



**Audit Report  
No.**

**WS/R/98-99/1**

**AUDIT REPORT**

**ON THE ACCOUNTS OF**

**CIVIL AVIATION AUTHORITY**

**MINISTRY OF DEFENCE**

**GOVERNMENT OF PAKISTAN**

**FOR TH YEAR 1998-99**

**MARCH 2000**

**AUDITOR-GENERAL OF**

**PAKISTAN ISLAMABAD**



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## **PREFACE**

This Audit Report consists of the results of the regularity audit of the accounts of the Civil Aviation Authority under the administrative control of Aviation Division (Ministry of Defence), Government of Pakistan.

The Proposed Audit Report was issued to ' the Secretary Ministry of Defence Aviation Division in August 1999. Replies received upto November 1999 were considered/verified. Facts were incorporated in each case.

The report is submitted to the President of Pakistan in terms of Article 171 of the Constitution of The Islamic Republic of Pakistan.

**Dated: (MANZUR HUSSAIN)**  
Islamabad

Auditor-General of Pakistan



## **EXECUTIVE SUMMARY**

1. Civil Aviation Authority was established under the Pakistan Civil Aviation Authority Ordinance, 1982. The objective of the Authority was to promote and regulate civil aviation activities to develop an infrastructure for safe, efficient, adequate, economical and properly coordinated civil air transport service in Pakistan. A high powered Civil Aviation Authority Board headed by the Secretary, Ministry of Defence was vested with all powers to run and control the affairs of the Authority. The executive committee headed by the Director General, assisted by Deputy Director General, Directors, General Managers, Zonal Managers and Airport Managers perform its functions. Finance Directorate controls the budget and enforces the internal check whereas General Manager Audit under the direct supervision of the Director General executes internal audit. The headquarters of the Civil Aviation Authority is at Karachi.

2. Regularity audit of the accounts for the year 1997-98 of 16 Nos out of 53 formations/airports of Civil Aviation Authority was undertaken during 1998-99. As a result of this audit, "81 irregularities of various types such as misappropriation, overpayments, negligence, violation of rules and procedures, non realization of Authority's recoverable were noticed and reported to the Principal Accounting Officer on 31<sup>st</sup> August, 1999 through Proposed Audit

Report 1998-99. Replies received up to November, 1999 were examined. As a result of examination/verification of replies, 27 Draft Paras of the Proposed Audit Report requiring further verification of record and discussion have been set aside in MEFDAC for pursuance through the forum of the Departmental Accounts Committee. Eight Draft Paras have been deleted/settled as a result of accepting the Authority's views, effecting recoveries etc.

The PAC while discussing this report on 23.12.2015 issued directions. Out of total 46 audit paras, 36 paras were settled and compliance of 10 paras is awaited. Compliance status is attached at Annexure-B. Besides, an amount of Rs 12.074 million was recovered (Annexure-C). The PAC directives are attached as Annexure-A.

## **FINDINGS**

This report contains audit assertions and observations regarding financial irregularities involving an amount of Rs 234.574 million and US \$ 0.011 million during the period under review.

S.No.	Description	No. of Cases	Amount (in Million)	
			Rupees	US\$
1.	Misappropriation, Misuse and Thefts	1	0.677	
2.	Over Payments	8	18.143	
3.	Negligence	2	0.806	
4.	Violation of Rules	11	41.683	
5.	Recoverable	22	170.908	0.011
6.	Others	2	2.357	
	Total	46	234.574	0.011

## **RECOMMENDATIONS**

1. There is a need to investigate each case and fix responsibility for the irregularities and losses to public exchequer. The amount involved should be recovered.
2. Rules regulations/procedures and government/management's instructions should be followed in their true spirit.
3. Due care and prudence be applied at all levels.
4. Internal control needs to be strengthened to stop recurrence of financial irregularities by the field functionaries as they generally lead to uneconomical transactions of public money.



## **SECTION -1**

### **COMMENTS ON BUDGET AND APPROPRIATION ACCOUNTS**

1. The Civil Aviation Authority totally runs on self-financing resources and long term loans received from different agencies. As the Authority does not receive the grants/budget from the Government of Pakistan, therefore, no appropriation account is maintained. However, Annual Reports are prepared by Commercial Auditors on commercial accounting pattern.
2. According to Corporate Budget for the year 1997-98, the income of the Authority was estimated at Rs 4012 million whereas Rs 3370 million was estimated for expenses to be incurred on non-development. Total amount of Rs 4025 million was earmarked for the execution of Annual Development Programme for 1997-98. Out of Rs 4025 million, Rs 3681 million was to be incurred for development sector and Rs 344 million for non-development sector. To meet the expenses of Annual Development Programme for 1997-98, Rs 2705 million was to be arranged from loans and Rs 1320 million to be met from the cash flows of Civil Aviation Authority.
3. As per Commercial Auditors' Annual Report for the year 1998, the income of the Authority was Rs 4035.100 million during the year 1997-98 which was more Rs 23.100 million than the

estimated income of Rs 4012 million. The non-development expenses of the Authority were Rs 2145 million against the estimated amount of Rs 3370 million during 1997-98. Hence saving of Rs 1225 million was made by the Authority. An amount of Rs 551 million was shown as incurred on Annual Development Programme during the year 1997-98 against the estimated amount of Rs 4025 million. This indicates that the Authority failed to achieve the targets.

## **SECTION-II**

### **THE REPORT**

## **CHAPTER - ONE**

### **MISAPPROPRIATION, MISUSE AND THEFTS**

#### **Rs 0.677 Million**

**Para 1** based on Draft Para 91(31) for the year 1998-99

Loss amounting to Rs 0.677 million

In Nawab Shah Airport AFL cable 24590 meters was received at site whereas supply department HQ dispatched 28619 meters.

Thus short supply of 4029 meters cable resulted in loss of Rs 0.677 million.

Audit pointed out the loss in July 1999. It was replied that matter had been taken up at Head Quarter Level. Reply was not tenable because correspondence showed that matter of short supply was taken up with supplier by the Authority after four years. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the matter was under investigation.

Action required.

Audit advises for investigation/recovery besides disciplinary action against the person(s) responsible.

