



Audit Report  
No.

WS/R/98-99/2

**AUDIT REPORT**

**ON THE ACCOUNTS OF**

**CAPITAL DEVELOPMENT AUTHORITY**  
**ISLAMABAD**

**CAPITAL ADMINISTRATION &**  
**DEVELOPMENT DIVISION**

**MINISTRY OF INTERIOR**  
**GOVERNMENT OF PAKISTAN**  
**FOR THE YEAR 1998-99**

**MARCH 2000**  
**AUDITOR-GENERAL OF PAKISTAN**  
**ISLAMABAD**



## CONTENTS

	PAGE
Preface	1
Executive Summary	3
Findings	4
Recommendations	5
Section I. Comments on Budget & Appropriation Accounts	7
Section II. The Report	1
Chapter 1. Misappropriation. Mis-use & Theft	13
Chapter 2. Accidents	15
Chapter 3. Overpayments	16
Chapter 4. Negligence	28
Chapter 5. Violation of Rules	32
Chapter 6. Violation of Financial Propriety	48
Chapter 7. Recoverables	55
Chapter 8. Non-Production of Record	66
Chapter 9. Others	67
Section III. Financial Position Of Audit Report & MEFDAC	69



## **P R E F A C E**

This report consists of the results of regularity audit of the works and establishment accounts of the Capital Administration and Development Division, Government of Pakistan (C. D. A) Islamabad for the year 1988-99. Audit was conducted by the Director General Audit (Works) Lahore in pursuance of Para II( 1) of the Pakistan (Audit & Accounts) orders 1973.

2. The Proposed Audit Report containing 127 audit observations was issued to the Secretary Ministry of Interior, Islamabad in July 1999 and a second volume consisting of 18 audit observations was issued in October 1999. Replies received upto 1st week of November 1999 were considered/ verified to the extent of record produced. Facts were incorporated in each case.

3. The report is submitted to the President of Pakistan in terms of Article 171, of the Constitution of The Islamic Republic of Pakistan, 1973 for placing it before the legislature.

Islamabad  
Dated: 06 MAR 2000

**(MANZUR HUSSAIN)**  
AUDITOR-GENERAL OF PAKISTAN



## **EXECUTIVE SUMMARY**

Capital Development Authority was established under the Capital Development Authority Ordinance, 1960 with the objectives, of construction and development of the Capital. All affairs of the authority are administered by a Board headed by the Chairman.

Regularity audit of the accounts of 1997-98 of 44 formations/divisions of CDA was undertaken during 1998-99. As a result of this audit and serious audit observations of a previous year Special Audit, 145 irregularities of various types such as misappropriation, theft, misuse, accidents, overpayments, accounting errors, negligence, violation of rules and procedures, violation of financial propriety, non realization of authority's recoverable, loose internal control and non production of record to audit were noticed and reported to the Principal Accounting Officer on July 27, 1999 and October 10, 1999 through Proposed Audit Reports for 1998-99. Replies received were verified by extending opportunities to the Authority for verification to the extent of record produced. As a result of verification of replies/record, discussion and review of the Proposed Audit Reports 64 Draft Paras of the Proposed Audit Reports requiring further verification of record and discussion have been set aside for inclusion in MFDAC for pursuance through the

forum of DAC. Two Draft Paras have been deleted/settled as a result of accepting the Authority's views, and duplication etc.

The report comprises of three Sections. Section- I of the report contains comments on budget and appropriation accounts whereas Section- II "The Report" contains 79 Paras based 62 Draft Paras of Proposed Audit Report Volume-I and 17 Draft Paras of Volume-II (Special Audit Report Faizabad Interchange) for discussion in the PAC.

The PAC while discussing this report on 28.07.2011 issued directions. Out of total 79 audit paras, 63 paras were settled and compliance of 13 paras is awaited (Annexure-B). Besides, an amount of Rs 54.422 million was recovered (Annexure-C). The PAC directives are attached as Annexure-A.

### **FINDINGS**

The present report points out an objected amount of Rs 609.872 million on various types of financial irregularities committed by the authority during the Period under reviews:-

<b>S.No.</b>	<b>Description</b>	<b>No of Cases</b>	<b>Amount (Million)</b>
1.	Misappropriation, misuse and theft	3	1.816
2.	Accidents	2	.413
3.	Overpayment	18	34.269
4.	Negligence	5	9.289
5.	Violation of Rules	22	244.884
6.	Violation of propriety	10	9.967
7.	Recoverable	16	307.517
8.	Non-production of record	1	-
9.	Others	2	1.717
	Total:	79	609.872

**RECOMMENDATIONS**

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 and irregularities got condoned/regularised.

Rules regulations/procedures and management's instructions should be followed in their true spirit. Proper classification of transactions may be ensured. Accounts and Financial Review Statement should be prepared on due dates.

Internal control need 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

The appropriation accounts of the CDA for the year 1997-98 up-to June final were reviewed on the basis of followings:

Particular Heads	Balance on 1.7.97 in (millions)	Receipts during 1997-98 in (Millions)	Total funds Available in (Millions)	Expenditure during 1997-98 (final) in (Millions)	Balance in (Millions)
Grant in Aid Capital	-	1248.00	1248.00	1169.00	79.000
Special grant	159.861	(-) 1.372	158.489	9.347	149.141
Other capital receipts	(-)221.365	381.790	160.425	-	160.425
Depreciation funds	81.057	3.445	84.502	-	84.502
Surplus losses Accounts.	259.972	(-) 20.793	239.179	-	239.179
Revenue Accounts other receipts	(-) 3367.863	222.534	(-)3 145.329		(-) 3145.329
Self-financing Sectors	4445.964	642.507	5088.471	237.043	4851.428
Remittances	(-) 54.791	154.794	0.003	-	0.003
Grant in Aid by the Central Government		413.865	413.865	1036.439	(-) 622.574

i) The figures in the above cited table would reveal that the minus opening balances against the other receipts and revenue receipts of Rs 221.365 millions and Rs 3367.863 millions respectively as on 1.7.97 represent the excessive expenditure booked in the previous year i.e 1996-97, which resulted, in minus opening

balance in 1997-98. No justification or explanation was given by the authority.

ii) The savings shown in column 6 of the table against various heads were not explained and no justification was given.

iii) There is still minus closing balance of Rs 3145.329 millions against the revenue accounts receipts which was likely to be adjusted in the coming years from receipts. No explanation or justification was given in the appropriation accounts.

iv) The minus receipts of Rs 1.372 millions and Rs 20.793 million against the special grant and surplus losses during the year 1997-98 are question able which have not been explained in the appropriation accounts.

v) The saving of Rs 4851.428 millions against self-financing sectors represents that the receipts have not been utilized for the development of the public sector. No explanation for the same was given.

vi). It was generally observed that excess or savings against particular heads were neither explained nor the prior intimation of the same was given to the controlling ministry. The appropriation accounts was not prepared in an understandable form and the same

needs necessary improvement. Some other financial irregularities were also committed which are as under:

1. The receipts of Rs 1,000,000 were less accounted for. When pointed out, the authority admitted the omission and promised rectification in the next financial year.
2. The expenditure of Rs 200,000 was less accounted for due to wrong calculation. The mistake was admitted and correction promised.
3. Grant in Aid for Rs 413.865 millions was given by the Central Government as shown in the table against which the expenditure of Rs 1036.439 million was booked which resulted in minus closing balance of Rs 622.574. It was stated in reply that the excessive expenditure was adjusted against the overall receipts of the authority. The contention of the authority was not found correct because the expenditure was charged to the grant in Aid (Revenue) from the central government.
4. The receipts on behalf of Federal Government amounting to Rs 31.486 millions were not remitted to the concerned agencies and un-authorisedly held by the authority. It was stated in reply that the receipts on account of rent of buildings were with-held due to the reasons that the rent of the buildings owned by the authority was not being received from the Federal Government. As regards the remittances of Income Tax and Benevolent Funds

the same were remitted in the next months. The reply was not admitted because no proper adjustment account with the Federal government was prepared and receipts against the income tax and Benevolent Funds were not remitted even in the June final accounts, which were submitted to audit after three months.

5. Loss of Rs 184.668 millions was shown in the manufacturing accounts of MPO and Central Engineering Laboratory. It was stated in reply that the concerned formation was being asked to explain the losses. Audit feels that the losses were sustained due to loose administration, pilferage of funds and uneconomical transactions, which needs special attention of the controlling ministry.
6. Funds to the tune of Rs 646.762 millions could not be utilized on the projects for which these were allocated. It was replied that the allocated amount never lapse and unutilised balances are carried forward to the next financial years. The contention of the authority was not admitted because many other projects remained suspended due to paucity of funds. The anticipated savings were not reported to the government.
7. Similarly a sum of Rs 61.329 millions was booked over and above the allocation for the particular project. It was stated that the concerned formations were being asked to explain the excess over allocation. Reply was interim and hence evasive. The state of affairs shows lack of necessary financial controls.

