	4,353	52,236
			01/2017 to 06/2017	7,934	3,976	3,958	23,748
8	Raja Ejaz	1,427	07/2019 to 02/2020	10,560	5,293	5,267	42,136
			07/2018 to 06/2019	9,600	4,812	4,788	57,456
			07/2017 to 06/2018	8,727	4,374	4,353	52,236
			01/2017 to 06/2017	7,934	3,976	3,958	23,748
19	Adalat Husain	726	07/2019 to 02/2020	5,373	2,698	2,675	21,400
			07/2018 to 06/2019	4,884	2,453	2,431	29,172
			07/2017 to 06/2018	4,440	2,230	2,210	26,520
			01/2017 to 06/2017	4,036	2,027	2,009	12,054
20	Adalat Husain	726	07/2019 to 02/2020	5,373	2,698	2,675	21,400
			07/2018 to 06/2019	4,884	2,453	2,431	29,172
			07/2017 to 06/2018	4,440	2,230	2,210	26,520
			01/2017 to 06/2017	4,036	2,027	2,009	12,054
24	Nawaz Husain	1,017	07/2019 to 02/2020	7,526	3,570	3,956	31,648
29	Saif ur rehman	1,427	07/2019 to 02/2020	10,560	4,666	5,894	47,152
			07/2018 to 06/2019	9,600	4,242	5,358	64,296
			07/2017 to 06/2018	8,727	4,374	4,353	52,236
			01/2017 to 06/2017	7,934	3,976	3,958	23,748
30	Saif ur rehman	1,427	07/2019 to 02/2020	10,560	4,666	5,894	47,152
			07/2018 to 06/2019	9,600	4,242	5,358	64,296
			07/2017 to 06/2018	8,727	4,374	4,353	52,236
			01/2017 to 06/2017	7,934	3,976	3,958	23,748
31	Tahir abbas	1,258	07/2018 to 06/2019	8,463	4,242	4,221	50,652
32	Zakir Husain	2,178	07/2019 to 02/2020	16,118	6,131	9,987	79,896
34	Fazal Husain	726	07/2019 to 02/2020	5,373	2,698	2,675	21,400
			07/2018 to 06/2019	4,884	2,453	2,431	29,172
			07/2017 to 06/2018	4,440	2,230	2,210	26,520
			01/2017 to 06/2017	4,036	2,027	2,009	12,054
35	Fazal Husain	726	07/2019 to 02/2020	5,373	2,698	2,675	21,400
			07/2018 to 06/2019	4,884	2,453	2,431	29,172
			07/2017 to 06/2018	4,440	2,230	2,210	26,520
			01/2017 to 06/2017	4,036	2,023	2,013	12,078
<b>Total</b>							<b>1,244,820</b>

**Chak Beli Khan**

Shop No	Allottee name	Rent per Month As Per Notice	Period	Rent Due	Rent Recovered	Less Recovered PM	Total Less
1	Qazi Abdul Sattar	Rs 3313 in 07/2009	07/2019 to 02/2020	8,593	7,102	1,491	11,928
			07/2018 to 06/2019	7,812	6,456	1,356	16,272
			07/2017 to 06/2018	7,102	5,869	1,233	14,796
			01/2017 to 06/2017	6,456	5,375	1,081	6,486
<b>Total</b>							<b>49,482</b>

**Annexure-V**

<b>Sr. No.</b>	<b>Name &amp; Designation</b>	<b>Department</b>	<b>BPS</b>	<b>Standard rent 60%</b>	<b>Months</b>	<b>Total Recovery</b>
1	Mr. Bilal Feroz Joyia (ADC-G)	DC Office	18	57,342	12	688,104
2	Mr. Fakhar Iqbal (Steno Grapher)	Local Government	14	30,168	12	362,016
3	Mr. Zafar Iqbal (JC)	Commissioner Office	11	23,382	12	280,584
4	Mr. Muhammad Imran Cheema (JC)	DC Office	11	23,382	12	280,584
5	Miss Farhat Shaheen (Teacher)	Education	16	38,706	12	464,472
6	Mr. Muhammad Farooq (NQ)	Education	1	10,698	12	128,376
7	Mr. Muhammad Anwar (SC)	ADC	14	30,168	12	362,016
8	Mr. Muhammad Akram (Asstt)	Health	16	38,706	12	464,472
<b>Total</b>						<b>3,030,624</b>