## CHAPTER - TWO

### OVER PAYMENTS

**Rs 18.143 Million**

**Para 2** based on D.P. 127(6) for the year 1998-99

#### Overpayment of Rs 16.634 million

Zonal Manager (Sindh) Karachi paid escalation on cement, steel and P.O.L. to a contractor in violation of clause-70 of the contractual provision.

Violation of the agreement clause resulted in overpayment of Rs 16.634 million

Audit pointed out the overpayment in April 1999. The Authority replied that payment was made after approval by the CAA Board. The reply was not tenable because it was against the provision of the agreement. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given. The agreement did not contain any provision for making payment on account of price escalation. Moreover, the Civil Aviation Authority Board was not competent to approve such a material deviation from the agreement being contrary to the rule No. 18 and 19 of the General Financial Rule Volume-I.

Action required.

Audit advises detailed investigation and early recovery besides disciplinary action against the person(s)-at fault.

**Para 3** based on D.P 72Overpayment of Rs 551,675

Zonal Manager N.W.F.P Peshawar paid for levelling course as extra item in addition to one as per agreement. The levelling of surface was included in BOQ item. Hence there was no need to pay the extra item.

The payment of extra item in addition to BOQ item resulted in overpayment of Rs 5 51,675.

Audit pointed out the overpayment in June 1999 and also reported to the Administrative Secretary in August 1999. The department replied that payment of extra item was made for rectification of damaged portion of runway to make the runway operational in coming winter season. The reply was not tenable because no record measurement of the area was made for BOQ item of re-carpetting in the Measurement Book. Moreover, the area over which levelling course was laid under extra item was not deducted at the time of re-carpetting of run way.

**Action required**

Audit advises for early recovery besides disciplinary action against the defaulters

**Para 4** based on D.P. 65(3)Over payment of Rs 267,900

In Zonal Manager (Sindh) Karachi a quantity of excavated \$ earth 74485 cft was available at site but further quantity of 174798cft was also brought from outside with ½ km lead.

The non-utilization of available earth resulted in over payment of Rs 267,893.

Audit pointed out the over payment in April 1999. The Authority replied that after using the available earth further quantity was brought. Reply was not tenable because record measurements clearly showed that earth was available at site. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given. Moreover, relevant Measurement Book was not produced during verification of record.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 5** based on D.P. 63(35)

Over payment of Rs 0.198 million

Director Works Civil Aviation Karachi made payment to a contractor by including 6% Income Tax in the analysis of rates for extra item of work.

Inclusion of income tax in the rate analysis resulted in over payment of Rs 0.198 million.

Audit pointed out the over payment in April 1999 and also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the component of income tax (to be paid by the contractor) was invariably included by the contractor while quoting his rates which was to be paid by the department. The reply was not tenable because inclusion of income tax @ 6% was not permissible as per Schedule of Rates of Pak PWD besides rate analysis of extra item .was not prepared on schedule of rates as per requirement of the work procedure of the Authority.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) responsible.

**Para 6** based on D.P. 71

Overpayment of Rs 172,170

Zonal Manager (North) Rawalpindi analysed the rate of an item of work of floor tiles on higher side by adding 102 tiles of 1' x 1' in 100 sft area and other components, mortar and polishing etc.

The payment at higher rates resulted in overpayment of Rs 172,170.

Audit pointed out the overpayment in May 1999. The department replied that due to diagonal cutting, wastage of tiles was paid. The reply was not tenable because the item was payable in sft area. Moreover the department did not reply the excess quantity of mortar and higher cost of polishing. The matter was also reported to the Administrative Secretary in July 1999. It was replied in November 1999 that due to diagonal pattern of the floor wastage of tiles was paid. Moreover, mortar was paid as per Pak P.W.D. Specification and chemical polish was paid instead of ordinary polish. The reply was not accepted because as per Pak P.W.D. specification, for 100 sft area, 10.51 square yard tiles equal to 95 Nos. were required.

Action required.

Audit advises early recovery from contractor

**Para 7** based on D.P. 61(4)Overpayment of Rs 126,500

Zonal Manager (Sindh) Karachi 2 No. split type air conditioners were purchased @ Rs 132,750 each against the prevailing market rate of Rs 69,500.

Payment of excessive rate resulted in overpayment of Rs 126,500

Audit pointed out the overpayment in April 1999. The Authority replied that work was awarded on quotation basis after approval by the competent authority. Reply was not accepted because all quotation work was after thought and competent authority had also been misguided while obtaining approval. The matter was also reported to the Administrative Secretary in July 1999. It was replied in November 1999 that audit had considered only the cost of split air conditioner unit excluding the cost of installation. The reply was not tenable as the cost of installation was included in the rate of Rs 69,500.

<p>Action required.</p>
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<p>Audit advises for early recovery besides disciplinary action against the officer(s)/official(s) at fault.</p>
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**Para 8** based on D.P. 67Overpayment Rs 125,164

Zonal Manager (North) Rawalpindi measured/paid excessive depth of sand cushion than admissible depth.

The payment of excessive depth of sand cushion resulted in overpayment of Rs 125,164.

Audit pointed out the overpayment in April/May 1999. The department replied that after deducting one foot depth of sand cushion over the entire area, balance quantity of sand cushion was paid to the contractor as per decision of competent authority. The reply was not accepted because the sand was to be laid over the slush area and not for entire area. Moreover, the depth of slush area was to be measured as one foot instead of two feet. The matter was also reported to the Administrative Secretary in July 1999 but same reply was given which was not tenable as payment was made beyond the sanction of competent authority.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) responsible.

**Para 9** based on D.P. 68

Overpayment of Rs 67,618

Zonal Manager (North) Rawalpindi analysed the rate of an extra/substituted item of work on higher side i.e. 112% above the Pak P.W.D. Schedule of Rates 1991 instead of 100%.

The payment at higher rates resulted in overpayment of Rs 67,618.

Audit pointed out the overpayment in April/May 1999. The department replied that the rate of substituted item was analysed by incorporating market rates of materials, labour etc as per clause-48 of contract agreement. The reply was not accepted\* because as per clause-48 of the agreement read with clause-13 of special conditions (part of agreement) and work procedure of Civil Aviation Authority, the rates not provided in the contract should be based on schedule of rates of Pak P.W.D. The matter was also reported to the

Administrative Secretary in July 1999 but same reply was given which was not tenable.

Action required.