8. A sum of Rs 130.00 millions was allocated for the establishment charges against which an expenditure of Rs 417.029 millions was booked. It was stated in discussion that the excessive expenditure was adjusted against the works. The contention of the authority was not admitted because the expenditure on regular/permanent staff was not to be charged to the works and only the expenditure on the work-charged establishment could be met out from the works allocation.

Keeping in view the above noted short-comings and financial in-disciplines the general condition of the Accounts could not be called satisfactory.



## SECTION-II

### THE REPORT

## CHAPTER-1

### MISAPPROPRIATION, MIS-USE AND THEFT (Rs 1.816 MILLION)

**Para 1** based on Draft Para 1 for the Year 1998-99.

Loss of Rs 116,424 due to theft of transformer

In Electrical Division No.II, CDA Two Nos. 25 KVA transformers valuing Rs 116, 424 were stolen from the Muslim Graveyard.

Theft due to improper arrangement of safeguard of public property resulted in loss of Rs 116,424.

Audit pointed out the loss during November 1998. It was replied that a case was registered with the Police. An amount of Rs 116,424 was paid to WAPDA and therefore no loss was sustained by the authority. The reply was not found acceptable because the payment to WAPDA was made for re-installation of transformers and case of theft was not investigated. The matter was also reported to the administrative ministry in July 1999 but no further reply was received.

Action required

Audit advises to make the loss good from the person(s) at fault or getting it write-off besides disciplinary action.

**Para 2** based on D.P. 2.

Loss of Rs 1,600,000

In a W & S Division No-VI (Bulk Water Production), CDA a water tanker valuing Rs 1,600,000 was stolen.

Improper arrangement of safeguard of public property, authority resulted in loss of Rs 1,600,000.

Audit pointed out the loss during December 1998. The matter was also reported to the administrative ministry in July 1999. It was replied that matter was under investigation but no progress/findings of the investigation was reported.

**Action Required**

Audit advises for early finalization of inquiry and making the loss good from the person(s) at fault besides disciplinary action

**Para 3** based on D.P. 3.

Loss of Rs 99,996

In a Environment Directorate, CD A payment for parts of transformers valuing Rs99,996 stolen from CDA premises, was made to WAPDA due to disconnection of electricity to CDA Nursery.

Payment made by CDA resulted in loss of Rs 99,996 to the Authority.

Audit pointed out the loss during March 1999. No reply was given. The matter was also reported to the administrative ministry in July 1999. It was replied that watch and ward of transformer was not

the responsibility of CDA. FIR for theft was lodged with police station. CDA had to pay the cost of transformer to save its nursery stock. Reply was not found satisfactory because responsibility for theft of transformers was not fixed.

Action required

Audit advises for making the loss good from the WAPDA by lodging claim besides disciplinary action the person(s) at fault.

## CHAPTER-2

### ACCIDENTS (RS .413 MILLION)

**Para 4** based on Draft Para 4 for the Year 1998-99.

Loss of Rs 323,376

In a Government Cortical Parliament Lodges Directorate, CDA a suite caught fire during stay of an occupant.

The fire incident due to carelessness/laxity resulted in loss of Rs 323,276 to the Government.

Audit pointed out the loss during March 1999. It was replied that the loss would be made good from responsible as per decision of the National Assembly. The matter was also reported to the administrative ministry in July 1999 but no reply was received.

Action required

Audit advises making the loss good besides disciplinary action against the person(s) at fault

**Para 5** based on D.P. 6Loss of Rs 89,558

Road Division No.1 CDA, paid Rs 89,558 was for repair of a vehicle met with an accident while it was being driven by an unauthorized person.

Accident to a vehicle due to irresponsible action resulted in loss of Rs 89,558 to the authority.

Audit pointed out the loss during January 1999. The matter was also reported to the administrative ministry in July 1999, where in the authority accepted the loss but responsibility after due investigation was not fixed.

**Action required**

Audit advises to investigate/recovery alongwith disciplinary action against the person(s) responsible.

**CHAPTER-3****OVERPAYMENTS (Rs 34.269(M))****Para 6** based on D.P. 11 for the Year 1998-99.Overpayment of Rs 2,090,261

Road Division No.V, CDA made payment for earth excavated/brought from outside source to a contractor although sufficient earth was available at site and its disposal/ utilization was also not shown in record.

Payment for extra quantity of earth brought from outside source resulted in overpayment of Rs 2,090,261.

Audit pointed out the overpayment during February 1999. It was replied that the extra earth work was paid after due fulfillment of codal formalities. Reply was not found acceptable as utilization of available earth was not explained. The matter was also reported to the administrative ministry in July 1999, but the department failed to explain the utilization of available earth at site.

**Action required**

Audit advises to recover the amount from the person(s) responsible besides disciplinary action for poor estimation/sanction.

**Para 7 based on D.P. 12**

Overpayment of Rs 286,134

Road Division No.V, CDA paid "Crush 2 inch down" for excessive quantities than required at site of work to the contractor.

Payment for excessive quantities resulted in overpayment of Rs 286,134.

Audit pointed out the overpayment during February 1999. The authority replied that the material was transferred to another work being executed by another contractor. Reply was not found acceptable as it was an afterthought as no documentary evidence in support of the reply was produced. The matter was also reported to the administrative ministry in July 1999 but no further progress towards recovery was intimated.

**Action required**

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

**Para 8** based on D.P. 14Overpayment of Rs 200,349

Road division NO.V,CDA made overpayment due to incorrect calculation to a contractor.

Incorrect calculation resulted in overpayment of Rs 200.349 to a contractor.

Audit pointed out the over payment during February 1999. The matter was also reported to the administrative ministry in July 1999. Recovery was reported in October 1999 at the instance of audit but disciplinary action against the person responsible for incorrect calculation not initiated.

**Action required**

Audit advises for necessary adjustment in the final accounts and disciplinary action against the person(s) responsible.

**Para 9** based on D.P. 15Excess payment of Rs 587,939

Special Project Division No.1, CDA got executed an extra item at higher rates by setting aside an item of bill of quantity.

Execution of extra item at higher rates resulted in excess payment of Rs 587,939

Audit pointed out the excess payment during February 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the work was got executed as per site conditions and according to the decision of the competent authority

as advised by the consultant. The reply was not found acceptable because variation in rates of B. O. Q and substituted items was extra ordinarily high. Proper justification for substitution/execution was not given.

Action required

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

**Para 10** based on D.P. 16

Non-recovery of Rs 359,398

Water & Sewerage Zone-A, CDA directly charged the laboratory test charges to a work which was the responsibility of the contractor.

Violation of conditions of the contract resulted in over payment of Rs 359,398 to the contractor.

Audit pointed out the recovery during December 1998. The matter was also reported to the administrative ministry in July 1999. The authority reported realization of recovery at the instance of audit after two years but adjustment was not made in the final accounts.

Action required

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

**Para 11** based on D.P. 21

Excess payment of Rs 396,041

Parliament Building (Civil Maintenance) Division, CDA made payment in excess of covered area of a building.

Excessive assessment of covered area resulted in excess payment of Rs 396,041.

Audit pointed out the excess payment during October 1998. It was replied that services were acquired for both open and covered area. Reply was not found satisfactory as the open area other than covered area mainly comprised lawns, drive ways, etc, which did not need cleaning with detergent or damp mop. The matter was also reported to the administrative ministry in July 1999 but the authority failed to justify the matter.

**Action required**

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

**Para 12 based on D.P. 23**

Excess payment of Rs 757,606

Machinery Pool Organization(Maintenance) CDA made deduction for voids from the quantities of a machine crushed stone 1-1/2" @ 8.33% instead of 20% as required under Pak;PWD Book of Specification(Item 28.23 page 315).

Deduction of voids at lesser rate resulted in overpayment of Rs 757,506 to a contractor.

Audit pointed out the excess payment during March 1999. It was replied that deduction of voids was made as per provision in the technically sanctioned estimates. Reply was not tenable because provision in the estimates/BOQ was incorrect. The matter was also reported to the administrative ministry in July 1999. In reply it was stated that provision of 8.33% as per MES schedule of rate 1981 was applied for. Reply was not found acceptable because CDA had to

follow Pak.PWD specification. The matter of deduction of 20% to 25% was decided in DAC meeting.

Action required

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

**Para 13** based on D.P. 26

Overpayment of Rs 568,796

Road division No.5,CDA did failed to deduct voids while measuring an item of a work as required by the specification.

Non-deduction of voids and taking excess measurements resulted in overpayment of Rs 568,796.

Audit pointed out the excess payment during February 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that due to re-excavation, payment was to be made in excess and compacted thickness was paid. Reply was not found acceptable as re-excavation was not on record and the voids factor was added while working out the rate but later on it was not deducted at the time of payment.

Action required

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

**Para 14** based on D.P. 27

Un-due payment of Rs 130,886

Mechanical-I, Division, CDA executed extra item and paid against the schedule of material to be supplied to contractor.

Violation of agreement provision resulted in un-due payment of Rs 130,886.