**Annexure-W**

**Non-achievement of income target -Rs 308.479 million**  
(Rs in million)

<b>Sr.No</b>	<b>Name of Tax</b>	<b>Target</b>	<b>Collected</b>	<b>Short/less collection</b>
1	B01313 - Tax on Transfer of Immovable Property	380,000,000	185,661,540	(194,338,460)
2	C02727 - Share Received from Revenue Department (Local Rate / Mamla)	100,000	-	(100,000)
3	C03683 - Grant from Provincial Government (PFC Share Non-Development)	218,184,000	127,274,000	(90,910,000)
4	C0388002 - License fee ( Dangerous and Tyre& Junk yard)	20,000,000	13,380,500	(6,619,500)
5	C0388007 - License fee - others / Boating Fee	5,000,000	1,724,540	(3,275,460)
6	C0388034 - Fine for Encroachments	500,000	2,800	(497,200)
7	C0388072 - Renewal of Registration	1,000,000	491,000	(509,000)
8	C0388073 - Tender Fee	1,500,000	6,000	(1,494,000)
9	C0388076 - Advertisement Fee on billboards/ hoardings	14,000,000	5,482,224	(8,517,776)
10	C0388081 - Rent of municipal Property - Shops	1,200,000	476,743	(723,257)
11	C0388084 - Rent of municipal Property - agricultural land	1,300,000	435,400	(864,600)
12	C0388085 - Other rents / Road Roller	20,000	-	(20,000)
13	C0388086 - Road cutting charges	500,000	390,300	(109,700)
14	C0388090 - Sale of stocks and stores	500,000	-	(500,000)
	<b>Total</b>	<b>643,804,000</b>	<b>335,325,047</b>	<b>(308,478,953)</b>



**Annexure-X****Less recovery of rent of Leases of Rs 5.073 million**

<b>Sr. No.</b>	<b>Name of Lease</b>	<b>Auction Value</b>	<b>Income Tax 10%</b>	<b>Total</b>	<b>Amount received</b>	<b>Less Recovery</b>
1	Auction Aarazi PkaDala	490,000	49,000	539,000	120,000	419,000
2	Auction Pattan Ghazi Kikka Talwara Par	1,260,000	126,000	1,386,000	927,200	458,800
3	Auction Pattan Mohalanwal Bheni Sharqpur Sharif	4,200,000	420,000	4,620,000	2,811,700	1,808,300
4	Auction Pattan Faiz Pur Kalaan	55,000	5,500	60,500	19,300	41,200
5	Auction Pattan Dhana	63,000	6,300	69,300	21,380	47,920
6	Auction Pattan Nawan Kot	61,000	6,100	67,100	20,860	46,240
7	Auction Thaika Board Tax Advertisement	8,000,000	800,000	8,800,000	6,547,724	2,252,276
<b>Total</b>		<b>14,129,000</b>	<b>1,412,900</b>	<b>15,541,900</b>	<b>10,468,164</b>	<b>5,073,736</b>

**Annexure-Y****Non Deposit of income tax into FBR Account Rs 1.413 million**

<b>Sr. No.</b>	<b>Name of Lease</b>	<b>Contractor,s Name</b>	<b>Auction Value</b>	<b>Income Tax 10%</b>
1	Auction Aarazi PkaDala	M. Makhdoon Ali SO Khan Muhammad	490,000	49,000
2	Auction Pattan Ghazi Kikka Talwara Par	Nazir Ahmad S/O Ali Muhammad	1,260,000	126,000
3	Auction Pattan Mohalanwal Bheni Sharqpur Sharif	Asif Ali S/O Muhammad Rafiq	4,200,000	420,000
4	Auction Pattan Faiz Pur Kalaan	Waris Ali S/O Shoukat Ali	55,000	5,500
5	Auction Pattan Dhana	AltafHussain S/O Asgher Ali	63,000	6,300
6	Auction Pattan Nawan Kot	Syed IrfanHyder	61,000	6,100
7	Auction Thaika Board Tax Advertisement	Allah Walay Corporation Habibullah SO Muhammad Shafi	8,000,000	800,000
<b>Total</b>			<b>14,129,000</b>	<b>1,412,900</b>