Audit advises for early recovery besides disciplinary action against the persons at fault.

## CHAPTER - THREE

### NEGLIGENCE

**Rs 0.806 Million**

**Para 10** based on Draft Para 88(8) for the year 1998-99

Loss of Rs 425,900

Zonal Manager (Sindh) Karachi received performance bond guarantee valuing Rs 425,900 of a private insurance company provided by a contractor under agreement requirements. 32 months elapsed after stipulated period, neither work completed nor performance bond guarantee was encashed which had expired on 10.11.1998.

Non-encashment of guarantee, the Authority sustained a loss of Rs 425,900.

Audit pointed out the loss in April 1999. The Authority replied that contractor and company was being pursued for extension of performance bond/guarantee. Reply was not accepted because guarantee period had already expired. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that Rs 1.300 million was to be paid to the contractor against work done and if the contractor did not fulfil the contractual obligation, the amount would be recovered from the contractor's dues. But no action had been taken.

**Action required**

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 11** based on D.P. 87(13)Loss of Rs 380,000

Admn Division of Civil Aviation Authority Headquarter Karachi hired 10 Nos. Suzuki Khyber cars. One of the vehicle No. W-2342 was stolen from the possession of an officer.' The claim was refused by the National insurance company due to late submission.

Due to late submission of claim, the Authority sustained a loss of Rs 380,000

Audit pointed out the loss in November 1997. No reply was given. The matter was also reported to the Administrative Secretary in September 1998. It was replied in November 1999 that senior officer of the office was requested to advise him to deposit the cost of car. But no recovery had been made sofar.

**Action required.**

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

## **CHAPTER - FOUR**

### **VIOLATION OF RULES**

**Rs 41.683 Million**

**Para 12** based on Draft Para 121 for the year 1998-99

Unauthorised payment of Rs 22,435,739

Airport Manager Islamabad Airport paid arrears of pay increase from July 1998 to January 1999. This increase with retrospective effect was made without the concurrence of the Finance Division.

Violation of rules resulted in unauthorised payment of Rs 22,435,739

Audit pointed out the irregularity in May 1999. The department stated that reply would be communicated. The matter was also reported to the Administrative Secretary in July 1999. It was replied in November 1999 that payment was made after approval of Civil Aviation Authority Board who was competent. The reply was not tenable because concurrence of the Finance Division in this case was necessary which was not shown to audit during verification of record.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 13** based on D.P. 122Unauthorized payment of Rs 7,179,660

Airport Manager Peshawar Airport increased the pay & allowances of its employees in February 1999 with retrospective effect from July 1998 with the approval of Civil Aviation Authority Board without obtaining concurrence of the Finance Division.

This resulted in unauthorized payment Rs 7,179,660.

Audit pointed out the irregularity in July 1999. The department replied that Board was competent to increase the pay with retrospective effect from July 1998. The reply was not accepted because the matter on policy & retrospective effect, the orders of Federal Government were necessary. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 14** based on D.P. 73Unauthorised payment of Rs 5,037,678

Airport Manager Peshawar Airport paid, certain allowances which stood frozen by the government during May 1994 to its employees in shape of arrears from July 1998 to June 1999.

This resulted in unauthorised payment of Rs 5,037,678.

Audit pointed out the overpayment in July 1999. The department replied that payment of arrear of allowances was made on the instructions of CAA HQ. The reply was not accepted because

concurrence of the Finance Division was not obtained while revising the pay and allowances. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 15** based on D.P. 128(5)

Unreliable payment of Rs 3.965 million

Zonal Manager (Sindh) Karachi purchased 1054 ton cement for issuance to a contractor without provision in the contract agreement and any rebate in rates. Actual consumption and receipt of cement was also not been produced to the audit.

Non-provision and non-accountal of cement resulted in unreliable payment of Rs 3.965 million.

Audit pointed out the un-reliable payment in April 1999. The Authority replied that cement was issued for constructional work with the recommendation of Executive Committee. Reply was not accepted because it was against the contract agreement and non scrutiny of accounts for cement. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises for investigation besides disciplinary action against the person(s) at fault.

**Para 16** based on D.P. 130Undue favour to contractor due to deletion of transport and accommodation clause Rs 1,221,150

Zonal Manager N.W.F.P Peshawar let out its machinery to a contractor for use on a work. The agreement for this renting had a clause of provision of transport and accommodation to skilled staff and officers required for operation and repair & maintenance of equipment by the contractor. This clause was deleted. The department did not revise the rate of use of plant.

This resulted in undue favour to contractor worth Rs 1,221,150.

Audit pointed out the irregularity in June 1999. The department replied that contractor was not agreed to retain this clause in the agreement. The reply was not accepted because the department provided the construction machinery at contractor's specific request. The agreement did not allow this provision as it was contractor's liability. First the rate was entered/printed and then deleted by the department. The rate at which recovery of hire charges were made does not include the cost of transportation of staff/officer required for operation and maintenance of equipment. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 17** based on D.P. 95(7)Loss of Rs 587,333

Zonal Manager (Sindh) Karachi allowed loan/special advance of Rs 3.000 million, recoverable in ten installments to a contractor without provision in the contract agreement and without any interest.

The non-recovery of mark-up resulted into loss of Rs 587,333.

Audit pointed out the irregularity in April 1999. The Authority replied that special advance was allowed after approval of the Executive Committee taking into consideration the legal complication and problems at site. Reply was not accepted because it was clearly against the contract agreement and codal rules. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

<p>Action required.</p>
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<p>Audit advises for early recovery besides disciplinary action against the person(s) at fault.</p>
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**Para 18** based on D.P. 81Loss of Rs 476,511 due to mismanagement

Zonal Manager N.W.F.P Peshawar did not accept the lowest bid for Rs 1,523,449 in time and accepted higher bid for Rs 1,999,960 as a result of re-tendering of the work.

Due to late approval of first lowest bid and award of work at higher rates resulted in loss of Rs 476,511.

Audit pointed out the loss in June 1999. The department replied that the case was forwarded to Headquarters Civil Aviation Authority for approval and it was delayed at Headquarters. The

department indirectly admitted the irregularity. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the earnest money of the lowest bidder in the case of 1st tender was held up and not released to the contractor and in 2nd tender, no delay in taking action was occurred. The reply was not accepted as no action was taken, against the person(s) responsible for delay and loss.