Audit pointed out the un-due payment during November 1998. It was replied that the extra item was approved by the competent authority to keep the firm responsible for safe transportation of equipment from the store to site of work and no loading/unloading charges were paid when the material was dispatched from Karachi to Store. Reply was not found satisfactory because the contractor quoted his rates for supply and installation and nothing would be paid for loading/unloading and carriage from market to store and site of work. The matter was also reported to the administrative ministry in July 1999 but in response the authority denied the facts.

Action required

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

**Para 15** based on D.P. 29

Overpayment of Rs 79,410

Road Division No.1, CDA got executed an item of stone pitching but 25% voids were not deducted from the total quantity.

Non-deduction of voids resulted in overpayment of Rs 79,410 due to excessive measurement.

Audit pointed out the overpayment during January 1999. It was replied that deduction of voids in stone pitching was not required. The space was covered by the mortar used for the joints. Reply was not convincing because voids were required to be deducted as per specification/analysis of rates. The matter was also

reported to the administrative ministry in July 1999. The department reported the recovery at the instance of audit.

Action required

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

**Para 16** based on D.P. 31

Overpayment of Rs 165,856

Road division No.1, CDA Islamabad got executed a schedule item of work as an extra item at higher rate as compared to that provided in the Schedule of Rates.

Execution of schedule item at higher rate resulted in overpayment of Rs 165,856.

Audit pointed out the overpayment during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the item paid was a non-schedule and analyzed at market rates. The reply was not found acceptable as the extra item was provided in the Schedule of Rates and was to be paid accordingly.

Action required

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

**Para 17** based on D.P. 32

Overpayment of Rs 25,024,043

Road Division No.1, CDA got executed an item of blasting of rocks but neither the suitable/ serviceable material was obtained nor

the rates of the item reduced to the half, as per Pak: PWD Specification.

Non reduction of the rate as per Pak:PWD Specification resulted in overpayment of Rs.25,024,043.

Audit pointed out the overpayment during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the work was carried out through controlled blasting and the material obtained was declared as unsuitable by the consultant. The reply was not found satisfactory as no such remarks of the consultant were available on the record.

Action required

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

**Para 18** based on D.P. 33

Excess payment of Rs 2,329,882

Road Division No.1, CDA paid Rs 2,329,882 to a consultant despite of his poor performance in addition to the admissible Rs 4,975,161 as per financial proposal.

Audit pointed out the excess payment during January 1999. The matter was report to the Administration Ministry in July 1999. It was replied that the payment was correctly made including the supervision charges. Reply was not found tenable because Rs 4,975,161 were inclusive of supervision charges as per financial proposal.

Action required

Audit advises early recovery from the person(s) responsible for undue payments.

**Para 19** based on D.P. 35Overpayment of Rs 111,234

Maintenance Division No.II, CDA got executed certain items of work on quotation basis on market rates instead of Schedule of Rates 1991.

Execution of works at non-competitive rates for schedules items resulted in overpayment of Rs 111,234.

Audit pointed out the irregularity during October 1998. It was replied that the Schedule of Rates was prepared in 1991 whereas market rates were risen to great extent. Reply was not found satisfactory because the rates paid were very high. The matter was also reported to the administrative ministry- in July 1999 but no reply was received.

**Action required**

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

**Para 20** based on D.P. 36Excess payment of Rs 107,195

Water Division No.2,CDA while preparing analysis of rates of items of a work, amount rounded off to favour a contractor.

Higher rates resulted in excess payment of Rs 107,195 to the contractor.

Audit pointed out the overpayment during February 1999. The matter was also reported to the administrative ministry in July

1999. It was replied that the analysis of rates was prepared by the consultant and approved by competent authority. Reply of the authority was not tenable as the amount of rates was rounded off to favour the contractor.

Action required

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

**Para 21** based on D.P. 37

Overpayment of Rs 548,093

Road Division No.II, CDA measured an item involving use of bitumen fictitiously although the relevant record indicated no bitumen was available at site.

Fictitious measurement of work resulted in overpayment of Rs 548,293.

Audit pointed out the overpayment during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the item was executed after receipt of bitumen but the date of measurement was not in sequence unintentionally. Reply was not found acceptable because record measurements in MB of the items were measured carelessly.

Action required

Audit advises for early investigation for fixing responsibility besides recovery involved from the person(s) responsible.

**Para 22** based on D.P. 38Overpayment of Rs 198,862

Road Division No.II, CDA change specification of an item of work in MBs by over-writing. Initially the item of work "Burnt brick masonry with 1:6 cement mortar" was recorded in the measurement book. Later on the ratio of cement mortar was changed to 1:4 involving higher rates.

The change in specification by over-writing subsequent to the execution and measurement of work caused overpayment of Rs 198,862 to the contractor.

Audit pointed out the overpayment during January 1999. The matter was also reported to the Administrative ministry in July 1999. It was replied that the specification was changed as per drawing provided by the Structure Directorate. Reply was not found satisfactory because ratio of cement mortar once executed and measured could not be changed by overwriting in the MB.

**Action required**

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

**Para 23** based on D.P. 40Overpayment of Rs 326,774

In a Road Division No.III, CDA a contractor quoted their rates as % below the estimated cost. Later on certain additional items which were not covered under the agreement were got executed and paid but already quoted %age below was not applied.

Payment of higher rates resulted in overpayment of Rs 326,774 to contractors.

Audit pointed out the overpayment during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that %age below was not applicable on extra items being market item. The reply was not found acceptable as the contractor quoted percentage below for the items included in the Schedule of Rates as well as market items provided in the technically sanctioned estimates and accordingly additional items should have been paid for.

Action required

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

## **CHAPTER-4**

### **NEGLIGENCE (RS 9.289 MILLION)**

**Para 24** based on D.P. 41 for the Year 1998-99.

#### Loss of Rs 323,123 due to Negligence

Road V, Division CDA, Islamabad failed to issue letter of start to a contractor within the bid validity period. Later on the work was re-tendered and awarded at higher rate of premium.

Non-issuance of acceptance letter in time and award of work at higher rates resulted in loss of Rs 323,123

Audit pointed out the loss during February 1999. The matter was also reported to the administrative ministry in July 1999. The authority replied that due to financial constrains the funds could not

be allocated in time. Reply was not found satisfactory as without provision of funds the work should not have been tendered.

Action required

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

**Para 25** based on D.P. 42

Loss of Rs 1,275,242

Special Project Division No.III, CDA rescinded a contract due to unsatisfactory performance but did not operate penal clause against defaulting contractor.

Non-operation of penal clause resulted in loss of Rs 1,275,242.

Audit pointed out the loss during January 1999. The authority replied that the contract was rescinded after completing the codal formalities. The reply was not tenable as being a poor performer the contractor was liable to be penalized as per terms and conditions of the contract. The matter was also reported to the administrative ministry in July 1999. It was replied that contract was rescinded by the competent authority under clause (a) on the receipt of numerous complaints. The reply and action taken by the authority was not found satisfactory because CDA failed in assessing the contractor at the time of evaluating, keeping close supervision by officers and rescinded the agreement under clause beneficial to contractor rather than to the CDA.

Action required

Audit advises fixation of responsibility for the loss and making it good from person(s) responsible besides taking disciplinary action.

**Para 26** based on D.P. 131Loss of Rs 5.000 million

Road Division No.III, CDA changed the design from raft foundation to pile foundation without any solid reasons on the proposals of the contractor for his convenience. Cost of the project enhanced by Rs5.000 million due to change of design.

Change of design resulted in loss of Rs5.000 million to the government.

Audit pointed out the loss during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the changed design was comparatively best suited to the circumstances. Reply was not found convincing as the original design was found best suited at the time of designing and estimation by the consultants and the design was later on changed on the proposal of contractor during execution just to benefit the contractor.

**Action required**

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

**Para 27** based on D.P. 132Extra Expenditure of Rs 0.434 million

Road Division No.III, CDA enhanced the height of a bridge from 5.1 meters to 5.3 meters without any justification.

Height of a bridge enhanced resulted in incurring of extra expenditure Rs 0.434 million.

Audit pointed out the extra expenditure during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the extra cost of structurally necessitated for firm and secure holding of heavy girders on abutment. Reply was not found convincing as the extra expenditure was incurred due to change in height of bridge which was wrongly provided in the original designing.

Action required

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

**Para 28** based on D.P. 133

In-fructuous expenditure of Rs 2.257 million

Road Division No.III, CDA adopted defective job mix formula for asphalt concrete binder course. Another asphalt concrete binder course was done along with laying of asphalt concrete.

Adoption of defective job mix formula for asphalt binder course resulted infructuous expenditure Rs 2.257 million.

Audit pointed out the in fructuous expenditure during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the defective Job Mix Formula was not adopted. Due to circular diversion, the link was strengthened for heavy traffic. Reply was not found convincing as failure of the link due to adoption of substandard and un-approved job mix formula was pointed out in an extra ordinary progress meeting held on June 13, 1995 and was on record.