**Annexure-Z (Para No. 19.4.1.1.1)**

<b>Sr No</b>	<b>Items procured</b>	<b>Name of Contractor</b>	<b>Date of Purchased</b>	<b>Amount (Rs)</b>
1	Flags of Pakistan and Flags of Azad Kashmir Government on 14 <sup>th</sup> and 15 <sup>th</sup> August celebration and lime (Choona)	Touqeer Hussain Contractor	10.08.2019	1,687,860
2	i. Providing of Flood lights, Generators, Establishment of control rooms, ii. S/O barbed wire, copper wire 7/29, lime etc	M/S S.S Enterprises	13.09.2019	3,181,000
3	Pana flex, banners, Brochures etc for Anti Dengue campaign	H.N Construction & Developer	03.09.2019	1,544,820
4	Items for sports, dangal and volley ball tournament	Touqeer Hussain Contractor	25.09.2019	1,935,150
	<b>Total</b>			<b>8,348,830</b>

**Annexure-AA (Para No. 19.4.2.1)**

<b>Sr. No</b>	<b>Description of Case</b>	<b>Total Area (marla)</b>	<b>Rate per marla</b>	<b>Total Value</b>	<b>Conversion fee</b>
1	Waqas Ali, Awais Ali S/O Liaqat Ali tahir	39	70,000	2,730,000	273,000
2	Arif mehmoed S/O Abdul hameed	2.5	100,000	250,000	25,000
3	Syed Saleem abbas sherazi s/o Syed Akhtar Hussain	21.3	75,000	1,597,500	159,750
4	Malik Muzaffar Ahmed S/O Malik Iqbal	1025	70,000	71,750,000	7,175,000
5	Muhammad Idrees S/O Bashir Ahmed	59.7	80,000	4,776,000	477,600
6	Jalal Din S/O Muhammad Ashraf	7.8	100,000	780,000	78,000
7	Ashiq hussain S/o M. Sharif	31	150,000	4,650,000	465,000
8	Muhammad Arif etc	102	120,000	12,240,000	1,224,000
9	Iftikhar Bhutta	20	650,000	13,000,000	1,300,000
10	Ijaz Ahmed etc	6	800,000	4,800,000	480,000
11	Muhammad Afzal S/O M. Amjed	85	100,000	8,500,000	850,000
12	M. Yousaf Allah Rakha Badiyana	98	125,000	12,250,000	1,225,000
13	Mr Muzaffar Iqbal S/O Fateh Din	100	125,000	12,500,000	1,250,000
10	Muhammad Yasin etc	74	115000	8510000	851,000
11	Shahid Anjum S/o Mumtaz Ahmed	18	100,000	1,800,000	180,000
12	Chand Naveed S/o Abdul Hafeez	6	150,000	900,000	90,000
	<b>Total</b>				<b>16,103,350</b>

### Annexure-AB (Para No. 19.4.2.4)

Sr. No.	Cheque No	Date of Issue	Amount (Rs)	Date of cheque Cash
1	7014519443	11.02.2019	25,000	
2	449	13.02.2019	360,000	
3	7014533302	01.04.2019	4,058	
4	7014540370	03.05.2019	18,880	
5	7014540422	28.05.2019	1,032,634	16.07.2019
6	440	08.06.2019	1,601	
7	442	08.06.2019	14,720	18.07.2019
8	493	19.06.2019	5,000	10.07.2019
9	498	24.06.2019	1,548	
10	499	24.06.2019	3,342	02.07.2019
11	7014544504	24.06.2019	25,000	12.07.2019
12	505	24.06.2019	41,555	
13	508	24.06.2019	125,000	08.07.2019
14	515	26.06.2019	226,635	03.07.2019
15	518	26.06.2019	308,296	02.07.2019
16	521	28.06.2019	800,000	12.07.2019
17	523	28.06.2019	61,162	02.07.2019
18	524	28.06.2019	130,000	03.07.2019
19	525	28.06.2019	29,000	03.07.2019
20	526	28.06.2019	70,100	03.07.2019
21	527	28.06.2019	12,000	02.07.2019
22	528	28.06.2019	3,900	02.07.2019
23	529	28.06.2019	3,798	02.07.2019
24	530	28.06.2019	10,955	03.07.2019
25	531	28.06.2019	636,500	03.07.2019
26	7014544530	29.06.2019	269,084	03.07.2019
27	533	29.06.2019	321,103	03.07.2019
28	534	29.06.2019	549,911	04.07.2019
29	535	29.06.2019	271,897	03.07.2019
30	536	29.06.2019	249,620	02.07.2019
31	537	29.06.2019	238,417	03.07.2019
32	538	29.06.2019	427,926	03.07.2019
33	539	29.06.2019	169,790	03.07.2019
34	540	29.06.2019	1,017,157	02.07.2019
35	541	29.06.2019	91,143	02.07.2019
36	542	29.06.2019	488,122	02.07.2019
37	543	29.06.2019	729,383	02.07.2019
38	544	29.06.2019	122,618	02.07.2019
39	545	29.06.2019	366,678	02.07.2019
40	546	29.06.2019	249,554	02.07.2019
41	547	29.06.2019	393,590	18.07.2019
42	548	29.06.2019	361,664	31.07.2019
43	549	29.06.2019	357,700	18.07.2019
44	550	29.06.2019	217,153	9.07.2019
45	551	29.06.2019	4,246	18.07.2019
46	552	29.06.2019	426,610	
47	553	29.06.2019	988,050	09.07.2019
48	554	29.06.2019	5,760	04.07.2019
49	555	29.06.2019	446,000	05.07.2019
50	556	29.06.2019	351,000	05.07.2019
		<b>Total</b>	<b>13,064,860</b>	