Action required.

Audit advises to make the loss good from person(s) at fault besides disciplinary action against the responsible.

**Para 19** based on D.P.79

Loss of Rs 281,990

Zonal Manager N.W.F.P Peshawar picked out the item dismantlement of bituminous carpet from the agreement of main contractor and re-awarded to another contractor through milling machine at higher rate of Rs 10.50 per sft against the original rate of Rs 1.30 per sft. The department also paid for transportation of machine and clearance of debris although it was the liability of main contractor.

The re-awarding of the items of work and-making of separate payments resulted in a loss of Rs 281,990.

Audit pointed out the loss in March 1998. The department replied that method of dismantling involved closure of runway which required the method of milling. The reply was not accepted because the department had its own milling machine at site. Part of the work involved closure of runway through dismantling which could have been avoided by using department's milling machine. The re-awarding of the items at higher rate was not justifiable. The

matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises prompt investigation, early recovery and disciplinary action against the person(s) at fault.

**Para 20** based on D.P. 75

Loss of Rs 275,000

Airport Manager Peshawar Airport did not revise the licence fee of M/s Shaheen Airport Services upon improvement of business conditions as per licence agreement.

Non-revision of licence fee resulted in loss of Rs 275,000

Audit pointed out the loss in July 1999. The department replied that it would be adjusted after the revision of annual profit recoverable from the firm. The reply was not tenable because the fee and annual profit were two different things. As per clause of the agreement upward revision of licence fee was required. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that instead of revision of monthly licence fee, it was decided that contractor should pay to Civil Aviation Authority share in profit.. The reply was not accepted because payment of share in profit was required to be made in addition to revision of licence fee as per clause of the agreement.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 21** based on D.P. 115Non-recovery of conveyance allowance worth Rs 128,450

Airport Manager Islamabad Airport made payment on account of conveyance allowance to its employees during leave on full pay.

Non-deduction of conveyance allowance during leave period resulted in non-recovery of Rs 128,450.

Audit pointed out the non-recovery in May 1999. The department replied that they had instructed for non-deduction of conveyance allowance during LFP/LPR. The reply was not tenable because the department did not pay conveyance allowance in some cases. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that conveyance allowance was not deducted as per order of Headquarter Civil Aviation Authority. The reply was not tenable because conveyance allowance from residence to office was not admissible during leave as per Government rules.

Action required.

Audit advises early recovery besides disciplinary, action against the defaulters.

**Para 22** based on D.P. 80Loss to authority Rs 94,919

Zonal Manager N.W.F.P Peshawar did not properly evaluated the bid with the result that after completion of work the 1st lowest moved to 2nd lowest position.

This resulted into a loss of Rs 94,919.

Audit pointed out the loss in June 1999. The department replied that Headquarters deleted an item of work which carried lesser rate. The reply was not accepted because the department failed to evaluate the bid and adjustment after finalization of work. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

Action required.

Audit advises for investigation in the matter with a view to fix responsibility and making good the loss from the person(s) at fault.

## **CHAPTER – FIVE**

### **RECOVERABLES**

**Rs 170.908 & US \$ 0.011 Million**

**Para 23** based on Draft Para 114 for the year 1998-99

Non-recovery of Rs 49,688,146

Airport Manager Islamabad Airport did not recover an amount of Rs 49,688,146 outstanding against various agencies on account of rent and allied charges.

This resulted in non-recovery of Rs 49,688,146

Audit pointed out the non-recovery in May 1999. The department replied that efforts were made to recover the outstanding dues. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given. No progress towards recovery was reported.

Action required.

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault.

**Para 24** based on D.P. 104

Non-recovery/adjustment of advances amounting to Rs 45,986,236

Zonal Manager Punjab Lahore paid advances to various agencies worth Rs 45,986,236 during 1991-92 to 1994-95 but failed to recover as per terms of advances.

Violation of Civil Aviation Authority advances regulation resulted in non-adjustment/recovery of advances worth Rs 45,986,236.

Audit pointed out the non-recovery in June 1999. The department replied that adjustments were in process and audit would be informed accordingly. The matter was also reported to the Administrative Secretary in August 1999 but no progress towards recovery was intimated.

Action required.

Audit advises to adjust/recover the outstanding advances, initiate disciplinary action against the person(s) responsible.

**Para 25** based on D.P. 117

Non-recovery of Rs 39,769,359

Airport Manager Peshawar Airport did not recover space rent and allied charges outstanding against various agencies/parties.

This resulted in non-recovery of Rs 39,769,359.

Audit pointed out the non-recovery in July 1999. The department replied that the case of outstanding recoveries was under process. The matter was also reported to the Administrative Secretary in August 1999 but replied that the matter was still under process.

**Action required**

Audit advises early recovery alongwith disciplinary action against the person(s) at fault.

**Para 26** based on D.P. 101

Non-recovery of embarkation charges amounting to  
Rs 11,153.600

Airport Manager Lahore Airport failed to recover embarkation charges from Ministry of Religious Affairs

This resulted in non-recovery of Rs 11,153,600.

Audit pointed out the irregularity in April 1999. The department replied that efforts were made to realise the amount. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given.

**Action required.**

Audit advises early recovery besides disciplinary action against the person(s) responsible

**Para 27** based on D.P. 105Non-recovery of Rs 3,451,404 on account of outstanding dues

Airport Manager Multan Airport failed to recover outstanding dues from various agencies/parties on account of rent, licence fee & other charges.

This resulted in non-recovery of Rs 3,451,404

Audit pointed out the non-recovery in June 1998 and July 1999. The department promised to recover, the dues from the agencies. The matter was also reported to the Administrative Secretary in August 1999 but only Rs 79,254 were recovered and got verified from Audit leaving Rs 3,372,150 still recoverable.

**Action required**

Audit advises that:-

- i. Concrete measures may be adopted to ensure immediate recovery of outstanding dues from agencies working at Airport
- ii. Solid steps to avoid recurrence
- iii. Strengthen internal control

**Para 28** based on D.P. 124(19)Non-recovery of US \$10,875

In Admn Division Civil Aviation Authority Headquarter Karachi, an officer proceeded to Paris for training. Neither prior approval obtained from the Ministry of Defence nor tour regularized by the Authority. Adjustment though claim alongwith original ticket was not made by the officer since July, 1996 while he had left the Authority.