Action required

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

## CHAPTERS-5

### VIOLATION OF RULES (Rs 244.884 MILLION)

**Para 29** based on D.P. 47 for the Year 1998-99.

Loss of Rs 1,568,975

Directorate Municipal Administration, CDA did not safeguard the confiscated material leaving exposed to open atmosphere.

Non-observance of financial propriety resulted in loss of Rs 15,68,975.

Audit pointed out the loss during January 1999. The authority replied that the formation's task in this concern was under way. The last auction was done in December 1997. The matter was also reported to the administrative ministry in July 1999. No progress towards disposal and receipt of revenue was reported.

Action required

Audit advises for early recovery besides investigation into the matter for fixing responsibility against the person(s) at fault.

**Para 30** based on D.P. 55Un-justified payment of Rs 1,799,097

Tube well Division, CDA paid overtime allowance to employees from July 1997 to June 1998 without justification of over work/special nature work in presence of daily wages staff as well as execution of repair works by the contractor.

Payment of overtime resulted in unjustified expenditure of Rs 1,799,097.

Audit pointed out the irregularity during January 1999. the matter was also reported to the administrative ministry in July 1999. The authority replied that the staff was deputed round the clock for continuous supply of water to the residents of Islamabad and no irregularity was committed. The reply was not found acceptable because in case the payment of overtime allowance in the formation was so unavoidable then this practice should not have been discontinued.

**Action required**

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

**Para 31** based on D.P. 60Irregular payment of Rs 3,185,223

Special Project Division No.III, CDA got executed janitorial/cleaning services but charged the expenditure to main construction work wherein there was no provision for such work.

Charging of expenditure to improper head resulted in irregular payment of Rs 3,185,223.

Audit pointed out the irregularity in January 1999. The authority replied that the maintenance grant for Parliament Lodges were not released. Parliament lodges were, however, allotted on government directions for accommodating the delegates of O.I.C summit meeting. Reply was not found acceptable as work contingencies meant for construction work and not for other maintenance services. The matter was also reported to the administrative ministry in July 1999 but no further reply was received.

**Action required**

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

**Para 32 based on D.P. 62**

Non-imposition of Penalty Rs 3,673,110

Mechanical-I Division CDA failed to get complete of certain works within stipulated period from the contractor. They were liable to be penalize @ 10% of the project cost. No penal action was taken.

Non-imposition of penalty resulted in loss of Rs 3,673,210.

Audit pointed out the loss in November 1998. The matter was also reported to the administrative ministry in July 1999. It was replied that the matter was under active consideration and thorough investigation. On arrival of the final decision action would be initiated. Reply was not found acceptable as penalty was required to be imposed as per agreement clause and chances of recovery become bleak with the passage of time.

Action required
-----------------

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

**Para 33** based on D.P. 67Irregular Payment of Rs 586,623

Directorate of Audit & Accounts, CDA appointed an officer in BPS-17 after attaining the age of 49 years. 3 advance increments were also allowed. The age relaxation was in-consistent with CDA ordinance vide Para 38 Chapter V, Para 51 Chapter VIII and Service Regulations (Chapter 8 para 6(a-c)). The officer appointed also did not possess any additional qualification for which the advance increments were allowed.

Irregular appointment and grant of advance increments resulted in irregular payment of Rs586,623.

Audit pointed out the irregularity during March 1988. The matter was also reported to the administrative ministry in July 1999. The authority failed to regularized the matter despite regular pursuance.

Action required
-----------------

Audit advises early regularisation of the irregularity/recovery from the officers or person(s) responsible besides disciplinary action.
---

**Para 34** based on D.P. 68Loss of Rs 966,555

Maintenance Division No.I, CDA enhanced a contract for water improvement for a house from Rs 296,520 to Rs 1,528,370

without cogent reasons and approval of the competent authority. The work was enhanced to favour the contractor due to higher rates as compared with the rates of other works of similar nature even after one year.

Enhancement of scope of work/contract resulted in loss of Rs 966,555 to the authority.

Audit pointed out the loss during October 1998. The matter was also reported to the administrative ministry in July 1999. It was replied that the enhancement in the cost of the work was due to award of additional works in other houses of similar nature. The reply was not found acceptable because interest of the authority, by consolidating the scope of work at the time of tendering to have compatible rates, was not watched.

Action required

Audit advises for making the loss good from the defaulter(s) responsible.

**Para 35** based on D.P. 69

Loss of Rs 344,666

Environmental Directorate, CDA tampered with tender documents already quoted premium 2.90% above to 17.90% above contrary to the provisions of contract agreement clause-46.

Upward revision in the premium resulted in loss of Rs 344,666 to the authority.

Audit pointed out the loss during March 1999 May 1999. The matter was also reported to the administrative ministry in July 1999. The department replied that the rates were over written before opening of tenders. Reply was not found acceptable as per clause 46

of NIT as rates once quoted could not be changed/over-written. Moreover the amount of call deposit was also changed/over-written.

Action required

Audit advises to investigate the matter and make the loss good from the contractor or person(s) at fault.

**Para 36** based on D.P. 73

Irregular Expenditure of Rs 235.000

Environmental Directorate, CDA purchased cow-dung manure without calling tenders & without detailed record entries in the Measurement Book. Disposal of the same was also not shown.

Purchase of the manure without tenders and detailed record entries resulted in irregular expenditure/payment of Rs 235,000.

Audit pointed out the irregularity during March 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that purchase was made in emergency through purchase committee. Reply was not found acceptable because authority failed to substantiate purchase on emergency basis, setting aside the codal requirements.

Action required

Audit advises early condonation of irregularity from the competent authority besides taking disciplinary action against person(s) responsible.

**Para 37** based on D.P. 74Irregular extra payment of Rs 163,887

Road Division No.1, CDA got executed an item of work "Removal of debris" in excess of its provision in the agreement/BOQ without any justification.

Execution of an item of work beyond the quantity provided in the agreement resulted in irregular and unjustified payment of Rs 163,887.

Audit pointed out the irregularity during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the payment was in order and as per provision of the agreement. Reply was not based on facts as the contractor was responsible to remove the debris accumulated by himself at his own cost and was thus unduly paid for such excessive quantity in addition to quantity provided in the agreement.

**Action required**

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

**Para 38** based on D.P. 75Undue payment of Rs 264,352

Road Division No.1, CDA, paid Rs 264,352 to a contractor for clearance of a site whereas the activity was got done departmentally.

Violation of rules resulted in unjustified and undue payment of Rs 264,352 to the contractor.

Audit pointed out the irregularity during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the payment of Rs 264,352 was made to the contractor provisionally and it would be recovered from him if required. No recovery/final position was, however reported up-to October 1999.

Action required

Audit advises to investigate the matter for fixing responsibility and recovery from the person(s) responsible.

Para **39** based on D.P. 76

Undue Financial Air to Contractor Rs 15.000 million.

Road Division No.III, CDA made an advance payment of Rs 15.000 million to a contractor in February and June 1997 but adjustment was not made up-to 1999.

Non-adjustment of advance payment of Rs 15.000 million since 1997 resulted in undue benefit to the contractor.

Audit pointed out the irregularity during January 1999 and March 1999. It was replied that the adjustment would be made shortly. Matter was also reported to the administrative ministry in July 1999. It was replied that the contractor had gone into litigation. No adjustment was reported up-to September 1999.

Action required

Audit advises early adjustment of advance payment along with interest at market rate thereon.

**Para 40** based on D.P. 77Irregular enhancement of scope of work Rs 3,280,438

Road Division No.III, CDA enhanced the scope of a work from Rs 985,862 to Rs 4,266,300.

Award of enhanced work without any competition resulted in irregular expenditure of Rs 3,280,438.

Audit pointed out the loss during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that scope of work was enhanced as per site requirements. The reply was not found acceptable as the increase was over 400% which reflected poor estimation by technical authorities.

**Action required**

Audit advises condonation of irregularity alongwith disciplinary action against the person(s) at fault.

**Para 41** based on D.P. 128Non-recovery of Extra Expenditure Rs 20.138 million

Road Division No.III, CDA got executed the project of Faizabad Interchange, but failed to execute the item of work which involved use of material of Freyssinet System in pre-stressing concrete items as provided in the agreement/original design. An alternative system was adopted to facilitate the contractor which involved extra expenditure of Rs 20.138 million.

Violation of contract rules resulted in extra expenditure of Rs 20.138 million

Audit pointed out the extra expenditure/non-recovery during August 1997. The matter was also reported to the administrative ministry in September 1999. The authority replied that the manufacturer of pre-stressing concrete items failed in supplying of material and the design was changed. In order to avoid the delay in completion of the project, new items of pre-stressing were cropped up which were paid as per agreement. Reply was not found satisfactory as the contractor was responsible for arranging the pre-stressing material and execution of all items as per agreement without claiming extra amount for any change allowed at his instance.

**Action required**

Audit advises early recovery and proper action against person(s) responsible.