**Annexure-AC (Para No. 19.4.2.7)**

<b>Sr. No.</b>	<b>Name of Road</b>	<b>Number of Trees</b>	<b>Reserve Price</b>
1	Sialkot Cantt kakhanwali road	18	1,182,291
2	Sialkot Bhagowal road	29	682,371
3	Sialkot Bajra Road	20	828,096
4	Ahata Mandi Throu	55	2,523,438
5	Badiany Bhagowali merajke Road	17	794,861
6	Sambrial Majra Road	11	332,214
7	Sambrial jethee key Road	46	888,293
8	Sahuwala mundir Road	21	409,947
9	Khambranwali chhanni road	7	247,342
10	Adamkey kandan sian road	15	563,848
11	Bambanwla randheer Road	10	487,297
12	Ghana Sambrial Road	11	281,554
		260	<b>9,221,552</b>

### Annexure-AD (19.4.2.9)

Sr. No.	Name of Contract	Name of Contractor	Amount of Contract	Income Tax
1	Sialkot Gurdas pur Road	Mr Khawaja Muhammad Bilal	2,873,000	287,300
2	Othian Badiana Road Daska	Mr Muhammad Junaid	111,000	11,100
3	Chaprar Balochak Road, Sialkot	Mr Muhammad Nadeem	3,725,000	372,500
4	Mondeki Satra Road, Daska	Mr Muhammad Junaid	286,000	28,600
5	Daska Wazirabad Road	Mr Muhammad Rizwan	506,000	50,600
6	Daska Talwandi Road	Mr Muhammad Junaid	559,000	55,900
7	Motra Badiana Road	Mr Muhammad Junaid	499,000	49,900
8	Chaprar Road, Sialkot	Mr Muhammad Nadeem	5,300,000	530,000
9	Sialkot Kotli loharan Road	Mr Muhammad Irshad	2,599,000	259,900
10	Jamke Mundkee Road	Muhammad Asghar & Co	290,000	29,000
11	Pasrur to Dhoda Road	Muhammad Asghar & Co	2,300,000	230,000
12	Sialkot Gondal Road	Mr Muhammad Nadeem	2,150,000	215,000
13	Qila Kalar Wala to Malhi Road	Mr Muhammad Junaid	1,210,000	121,000
14	Aiman abad Road Sialkot	Mr Muhammad Aslam	451,000	45,100
15	Jholki Jhai Road	Mr Muhammad Nadeem	670,000	67,000
16	Aiman abad Road Daska	Mr Muhammad Junaid	671,000	67,100
17	Sialkot Kulowal Kambranwala Road	Mr Muhammad Shabaz	999,000	99,900
18	Badiana Chawinda Zafarwal Road	Mr Khawaja Muhammad Bilal	1,300,000	130,000
19	39 Acors Agriculture land	Asghar Ali S/O Rehmat Ali	1,344,915	201,737
20	Collection rights of Tax on Advertisements	Mr. M. Akbar Bloch S/O Ameer Muhammad M/S Subhan & Co	11,100,000	1,110,000
21	Bus Stand Chawinda	Rafaqat Ali Butt	1,380,000	138,000
		<b>Total</b>		<b>4,099,637</b>