The payment of US \$10,875 (DA+Tuition) was still recoverable from the officer.

Audit pointed out the irregularity in July 1998. No reply was received. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the officer had left the service without obtaining the clearance from the Authority. However, efforts were being made to recover the outstanding amount.

Action required.

Audit advises for enquiry/recovery besides disciplinary action against the person(s) at fault.

**Para 29** based on D.P. 74

Non-recovery of risk & cost charges worth Rs 2,817,448

Zonal Manager Punjab Lahore allotted the work at risk & cost of the original contractor with estimated cost of Rs 8,412,364 and failed to recover an amount of Rs 2,817,448 on account of risk & cost charges from original contractor.

Due to non-recovery of risk & cost charges resulted in loss of Rs 2,817,448 to the Authority.

Audit pointed out the irregularity in July, 1999. The department replied that contractor had filed a civil suit in the court of law due to which his case of finalization of-accounts was pending. The matter was also reported to the Administrative Secretary in August 1999 but it was replied that the matter was still pending in a civil court.

Action required.

Audit advises early recovery besides disciplinary action against the defaulters.

**Para 30** based on D.P. 134

Non-imposition of penalty for delay in completion of works  
Rs 2,738,357

In Zonal Manager (North) Rawalpindi, a work was not completed in stipulated/extended period. The department failed to recover the liquidated damages from the contractor.

This resulted in non-recovery of Rs 2,738,357.

Audit pointed out the non-recovery in May 1999. The department replied that the department was considering the invoking of relevant clause of agreement for recovery of liquidated damages. Department had taken action under clause 33 of contract agreement for recovery. The matter was also reported to the Administrative Secretary in July 1999. It was replied in November 1999 that the case was in the court of law.

Action required.

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault.

**Para 31** based on D.P. 102

Non-recovery of mobilization advance worth Rs 2,394,228

Zonal Manager Punjab Lahore made payment of Rs 3,725,584 on account of mobilization advance in April 1995.

The contractor left the work incomplete which resulted in non-recovery of Rs 2,394,228 of mobilization advance.

Audit pointed out the non-recovery in June 1999. The department replied that case was being processed through court of law and the findings would be reported to audit. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given.

Action required.

Audit advises for recovery alongwith disciplinary action against the person(s) responsible.

**Para 32** based on D.P. 93(11)

Non recovery of outstanding advances of Rs 2.174 million

Finance Division of Civil Aviation Authority Headquarter Karachi granted TA/DA advances in July, 1996 to the officers. After performing journey, no adjustment had been made within permissible time.

This resulted into non-recovery of Rs 2.174 million

Audit pointed out the non-recovery in November 1997. The Authority admitted the irregularity. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that maximum amount of outstanding advances had already been adjusted but no record was produced for verification.

Action required.

Audit advises for early adjustment/recovery besides disciplinary action against the person(s) at fault.

**Para 33** based on D.P. 106Non-recovery of embarkation fee, Govt. tax and aviation security fee amounting to Rs 1,736,091.

Airport Manager Multan Airport failed to recover outstanding dues on account of embarkation fee, airport tax, aviation security including 5% surcharge for late/non deposit of dues.

This resulted in non-recovery of Rs 1,736,091

Audit pointed out the non-recovery in July 1998 and July 1999. The department admitted the recovery and promised to realise it from Hajj Directorate. The matter was also reported to the Administrative Secretary in August 1999 but no progress towards recovery was reported.

**Action required**

Audit advises:-

- i. To effect recovery from Hajj Directorate
- ii. To strengthen internal control and supervision to avoid recurrence of such events

**Para 34** based on D.P. 89(10)Loss of Rs. 1.652 million

In Finance Division of Civil Aviation Authority Headquarter Karachi, a heavy amount of TA/DA advances was recoverable since July 1996 from those officers who had left the Authority.

The non-recovery resulted into a loss of Rs 1.652 million

Audit pointed out the loss in November 1997. The Authority replied that an amount of Rs 10,29,666 had been adjusted. Reply was not correct because adjustment of Rs 132,156 could not be

verified. Position for remaining outstanding advances was not justified without documentary proof and authority. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that an amount of Rs 1.300 million out of Rs 1.652 million had already been adjusted but during verification, incomplete record for adjustment of Rs 0.402 million was produced which was not admitted by audit due to non-availability of used air tickets with T.A. adjustment bills.

**Action required.**

Audit advises for enquiry at higher level, early recovery besides disciplinary action against the person(s) at fault who gave them clearance at the time of relieving.

**Para 35 based on D.P. 112**

Less recovery worth Rs 1,360,446

Airport Manager Islamabad Airport while running the car park received less collection than the reserve price given to the bidders.

This resulted in less recovery of Rs 1,360,446.

Audit pointed out the less recovery in May 1999. The department replied that they collected Rs 447,910 per month, which was more than the collection made by previous contractor. The reply was not tenable because collection was less than the CAA own estimate/reserve price. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given. Moreover, after handing over the car parking to new contractor, the department received an amount of Rs 551,514 per month which was more than released by the department.

Action required.

Audit advises for early recovery/investigation into the matter with a view to fix responsibility for less recovery.

**Para 36** based on D.P. 107

Non-recovery of Rs 1,224,205 on account of hire charges of machinery.

Zonal Manager Punjab Lahore failed to recover hire charges of machinery from a contractor.

This resulted in non-recovery of Rs 1,224,205.

Audit pointed out the non-recovery in June 1999. The department stated that recovery would be effected in the final bill of the contractor. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that recovery had already been made from the final bill of the contractor. The reply was not tenable because the final bill had not been paid to the contractor so far.

Action required.

Audit advises early finalization of account and effected recovery of hire charges immediately.

**Para 37** based on D.P. 103

Non-recovery/adjustment of mobilization advance worth Rs1,176,740

Zonal Manager Punjab Lahore made payment of Rs 1,176,740 on account of mobilization advance in 1991 but failed to recover it as per given schedule.

This resulted in non-recovery/adjustment of mobilization advance of Rs 1,176,740 since years.

Audit pointed out the non-recovery in June 1999. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the advance would be adjusted on completion of liquidation proceeding of ADA. But no adjustment had been made.