**Para 42** based on D.P. 130

Irregular payment of Rs 32.734 million

Road Division No.III, CDA failed to use suitable material obtained from excavation on construction of common embankment and well graded material on coarse side obtained from excavation of rivers/nullahs generally known as GHERA material on construction of select embankment. The specification of M/s Nespak for common embankment was silent about proper description/nature of material and maximum size of particles and suggested borrow areas. The contractor was paid for both embankment for Rs 32.734 million without recording location of borrow areas from where the excavated material was obtained. Approval of Engineer Incharge and Laboratory test reports were also not made available. There was likely settlement of embankment due to non-adoption of recognised specification.

Violation of contract rules and defective specification resulted in irregular payment of Rs32.734 million to the contractor.

Audit pointed out the irregular payment during August 1997. The matter was also reported to the administrative ministry in September 1999. The authority replied that the material used for making common embankment and select embankment was of recognised specification and test reports of material were available with the consultant for verification. Reply was not found convincing as the authority could not substantiate its reply with documentary evidence/reference.

**Action required**

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

**Para 43** based on D.P. 36

Un-due financial Aid of Rs 15.000 million

Road Division No.III. CDA made an "on account payment" of Rs 15.000 million to a contractor which was not covered under any contractual provision.

Violation of rules resulted in irregular payment and undue financial aid of Rs 15.000 million.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that \*"on account payment" was released to the contractor on the recommendations of the consultant and in the interest of the project. Reply was not found satisfactory as the payment was made without any provisions in the agreement and therefore, an undue favour to the contractor.

Action required

Audit advises investigation with a view to fixing responsibility and initiating disciplinary action for favouritism to the contractor at the government expense.

**Para 44** based on D.P. 137

Excess Expenditure of Rs 30.283 million

Road Division No.III, CDA incurred/borne an excess expenditure of Rs 30.286 million as differential cost of material viz. Steel and cement due to late completion of the project.

Delay in completion of the project resulted in excess expenditure of Rs 30.286 million on differential cost of the material.

Audit pointed out the irregularity in August 1997. Matter was also reported to the administrative ministry in September 1999. The department replied that completion was delayed due to unavoidable circumstances i.e., built-up structure, delay in removal of utility services, cutting of trees, re-routing of vehicular traffic, land acquisition, inconsistent allocation of funds, etc., and the differential cost was charged to the project as per agreement. Reply was not found satisfactory as the circumstances were not un-avoidable and the tenders should have been invited after arranging the site of work and framing of estimates and detailed designs in advance for smooth completion of the project.

Action required

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

**Para 45** based on D.P. 138Un-due payment of Rs 5.236 million

Road Division No.II, CDA allowed an undue payment of Rs5.236 million to a contractor on account of over-head charges in addition to 10% contractor's profit on extra/deviated items of work in violation of established principles and without obtaining approval of the Finance Division.

Violation of established rules resulted in undue payment of Rs5.236 million to the contractor.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the over-head charges were allowed as per agreement. Reply was not found acceptable as the insertion of clause in agreement regarding payment of 15% overhead charges was undue, unjustified and against the established principles and specific approval of the Finance Division.

**Action required**

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

**Para 46** based on D.P. 139Un-due financial burden of Rs 3.292 million

Road Division No.III, CDA made a provision in the tender documents regarding supplying of new vehicles by the contractor to the Engineers/employees to facilitate the supervision of the project. This provision was unjustified as the CDA was maintaining a large fleet of vehicles for smooth supervision of projects, which ultimately enhanced the quoted rates by the contractor/cost of the project.

Irregular and unjustified provision of supplying vehicles resulted in undue financial burden of Rs 3.292 million.

Audit pointed out the irregularity during August 1997. The department replied that the provision of vehicles was made according to normal practice for supervision of mega projects. Reply was not found acceptable as the contractor at the time of quoting rates did not evaluate and add financial implication of such provision of vehicles which caused undue financial burden on the exchequer in presence of already maintained vehicles. The matter was also reported to the administrative ministry in September 1999 but no further reply was received.

Action required

Audit advises fixation of responsibility, proper action against person(s) at fault and elimination of such practice.

**Para 47** based on D.P. 140

Un-due payment of Rs 0.269 million

Road Division No.III, CDA made payment of Rs 0.269 million to a contractor on account of "day work charges" which was not entitled under any provision of the agreement.

Violation of contract rules resulted in undue payment of Rs 0.269 million.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the contractor was paid for his men and machinery engaged for demolition and removal of encroachments and the payment was allowed as per agreement.

Reply was not found acceptable as the authority failed to produce any record in support of its reply.

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

**Para 48** based on D.P. 144

Extra payment of Rs 0.463 million

Road Division No.III. CDA allowed extra payment of Rs 0.463 million to the consultants for supervision of construction of a Bridge No.4-A which was re-designed from the raft foundation to pile foundation at the instance of the contractor. The consultant was responsible for the supervision of the entire project inclusive of the said bridge and therefore, additional/extra payment was not admissible.

Violation of contract rules resulted in extra payment of Rs 0.463 million to the consultant.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The authority replied that original design did not involve pile foundation which was a particular job and specialised staff was engaged by the consultant for supervision thereof. Therefore, the consultants were additionally paid for additional staff and fees of redesigning of the bridge within the provision of agreement. Reply was not found acceptable as the consultants were responsible for the supervision of the entire project within already agreed fees.

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

**Para No.49** based on D.P. 135Irregular payment of Rs 62.697 million

Road Division No.III, CDA made payment of Rs 62.697 million to two contractors for items of work executed in excess of those provided in the B.O.Q.

Execution of excessive quantities than provided in B.O.Q resulted in irregular payment of Rs 62.697 million.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that payment was made as per actual execution of work and revised PC-I had been approved by the ECNEC. Reply was not found satisfactory as the excessive expenditure constituted 39.16% of cost which reflected defective planning and estimation. Expenditure was incurred beyond the admissible limit. Moreover, reply was not supported with documentary evidence.

**Action required**

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

**Para 50** based on D.P. 143Irregular payment of Rs 43.700 million

Road Division No.III, CDA made payment of Rs 43.700 million to two contractor on account of extra/deviated items without obtaining prior approval of the competent authority as required under rules.

Violation of rules resulted in irregular payment of Rs 43.700 million.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that provisional payments were released to the contractor for extra/deviated items as per provision of the agreement and competence of the Engineer Incharge. It was added that provisional payment had been adjusted on formal approval of rates by the competent authority. Reply was not tenable as the payments were made without prior approval of the competent authority in violation of financial rules and documentary evidence of the approval of the rates was not produced.

Action required

Audit advises early regularization of the payment by the competent authority.

## **CHAPTER-6**

### **VIOLATION OF FINANCIAL PROPRIETY**

#### **RS 9.9679(MILLION)**

**Para 51** based on D.P. 81 for the Year 1998-99.

Loss of Rs 490,074

Central Store Division CDA purchased huge quantity of perishable material against indents of other formations. The material was lying un-lifted in the store since long.

Purchase of perishable material in bulk without necessity resulted in blockade of government money and loss of Rs 490,074.

Audit pointed out the loss during March 1999. It was replied that the indenting formations had been asked to lift their material. The matter was also reported to the administrative ministry in July 1999. The Authority further replied that due to financial crises and fund position, paint could not be lifted by concerned formations. The reply was not found acceptable and appeared to be evasive.

Action required

Audit advises fixation of responsibility, physical verification of paint besides making the loss good and taking disciplinary action against the person(s) responsible.

**Para 52** based on D.P. 83

Loss of Rs 490,095

Procurement Directorate failed to lift material in time. In the meanwhile prices increased and the material was purchased at increased rates.

Non-lifting of the material in time and subsequent purchasing at increased rates resulted in loss of Rs 490,095.

Audit pointed out the loss during February 1999. It was replied that the indenting formations could not maintain regular and consecutive consumption of the material due to rain and slow progress of the work. Reply was not found convincing as purchase was requisitioned unnecessarily. The authority failed to substantiate its contention. The matter was also reported to the administrative ministry in July 1999 but no further reply was received.

Action required

Audit advises fixation of responsibility for the loss and making good from person(s) responsible besides taking disciplinary action.

**Para 53** based on D.P. 84Loss of Rs 2,233,000

Procurement Directorate, CDA failed to award a work in time despite of an offer of lesser rates by a contractor.

Non-observance of financial propriety resulted in loss of Rs 2,233,000.

Audit pointed out the loss during February 1999. It was replied that the contracts were awarded at higher rates after the approval of the competent authority. Reply was not found convincing as late decision reflected on mismanagement and negligence which resulted into loss due to price hike. The matter was also reported to the administrative ministry in July 1999 but no reply was received.

**Action required**

Audit advises fixation of responsibility for the loss and making good from person(s) responsible besides taking disciplinary action.

**Para 54** based on D.P. 85Loss of Rs 538,6000

In a Machinery Pool Organization (operation) CDA a machine went out of order and remained lying in the same condition for a long time pending minor repair work.

Non-repair of the machine in time resulted in loss of Rs 538,600

Audit pointed out the loss during February 1999. The authority replied that some parts were required for repair of the machine for which tendering was in process. Reply was not found satisfactory as due to negligence/delayed processing of purchase of spare parts the authority was put to recurring loss. The matter was also reported to the administrative ministry in July 1999. but no satisfactory reply was received.