**Action required**

Audit advises to effect recovery/adjustment, initiate disciplinary action against the person(s) responsible.

**Para 38** based on D.P. 98(30)

Non-recovery of outstanding advance of Rs 1.000 million

In Nawab Shah Airport, advance of Rs 1.000 million was paid to a contractor for the work joint filling in airfield runway. Neither vouched account was available nor the advance adjusted.

This resulted in non-recovery of outstanding advance of Rs 1.000 million.

Audit pointed out the non-recovery in July 1999. It was replied that matter would be approached for further consultation and guidance. The reply was not tenable because nine years had been elapsed without any progress or reconciliation. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given which was not tenable.

**Action required**

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 39** based on D.P. 100Non-recovery/adjustment of advances amounting to Rs 804,316

Airport Manager Lahore Airport failed to adjust/recover advances from different officers/officials.

Non-adjustment of advances resulted in non-recovery of Rs 804,316 since 1994.

Audit pointed out the irregularity in April 1999. The department replied that efforts were being made, to recover the advances from staff. The matter was also reported to the Administrative Secretary in August 1999 but only Rs 50,717 were recovered and got verified leaving balance of Rs 753,599.

Action required.

Audit advises early recovery of advances and disciplinary action against the person(s) responsible.

**Para 40** based on D.P. 113Non-recovery of Rs 605,421

Airport Manager Islamabad Airport did 'not recover outstanding fee from a Car Parking contractor.

This resulted in non-recovery of Rs 605,421.

Audit pointed out the non-recovery in May 1999. The department replied that a case was filed against the contractor in the Civil Court for recovery. The matter was also reported to the Administrative Secretary in August 1999 but it was replied that the case was in the court of law.

Action required.

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault.

**Para 41** based on D.P. 118

Non-recovery of licence fee Rs 363,750

Airport Manager Peshawar Airport did not recover the licence fee for six months of the licence agreement on the pretext of mobilization period whereas the fee was recoverable from the date of agreement.

This resulted in non-recovery of Rs 363,750.

Audit pointed out the non-recovery in July 1999. The department replied that the recovery of licence fee was not made for mobilization period whereas agreement was very much clear about the recovery of licence fee from date of agreement. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that recovery was not made as per order of Headquarter Civil Aviation Authority being mobilization period. The reply was not tenable because interpretation of the department for non-recovery of licence fee for the period of mobilization was not according to the terms of agreement which provided recovery of licence fee for the entire period of the contract.

Action required.

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault.

**Para 42** based on D.P. 111Non-recovery of water charges Rs.315,956

Zonal Manager (North) Rawalpindi deleted the clause for supply of water and its recovery from the contract agreement but supplied water to the contractor and made recovery at nominal rate for use of water whereas recovery @ 1½% of value of work done was due.

This resulted in non-recovery of Rs 315,956.

Audit pointed out the non-recovery in May 1999. The department replied that the matter was referred to Civil Aviation Authority Headquarter for further instructions as the clause was deleted by the Headquarters. The matter was also reported to the Administrative Secretary in July 1999. It was replied in November 1999 that an amount of Rs.9,322 was recovered and balance if any would be recovered.

Action required.

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault.

**Para 43** based on D.P. 94(16)Non-recovery of advances Rs 0.375 million

Finance Division of Civil Aviation Authority HeadquarterKarachi failed to recover outstanding advances since 1996 against the officers who were not regular employees of the Authority.

Non-adjustment/recovery of advances resulted in non-recovery of Rs 0.313 million.

Audit pointed out the non-recovery in November 1997. It was replied that an amount of Rs 157,483 was adjusted. Reply was not accepted due to non-verification of adjustment and justification of remaining amount. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that all the outstanding amount had been adjusted but only Rs 0.062 million was got verified out of Rs 0.375 million.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

**Para 44** based on D.P. 119

Less recovery of electric charges Rs 975,587

Airport Manager Peshawar Airport made recovery at lesser rate of electric charges from the users/licencees than paid to WAPDA.

Recovery made at lesser rate resulted in short recovery of Rs 975,587.

Audit pointed out the less-recovery in July 1999. The department replied that the rates charged was more than the rates of WAPDA. The reply was not tenable because the department charged same rates of government surcharge, additional surcharge and fuel adjustment charges. The matter was also reported to the Administrative Secretary in August 1999. It was replied in November 1999 that the figures of units tabulated by audit for two years whereas it should be applied for one year. The position was verified and amount reduced to Rs 182,875.

Action required.

Audit advises for balance recovery alongwith disciplinary action against the person(s) at fault.

## CHAPTER - SIX

### OTHERS

**Rs 2.357 Million**

**Para 45** based on Draft Para 139 for the year 1998-99

Non forfeiture of security deposit of Rs 1,331,356

In Zonal Manager Punjab Lahore, a contractor left the work incomplete but his security deposit lying with the department was not forfeited.

Violation of agreement provision/financial rules resulted in non-forfeiture of security deposit of Rs 1,331,356.

Audit pointed out the non-forfeiture of security deposit in June 1999. The department replied that the case was being processed through court of law, the findings would be reported to audit. The matter was also reported to the Administrative Secretary in August 1999 but same reply was given.

Action required.

Audit advises to effect recovery initiate disciplinary action against the officials responsible.

**Para 46** based on D.P. 123(12)Irregular payment of Rs 1.026 million

In Finance Division of Civil Aviation Authority Headquarter Karachi, travel cost was paid for the children of an officer but supporting documents, i.e. air tickets, approval of competent Authority, entitlement and previous issuance of such facility were not available in record.

This resulted in irregular payment of Rs 1.026 million

Audit pointed out the irregularity in November, 1997. No reply was given. The matter was also reported to" the Administrative Secretary in August 1999. It was replied in November 1999 that the officer and his family members were entitled for international tour once in a year as approved by the Civil Aviation Authority Board. Moreover, advance payment was made to the officer for purchase of air tickets which was subsequently adjusted on submission of original invoice of the travel agent. The reply was not tenable because the advance was not adjusted on the basis of journey performed and used air tickets.

Action required.

Audit advises for early recovery besides disciplinary action against the person(s) at fault.