**Action required**

Audit advises fixation of responsibility for making goods the loss from the person(s) responsible.

**Para 55 based on D.P. 88**

Excess payment of Rs 1,513,064

Road Division No. V, CDA executed some items of a contract in excess of those provided in the BOQ/technically sanctioned estimate.

Increase in quantities of the items beneficial to the contractor resulted in irregular payment of Rs 1,513,064.

Audit pointed out the irregularity during February 1999. The authority replied that quantities were increased due to award of additional work, approved by the competent authority. Reply was not found convincing as the enhancement of quantities was extraordinary excessive and favourable to the contractor. The matter was also reported to administrative ministry in July 1999. The authority re-iterated its earlier reply.

**Action required**

Audit advises for regularization alongwith disciplinary action against the persons at fault.

**Para 56** based on D.P. 90Loss of Rs 909.820

W & S R/A Zone awarded works on higher rates after re-tendering without offering the 2nd and 3rd lowest bidders as the 1<sup>st</sup> lowest failed to start the work.

Non-observance of financial propriety resulted in loss of Rs 909,820.

Audit pointed out the loss during December 1998 and also April 1999. Matter was also reported to administrative ministry in July 1999. The authority replied that there was no such practice to award of work to 2<sup>nd</sup> or 3<sup>rd</sup> lowest bidder. Reply was not found satisfactory as negotiations should have been held with 2<sup>nd</sup> and 3<sup>rd</sup> bidder before re-tendering. Interest of the authority was not watched.

**Action required**

Audit advises fixation of responsibility and making good the loss from the person(s) at fault.

**Para 57** based on D.P. 92In-fructuous expenditure of Rs 86.940

Road Division No.1. CDA incurred expenditure on advertisement for pre-qualification of contractors but later on the particular work was got executed departmentally.

The infructuous expenditure on advertisement resulted in loss of Rs 86,940 to government.

Audit pointed out the loss during January 1999. The matter was also reported to the administrative ministry in July 1999. It was

replied that it was decided by the competent authority to carry out the work departmentally. The infructuous expenditure was, therefore, established.

Action required

Audit advises making good the loss from the person(s) responsible.

**Para 58** based on D.P. 93

Loss of Rs 699,029

Road Division NO.1, CDA got executed an item of work "Random rubble masonry" by a contractor through an extra item at higher rate instead of awarding the same to a contractor already engaged on the same reaches at lower rates.

Execution of work at higher rates resulted in loss of Rs 699,029 to the authority.

Audit pointed out the loss during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that the rates approved by the consultant were paid and award of work to the contractor with lower rates was not practicable. The reply was not found satisfactory as the interest of the authority was not watched.

Action required

Audit advises making good the loss from the person(s) at fault.

**Para 59** based on D.P. 97Irregular award of work Rs 1,558,808

Maintenance Division No.II, CDA incurred expenditure on nineteen (19) works of construction/renovation of government buildings without calling tenders.

Irregular award of works resulted in irregular expenditure of Rs 1,558,808.

Audit pointed out the irregularity during October 1998. It was replied that quotations were invited to obtain rates from various contractors keeping in view the restriction of budget by Finance i.e. quarterly releases. The reply was not found satisfactory because works were split up to avoid the tendering process, approval of higher authorities. The matter was also reported to the administrative ministry in July 1999 but no further reply was received.

**Action required**

Audit advises regularisation of the irregularity and disciplinary action against the person(s) at fault.

**Para 60** based on D.P. 129Irregular payment of Rs 1.448 million

In a Road Division No.III, CDA due to adoption of alternative system of pre-stressing, certain items of material of original and replaced system available with the contractor became surplus which were purchased subsequently by CDA from the contractor without any requirement and necessity.

Unnecessary purchase of surplus material resulted in infructuous payment and undue benefit of Rs 1.448 million to the contractor.

Audit pointed out the infructuous payment during August 1997. The matter was also reported to the administrative ministry in September 1999. The authority replied that the material was purchased for use on other projects of CDA Reply was not found satisfactory as there were no provisions in the agreement to procure surplus material from the contractor. The contractor was given undue benefit.

Action required

Audit advises investigation and fixation of responsibility besides disciplinary action against the persons at fault.

## **CHAPTER-7**

### **RECOVERABLES (RS 307.517 MILLION)**

**Para 61** based on D.P. 103 for the Year 1998-99.

#### Non-recovery of Rs 382,359

Works Division No.IV, CDA issued cement and steel to a contractor in excess of quantity provided in the agreement. Cost of the material was outstanding against the contractor since 1995.

Outstanding recovery of cement and steel resulted in non-recovery of Rs 382, 359 from the contractor.

Audit pointed out the non-recovery during March 1999. The matter was also reported to the administrative ministry in July 1999.

It was replied that recovery was in process and accounts are under finalization. No recovery was reported up-to October 1999.

Action required

Audit advises early finalization of accounts and recovery of the material besides disciplinary action against the person(s) responsible.

**Para 62** based on D.P. 104

Non-recovery of Rs 536,375

Sanitation Directorate, CDA did not effect the due recovery from the contractor.

Negligence in this regard resulted in non-recovery of Rs 536,375.

Audit pointed out non recovery during January 1999. It was replied that recovery would be effected. The matter was also reported to the administrative ministry in July 1999. In reply it was intimated that matter had been referred to Collector Islamabad to recover the authority's dues as Land Revenue but no recovery was reported so far.

Action required

Audit advises for early recovery and disciplinary action against the person responsible.

**Para 63** based on D.P. 105

Non-recovery of Rs 338,896

In a Mechanical Division No. 1, CDA a contractor failed to meet the contractual obligation to arrange pre-shipment, inspection

and testing for employer and engineer for the material at manufacturer works/premises.

Violation of agreement resulted in non-recovery of Rs38,896.

Audit pointed out the non-recovery during November 1998. It was replied that there was no item in the BOQ of the agreement against which the contractor was receiving any payment or benefit. Reply was not found satisfactory because the contractor quoted his rates keeping in view all the terms and conditions. The matter was also reported to the administrative ministry in July 1999. It was stated in reply that the Engineer/Employer was satisfied to inspect the material at site. Reply was not found tenable because pre-shipment inspection by Engineer/Employer was embodied as terms and conditions of the contract, the ultimate financial implication of which would have been considered by the contractor while quoting the rates.

**Action required**

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

**Para 64** based on D.P. 106

Non-recovery of secured advance Rs 16,569,660

Mechanical Division No.1, CDA failed to recover the secured advances from contractors/firms despite the fact that stipulated dates of completion of works had passed.

Non-watching of government interest and indenture bond clauses/terms resulted in non-recovery of Rs 16,569,660.

Audit pointed out non-recovery of secured advance during November 1998. It was replied that the secured advance would be

recovered from the final bills of the contractors. Reply was not found satisfactory because secured advance was required to be deducted on the consumption of material and pending it till finalization of accounts was not justified. The matter was also reported to the administrative ministry in July 1999. Recovery of Rs 1,447,352 out of total recoverable amount Rs 16,569,660 was reported. However, major amount was still outstanding.

**Action required**

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

**Para 65** based on D.P. 07

Non-recovery of Rs 963,472

MPO (operation) CDA failed to recover the outstanding hire charges of machinery lent to various contractors.

Violation of rules resulted in non-recovery of Rs .963.472.

Audit pointed out the non-recovery during February 1999 and April 1999. The matter was also reported to the administrative ministry in July 1999. In reply received during September 1999, recovery of Rs 414,023 was reported leaving a balance of Rs 549,449.

**Action required**

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

**Para 66** based on D.P. 108  
Non-recovery of Rs 73,026,193

MPO (operation) CDA failed to recover the outstanding idle charges of machinery.

Idle charges of machinery resulted non-recovery Rs 37,026,193 from various formations.

Audit pointed out the non-recovery during February 1999. It was replied that efforts for recovery were underway. The matter was also reported to the administrative ministry in July 1999. The authority now intimated that it was decided in June 1983 that since Asphalt Plant remained idle, the concerned machinery too remained idle. The reply was not found satisfactory because firstly, the authority was still raising the claims in its accounts and secondly cost of idle hours also minimises the chances of non-utilization of machinery and work charged staff. The decision taken appeared to be improper and in-adequate.

Action required

Audit suggests early reconsideration in the matter and recovery from person(s) at fault.

**Para 67** based on D.P. 109

Loss of Rs 761,560

DMA, CDA, Islamabad failed to effect recovery on account of rent of open spaces.

Non-recovery of rent resulted in loss of Rs 761,560.

Audit pointed out the loss during January 1999. The authority replied that a part of total recovery had been effected and recovery of balanced amount was under process. The matter was reported to higher authorities in May 1999 through Advance Para and to the administrative ministry in July 1999. No further reply was received.

**Action required**

Audit advises early recovery and fixation of responsibility besides disciplinary action.