## SECTION - III

**FINANCIAL POSITION OF AUDIT REPORT & MEFDAC**

Name of Audit Office: Director General Audit (Works) Lahore  
 Name of Department/Ministry: Ministry of Defence, Aviation Division  
 Audit Report for the year: 1998-99

Annex	Particulars/Results of Discussion	No. of Paras	Amount involved (Million Rupees)
A	Observations issued during audit	493	958.503+OS \$ 0.011
B	Paras settled after discussion with Head Office		
B-1	Settled after verification of record	92	136.785
B-2	Settled after regularization		
B-3	Settled after recovery made	2	0.142
	Total Paras reported in AIR as:-	399	801.576
	a) Ordinary Paras	26	0.058
	b) Advance Paras	373	801.518
	Balance of Advance Paras carried forward for DAC.	327	566.944
C	Paras settled after DAC.		
C-1	Settled after verification of record.	1	0.020
C-2	Settled after regularization		
C-3	Settled after recovery made		
	Balance	326	566.924
D	Paras settled under Court decision		
B+C+D	Total Paras settled	95	136.947
E	Paras pending for verification of record	275	275.724
F	Paras pending for regularization	76	159.330
G	Paras pending for verification	75	131.870
H	Paras pending for Court decision		
E+F+G+	Total Paras pending	326	566.924
I	Pending being clear cut embezzlement cases (already included I E to II above)		
J	Paras printed in Audit Report	46	234.574+USS 0.011
B-3+C-3+G	Recoveries at the instance of Audit ' (made or ordered)	2	0.142

**ANNEXURE-A****PAC DIRECTIVES**

(Source: Soft copies received for vetting of Draft Report of the PAC's Sub-Committee-I for the year 1998-99 circulated vide Auditor General of Pakistan letter No. 675/75-PAC/C/2014 Vol-III dated 29.01.2016)

**(ACTIONABLE POINTS)**

Actionable points arising from the discussion of meeting of the Sub-Committee-I of the Public Accounts Committee held on 23<sup>rd</sup> December, 2015 pertaining to **Aviation Division**, in the Parliament House, Islamabad under the Convenership of **Ms. Shahida Akhtar Ali**, MNA for examination of Appropriation Accounts/Audit Reports/Special Audit Reports for the years 1998-99.

**AUDIT BRIEF AVIATION DIVISION (CIVIL AVIATION  
AUTHORITY)  
AUDIT REPORT FOR THE YEAR 1998-99**

- i) **Para No 1 Page No 09(AR-1998-99)**  
LOSS OF RS. 0.677 MILLION.
- ii) **Para No 4 Page 11(AR-1998-99)**  
OVER PAYMENT OF RS. 0.268 MILLION.
- iii) **Para No 5 Page 12(AR-1998-99)**  
OVER PAYMENT OF RS. 0.198 MILLION.

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- iv) **Para No 6 Page 13 (AR-1998-99)**  
OVER PAYMENT OF RS. 0.172 MILLION.

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- v) **Para No 7 Page 14(AR-1998-99)**  
OVER PAYMENT OF RS. 0.127 MILLION.

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- vi) **Para No 8 Page 14(AR-1998-99)**  
OVER PAYMENT OF RS. 0.126 MILLION.

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- vii) **Para No 9 Page 15(AR-1998-99)**  
OVER PAYMENT OF RS. 0.068 MILLION.
- viii) **Para No 10 Page 16(AR-1998-99)**  
OVER PAYMENT OF RS. 0.426 MILLION.
- ix) **Para No 11 Page 17(AR-1998-99)**  
OVER PAYMENT OF RS. 0.380 MILLION.
- x) **Para No 15 Page 20(AR-1998-99)**  
UN-RELIABLE PAYMENT OF RS.3.965 MILLION.

- xi) **Para No 16 Page 21(AR-1998-99)**  
UNDUE FAVOUR TO CONTRACTOR DUE TO DELETION OF TRANSPORT AND ACCOMMODATION CLAUSE RS. 1.221 MILLION.
- xii) **Para No 17 Page 22(AR-1998-99)**  
LOSS OF RS. 0.587 MILLION.
- xiii) **Para No 18 Page 22(AR-1998-99)**  
LOSS OF RS. 0.477 MILLION.
- xiv) **Para No 19 Page 23(AR-1998-99)**  
LOSS OF RS. 0.282 MILLION.
- xv) **Para No 20 Page 24(AR-1998-99)**  
LOSS OF RS. 0.275 MILLION.
- xvi) **Para No 21 Page 25(AR-1998-99)**  
NON-RECOVERY OF CONVEYANCE ALLOWANCE WORTH RS. 0.128 MILLION.
- xvii) **Para No 22 Page 25(AR-1998-99)**  
LOSS OF RS. 0.095 MILLION.
- xviii) **Para No 24 Page 27(AR-1998-99)**  
NON-RECOVERY/ADJUSTMENT OF ADVANCES AMOUNTING TO RS. 45.986 MILLION.
- xix) **Para No 26 Page 28(AR-1998-99)**  
NON-RECOVERY OF EMBARKATION CHARGES AMOUNTING OT RS. 11.154 MILLION.
- xx) **Para No 30 Page 31 (AR-1998-99)**  
NON-IMPOSITION OF PENALTY FOR DELAY IN COMPLETION OF WORKS RS. 2.738 MILLION.
- xxi) **Para No 32 Page 33 (AR-1998-99)**  
NON-RECOVERY OF OUTSTANDING ADVANCES OF RS. 2.174 MILLION.
- xxii) **Para No 33 Page 33 (AR-1998-99)**  
NON-RECOVERY OF EMBARKATION FEE, GOVT. TAX AN AVIATION SECURITY FEE AMOUNTING TO RS. 1.736 MILLION.