**Para 68** based on D.P. 110

Non-recovery of Rs 384,120

Sanitation Directorate CDA, Islamabad failed to recover the rent of plots allotted to Utility Stores Corporation.

Non recovery of rent resulted loss of Rs 384,120.

Audit pointed out the non-recovery during February 1999. The authority replied that matter had been taken up with the defaulting allottees. The matter was also brought to the notice of the administrative ministry in July 1999. The authority replied that an amount of Rs 201,600 was recovered on account of conservancy charges. The reply was not found satisfactory because audit pointed out recovery on account of rent which was still to be recovered.

**Action required**

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

**Para 69** based on D.P. 111Non-recovery of Rs 477,765

F-II/G-II, Project Division CDA failed to recover the cost of empty bitumen drums from a contractor.

Non-recovery of cost of empty bitumen drums resulted in loss of Rs 477,765

Audit pointed out the loss during January 1999. The authority replied that partial deposition had been made and balance recovery would be effected before finalization of the accounts of the contractor. The matter was also reported to the administrative ministry in July 1999. The authority repeated their previous reply. The delay in recovery was undue financial aid to the contractor. The chances of pilferage of bitumen in drums could not be ruled out.

**Action required**

Audit advises early recovery, fixation of responsibility and disciplinary action against the person(s) at fault.

**Para 70** based on D.P. 113Non-recovery of Rs 644,896

Special Project Division No.II, CDA incurred expenditure on removing /rectification of defects which was contractual responsibility of the contractor who had executed the original work.

Non-observance of contract rules resulted in non-recovery of Rs 644,896.

Audit pointed out the non-recovery during February 1999. The matter was also reported to the higher authorities in April 1999 and to the administrative ministry in July 1999. The authority replied

that the work was carried out under head "Improvement" and the contractor was deputed by the PM Secretariat Authorities and funds were transferred to Pak: PWD. Reply was not found acceptable as it was certified by the executing agency that the payment was made for rectification of defects which was the responsibility of the original contractor.

Action required

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

**Para 71** based on D.P. 117

Non-recovery of Rs 98,400

In a Road Division No. III, CDA Cost of 328 Nos. empty bitumen drums @ Rs300 each was not recovered from the contractor.

Non-observance of rules resulted in non-recovery of Rs 98,400.

Audit pointed out the non recovery during January 1999. The matter was also reported to the administrative ministry in July 1999. It was replied that recovery would be effected on the finalization of account but no recovery was reported up-to October 1999.

Action required

Audit advises early finalization of accounts and recovery besides taking disciplinary action against the person(s) responsible.

**Para 72** based on D.P. 118Non-recovery of Rs 242.070 million

In a Estate Management Directorate, CDA price of plots, premium, CVT and Advance Tax were outstanding against various allottees.

Non-observance of rules resulted in non-recovery of Rs 242.070 million.

Audit pointed out the non recovery during January 1999. The matter was also reported to the administrative ministry in July 1999. It was stated in preliminary reply that the recovery of outstanding dues would be effected and reported to Audit but no recovery was reported up to October 1999.

**Action required**

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

**Para 73** based on D.P. 119Non-recovery of Rs 2,715,700

In a Parliament Lodges Directorate, CDA rooms rent Rs 2,715,700 was not recovered from various persons.

Violation of rules result in non-recovery of Rs 2,715,700 Audit pointed out the non-recovery during March 1999 and May 1999. It was replied that the matter was taken up with the concerned quarter and recovery of outstanding dues would be effected and informed accordingly. The matter was also reported to the administrative ministry in July 1999 but no recovery was reported.

<p>Action required</p>
------------------------

<p>Audit advises for early recovery besides taking disciplinary action against the person(s) responsible.</p>
---

**Para 74** based on D.P. 121

Loss due to Non-recovery of Rs 2,169,506

In a Estate Management Directorate, CDA dues were not paid in time by allottees of plots. Penalty for delayed payments were also not recovered from the defaulting allottees.

Non-recovery of delayed payment charges resulted in short receipt of funds of Rs 2,169,506.

Audit pointed out the non-recovery during January 1999. The matter was also reported to the administrative ministry in July 1999 but no reply was received up-to September 1999 despite the promise of one month's period in the first reply.

<p>Action required</p>
------------------------

<p>Audit advises early recovery besides disciplinary action against the person(s) responsible.</p>
--

**Para 75** based on D.P. 134

Non-recovery of Rs 0.949 million

Road Division No. III, CDA failed to deduct income tax amounting to Rs 0.949 million from payments made to a contractor for work done.

Non deduction of income tax resulted in loss of Rs 0.949 million.

Audit pointed out the non recovery/loss during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the income tax was not deducted as the with-drawl of exemption was not in knowledge of CDA and due recovery would be made. Progress towards recovery was not reported

Action required

Audit advises early recovery from the contractor or person(s) at fault.

**Para 76** based on D.P. 143

Loss of Rs 1.430 million

Road Division No. III CDA division allowed 5% wastage on consumption of steel and cement, irregularly as the element of wastage of material was already included in the rates of the items involving use of cement and steel.

Irregular allowance of wastage on use of cement and steel resulted into short recovery of Rs 1.430 million and loss to the government.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999. The department replied that the wastage was allowed according to normal practice and as per provision of the agreement. Reply was not found acceptable as the element of wastage was already included in the rates of BOQ and extra items and thus allowance of wastage on consumption was unjustified.

Action required

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

## CHAPTERS-8

### NON-PRODUCTION OF RECORD

**Para 77** based on D.P. 145 for the Year 1998-99.

#### Non-production/furnishing of record/information

In a Road Division No. III CDA record/information requisitioned for scrutiny purpose was not made available to Audit.

Non-production of record for audit scrutiny constituted serious irregularity and non-observance of codal rules.

Audit pointed out the irregularity during August 1997. The matter was also reported to the administrative ministry in September 1999 but no reply was received.

Action required

Audit advises fixation of responsibility and action against person(s) at fault.

## CHAPTER-9

### OTHERS ( Rs 1.717 MILLION)

**Para 78** based on D.P. 126 for the Year 1998-99.

#### Non-recovery of Rs 1625,053

Road Division No.V, CDA executed certain contractors only the item of earth work during 1994-95 and 1996 and left the balance works unattended/incomplete.

Execution of earth work only and leaving the work incomplete resulted in wasteful expenditure of Rs 1,625,053.

Audit pointed out the irregularity during February 1999. The matter was also reported to the administrative ministry in July 1999. The authority in its reply admitted the irregularity and promised to effect the recovery.

#### Action required

Audit advises for fixation of responsibility, making loss good and disciplinary action against the person(s) responsible.

**Para 79** based on D.P. 127

#### Wasteful expenditure of Rs 91,938

W&S-VI (BWP), CDA Islamabad awarded a work to a contractor in March 1997 and a payment of Rs 91,938 was made to him. The contractor failed to complete the work up to 1999.

Incurring of expenditure without completion of work resulted wastage of Rs 91,938.

Audit pointed out the irregularity during December 1998. The matter was also reported to the administrative ministry in July 1999. It was replied that the balance work was awarded at risk and cost of the original contractor, and the amount of risk and cost would be recovered on completion of work.

Action required

Audit advises early recovery of amount of risk and cost besides disciplinary action against the person(s) at fault.

## SECTION -III

### FINANCIAL POSITION OF AUDIT REPORT AND MEFDAC

Name of Office: Director General Audit (Works), Lahore.

Name of Department/Ministry: Capital Development Authority/Capital Administration & Development Division.

Audit Report for the year: 1998-99.

Annex	Particulars/results of discussion	No. of Paras	Amount involved in (Million Rs)
A	Observations issued during audit	703	1458.917
B	Paras settled after discussion with Head Office.	45	18.713
B-1	Settled after verification of record	45	18.713
B-2	Settled after regularization	-	-
B-3	Settled after recovery made	-	-
	Total paras reported in AIR as	658	1440.204
	a) Ordinary paras	224	232.838
	b) Advance paras	434	1207.366
	Balance of Advance Paras carried forwarded for DAC	434	1207.366
C-	Paras settled after DAC/in office.	19	17.088
C-1	Settled after verification of record	16	16.105
C-2	Settled after regularization	3	0.983
C-3	Settled after recovery made	-	-
	Balance	415	1190.278
D	Paras settled under court decision	-	-
B+C+D	Total paras settled	64	35.801
E	Paras pending for verification of record	217	537.150
F	Paras pending for regularization	79	98.129
G	Paras pending for recovery	117	554.917
H	Paras pending for court decision	2	0.082
E+F+G+H	Total paras pending	415	1190.278
I	Pending being clear cut embezzlement cases(already included in E to H above)	1	0.011
J	Paras printed in Audit Report	79	609.872
B-3+C-3+G	Recoveries at the instance of audit(made or ordered)	1	0.115

- i) 79 Paras include 62 Draft Paras of Proposed Audit Report Vol. I amounting to Rs.384.539 million.
- ii) 17 Draft Paras of Proposed Audit Report Vol.11 (Special Audit Report Faizabad Interchange) amounting to Rs 225.333 million.