- xxiii) **Para No 34 Page 33 (AR-1998-99)**  
LOSS OF RS. 1.652 MILLION.
- xxiv) **Para No 35 Page 34 (AR-1998-99)**  
LESS RECOVERY WORTH RS. 1.360 MILLION.
- xxv) **Para No 36 Page 35 (AR-1998-99)**  
NON-RECOVERY OF RS. 1.224 ON ACCOUNT OF  
HIRE CHARGES OF MACHINERY.
- xxvi) **Para No 37 Page 35 (AR-1998-99)**  
NON-RECOVERY/ADJUSTMENT OF MOBILIZATION  
ADVANCE WORTH RS. 1.777 MILLION.
- xxvii) **Para No 38 Page 36 (AR-1998-99)**  
NON-RECOVERY OF OUTSTANDING ADVANCE OF  
RS. 1.000 MILLION.
- xxviii) **Para No 39 Page 37 (AR-1998-99)**  
NON-RECOVERY/ADJUSTMENT OF ADVANCES  
AMOUNTING TO RS. 0.804 MILLION.
- xxix) **Para No 40 Page 38 (AR-1998-99)**  
NON-RECOVERY OF RS. 0.605 MILLION.
- xxx) **Para No 41 Page 38 (AR-1998-99)**  
NON-RECOVERY OF LICENCE FEE RS. 0.364  
MILLION.
- xxxi) **Para No 42 Page 39 (AR-1998-99)**  
NON-RECOVERY OF WATER CHARGES RS. 0.316  
MILLION.
- xxxii) **Para No 43 Page 39-40 (AR-1998-99)**  
NON-RECOVERY OF ADVANCES RS. 0.313 MILLION.
- xxxiii) **Para-No. 44-Page-40 (AR-1998-99)**  
LESS RECOVERY OF ELECTRIC CHARGES RS. 0.183  
MILLION.
- xxxiv) **Para No 46 Page 42 (AR-1998-99)**  
IRREGULAR PAYMENT OF RS. 1.026 MILLION.

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee recommended the above mentioned thirty four (34) paras for settlement on the recommendation of DAC.

2. i) **Para No12 Page 18 AR 1998-1999**  
UN-AUTHORIZED PAYMENT OF RS. 22.436 MILLION.
- ii) **Para No 13 Page 19 AR 1998-1999**  
UN-AUTHORIZED PAYMENT OF RS. 7.180 MILLION.
- iii) **Para No 14 Page 19 AR 1998-1999**  
UN-AUTHORIZED PAYMENT OF RS. 5,037 MILLION.

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee on the recommendation of Audit, recommended the above mentioned three (3) paras for settlement subject to verification of record by the Audit.

3. i) **Para No 23 Page 26 AR 1998-1999**  
NON-RECOVERY OF RS. 49.688 MILLION.
- ii) **Para No 25 Page 27 AR 1998-1999**  
NON-RECOVERY OF RS. 39.769 MILLION.
- iii) **Para No 27 Page 29 AR 1998-1999**  
NON-RECOVERY OF RS. 3.451 MILLION.

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee pended the above mentioned three (3) paras till the time full recovery is affected.

4. **Para No 2 Page 09 AR 1998-1999**  

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**OVER PAYMENT OF RS.16.634 MILLION**

The Audit pointed out that the Zonal Manager (Sindh) Karachi paid escalation on cement, steel and POL to a contractor in violation of clause-70 of the contractual provision. Violation of the agreement clause resulted in overpayment of Rs.16.634 million.

The PAO informed the Committee that the expenditure was genuine which has been approved by the Board of Directors.

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee recommended the above mentioned para for settlement

subject to verification of record by the Audit.

5. i) **Para No 3 Page 11 AR 1998-1999**  
**OVER PAYMENT OF RS.0.552 MILLION**

The Audit pointed out that the Zonal Manager (NWFP) Peshawar paid for leveling course as extra item in addition to one as per agreement. The leveling of surface was included in BOQ item. Hence, there was no need to pay the extra item.

The PAO informed the Committee that the. Director works, HQ CAA along-with ZM (NWFP) visited Chitral Runway in July, 1996 and advised to provide I inch thick mixer as extra item to avoid closure of Flight Operation during winter season. As such, this item of work was carried out through contractor as extra item for which the approval was accorded by HQ CAA.

ii) **Para No 28 Page 29 AR 1998-1999**  
**NON-RECOVERY OF US\$ 10,875**

The Audit pointed out that an Officer of CAA proceeded to Paris for training. Neither prior approval was obtained from the Ministry of Defence nor tour regularized by the Authority.

The PAO informed the Committee that the case was referred to M/o Defence which was returned with the remarks that CAA Board is competent to regularize expenditure. The Board of CAA regularized the expenditure.

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee recommended the above two paras for settlement.

**COURT CASES**

6. i) **Para No 29 Page 30 AR 1998-1999**  
**NON-RECOVERY OF RISK & COST CHARGES**  
**WORTH RS. 2.817 MILLION.**
- ii) **Para No 31 Page 32 AR 1998-1999**  
**NON-RECOVERY OF MOBILIZATION ADVANCE**  
**WORTH RS. 2.394 MILLION.**
- iii) **Para No 45 Page 41AR 1998-1999**  
**NON-FORFEITURE OF SECURITY DEPOSIT OF RS.**  
**1.331 MILLION.**

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee pended the above three (3) paras till decision of court and directed the PAO to pursue the cases in court of law vigorously.

**Annexure-B****COMPLIANCE STATUS  
AUDIT REPORTS FOR THE YEAR 1998-99**

<b>S. No.</b>	<b>Department</b>	<b>Date of PAC meeting</b>	<b>Total Paras</b>	<b>No. of Paras Settled</b>	<b>Compliance Awaited (No. of Paras)</b>
1.	CAA	23.12.2015	46	36	10

## Annexure-C

**RECOVERY STATEMENT  
AUDIT REPORTS FOR THE YEAR 1998-99**

Department	Report	Date of PAC meeting	Para No.	Amount of the para (Rs. in million)	Amount Recovered (Rs. in million)
CAA	AR 1998-99	23.12.2015	1	0.677	0.035
-do-	-do-	-do-	11	0.380	0.175
-do-	-do-	-do-	23	49.688	1.968
-do-	-do-	-do-	24	45.986	0.077
-do-	-do-	-do-	25	39.769	1.021
-do-	-do-	-do-	27	3.451	0.080
-do-	-do-	-do-	32	2.174	3.687
-do-	-do-	-do-	34	1.652	1.642
-do-	-do-	-do-	36	1.224	1.224
-do-	-do-	-do-	38	1.000	1.000
-do-	-do-	-do-	39	0.804	0.804
-do-	-do-	-do-	42	0.316	0.186
-do-	-do-	-do-	44	0.183	0.175
Total					<b>12.074</b>