**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**

Annual Audit Report for the year 1998-99 pertaining to **CABINET DIVISION** was examined by Public Accounts Committee (PAC) Sub-Committee-I on 28<sup>th</sup> July, 2011,

### **AUDIT REPORT (CDA) FOR THE YEAR 1998-99**

#### **PARA 2 (PAGE 14-AR-1998-99)**

##### **Loss of Rs 1.600 Million**

Audit pointed out that in W&S Division No. VI (Bulk Water Production), CDA a Water Tanker valuing Rs. 1.600 million was stolen. Improper arrangement of safeguard of public property resulted in loss of Rs. 1.600 million.

The PAO informed the Committee that the FIR No. 69939 was immediately registered with the Police regarding the theft and the CIA Police still investigating the case so far the whereabouts of the tanker are not known. Case is being pursued with the Police for early recovery of the tanker. Audit will be informed about the outcome on finalization of the matter.

#### **DIRECTIVE**

The Committee expressed displeasure over the inordinate delay in Departmental Inquiry and directed the Chairman, CDA to put up a report to the Committee within 15 days.

#### **PARA 6 (PAGE 16-AR-1998-99)**

##### **OVER PAYMENT OF RS. 2.090 MILLION**

Audit pointed out that Road Division No. V. CDA made payment for earth excavated/brought from outside sources to a contractor although sufficient earth was available at site and its disposal/utilization was also not shown in record. Payment for extra quantity of earth brought from outside resulted in overpayment of Rs. 2.090 million.

The PAO informed the Committee that the work "Improvement of Roads", shoulders and walk ways for VIP Car Parking and development of academy plot in H-11" was awarded to M/S Arshad & Co. with the date of start as 18-04-1994. Time allowed for completion was 10 days only on single tender basis, with the approval of competent authority. It is further added that there was no provision of borrow pits item in the agreement.

Subsequently, additional work under Clause 12 of the contract was awarded on the same rates terms and conditions and specifications. The borrow pits items for which quantity of 911, 930 cft (two No extra items bearing No. 4/1 and 10/2) was approved by the Competent Authority. Due to enhancement of scope of work the quantities were increased and the revised estimate was

sanctioned technically and revised Administrative approval and Expenditure Sanction was also accorded by the competent authority.

As regards quantity of 826,096 cft the same was increased due to enhancement of scope of work for which approval of the competent authority was accorded. As the work was of emergent nature and it was desired to be completed urgently, hence, no favour has been made with the Contractor.

**DIRECTIVE**

The Committee directed the Chairman, CDA to effect recovery from the account of another job which is being done by the same Contractor and submit a report to the Committee within one month.

**PARA 17 (PAGE 23 & 24-AR-1998-99)**  
**OVER PAYMENT OF RS. 25.024 MILLION**

Audit pointed out that Road Division No. 1, CDA, got executed an item of blasting of rocks but neither the suitable/serviceable material was obtained nor the rates of the item reduced by half, as per Pak PWD specification. Non-reduction of the rate as per PWD specification resulted in overpayment of Rs. 25.024 million.

The PAO informed the Committee that it is clarified that item No. SP(a) and item No. SP (b) was provided in the BOQ for excavation of hard rock by controlled blasting, but during excavation of the work the Contractor carried out the work by blasting, chiseling, hammering, etc. and the material obtained as a result of excavation was filled in an adjacent depressions free of cost. In this way the authority only paid the cost of excavation and the deep areas were filled free of cost and in this way the Government saved about Rs. 40,00 million by avoiding bringing of earth from outside source. It cannot be denied that had the rock material not been filled in depressions, the Government would have to pay more than Rs. 40.00 million for bringing the filled material. Moreover, this observation is in duplication of AP 98/273, which has already been explained.

It is further added that the rates provide in BOQ agreement are binding on both the parties and may subsequent reduction in the rates was not admissible. In this connection it is submitted that the AP has hastily been converted into DP without listening our viewpoint and verification of the record. It is therefore, requested that we may be provided a chance to produce all the relevant record in support of our contention on a suitable date. The BAO, Islamabad may

very kindly be directed to reconsidered the audit observation in light of the above noted facts.

**DIRECTIVE**

The Committee directed the Chairman, CDA to conduct an inquiry and associate a representative of Audit in the inquiry in order to establish the amount of recovery and report to the Committee within one month.

**PARA 72 (PAGE 63-AR-1998-99)**  
**NON-RECOVERY OF RS. 242.070 MILLION**

Audit pointed out that in Estate Management Directorate, CDA price of plots premium, CVT and Advance Tax were outstanding against various allottees.

The PAO informed the Committee that since the taxes are to be deposited directly in the Govt. Treasury by the proposed allottee, the amount of Rs. 6.631(M) may be deleted from the drat Para, as the CDA issued the allotment letter after providing the original paid challans. From the above, position it is clear that only a sum of Rs. 7.081 (M) is outstanding against the allottee for which the Show Cause Notices were already issued. The amount of Rs. 50.199 (M) is not possible to recover from the allottees being the Courts Cases.

**DIRECTIVE**

The Committee recommended the Para for settlement subject to verification of Audit and so far the court case is concerned, directed to submit details of the case to the Committee within one month.

**PARA 78 (PAGE 67-AR-1998-99)**  
**NON-RECOVERY OF RS. 1.625 MILLION**

Audit pointed out that in Road Division No. V, CDA certain Contractors executed only the items of earth work during 1994-95 and 1996 and left the balance works unattended/incomplete.

The PAO informed the Committee that the accounts of both the firms are being finalized and the recovery as pointed out by audit will be effect from their final bills. The Contractors did not execute the work on the plea that prices of the materials had increased. They demanded escalation for which no provision existed in the agreement. As such the work done shall be accounted for after execution of the balance work. In Compliance of DAC directive the Inquiry Report was produced to Audit on 19-07-2011 according to the Inquiry Report, following position

is emerged:-

- i) The Inquiry Committee constituted on 26-03-2004 and order by Chairman CDA on 01-01-2005. The Committee in the Summary of its recommendation (a) proposed disciplinary action and financial penalty against eight officers of Rs. 7.292 million beside major penalties against six officers and minor penalty against one officer.
- ii) The Committee also recommended (recommendations from b-j) comprehensive inquiry and disciplinary action against the officials of different Directorates/Wings of CDA.
- iii) The authority has not intimated the action taken regarding the financial recovery and administrative action on the recommendation of the Inquiry Committee.
- iv) Recovery of risk and cost amount from the defaulting Contractor as per latest reply given by the department was also not intimated.
- v) PAC may like to issue suitable directives to the department to expedite the recovery and punitive action against the responsible

### **DIRECTIVE**

The Committee directed the Chairman CDA to submit a report to the Committee as to what action has been taken on the Inquiry Report. The Committee also directed the PAO to conduct another inquiry in order to establish as to who had delayed action on the “Inquiry Report” of 2005 and no action has been taken either on the directives of the DAC held in 2006 . The Committee further directed the PAO to associate a representative of Audit in the inquiry. Both the Reports should be submitted to the Committee within one month.

- i) **Audit Para # 14-Page-22-AR-1998-99**  
Un-due payment of Rs. 130,886
- ii) **Audit Para # 15-Page-22-AR-1998-99**  
Over payment of Rs. 79,410
- iii) **Audit Para # 32-Page-34-AR-1998-99**  
Non-imposition of penalty Rs 3,673 million
- iv) **Audit Para # 53-Page-50-AR-1998-99**  
Loss of Rs 2,233,000
- v) **Audit Para # 60-Page-54-AR-1998-99**  
Irregular payment of Rs 1.448 million
- vi) **Audit Para # 63-Page-56-AR-1998-99**  
Non-recovery of Rs. 338,896
- vii) **Audit Para # 64-Page-57-AR-1998-99**  
Non-recovery of secured advance Rs 16.569 million
- viii) **Audit Para # 65-Page-58-AR-1998-99**  
Non-recovery of Rs. 963,472
- ix) **Audit Para # 67-Page-55&60-AR-1998-99**  
Loss of Rs 761,650
- x) **Audit Para # 69-Page-61-AR-1998-99**  
Non-recovery of Rs. 477,765

- xi) **Audit Para # 73-Page-63-AR-1998-99**  
Non-recovery of Rs. 2,715,700

**DIRECTIVE**

The Committee directed the PAO to pursue the above mentioned paras at DAC level.

- i) **Audit Para # 1-Page-13-AR-1998-99**  
Loss of Rs.116,424 due to theft of Transformer
- ii) **Audit Para # 3-Page-14-AR-1998-99**  
Loss of Rs.99,996
- iii) **Audit Para # 4-Page-15-AR-1998-99**  
Loss of Rs. 323,376
- iv) **Audit Para # 5-Page-16-AR-1998-99**  
Loss of Rs. 89,558
- v) **Audit Para # 7-Page-17-AR-1998-99**  
Over payment of Rs.286,134
- vi) **Audit Para # 8-Page-18-AR-1998-99**  
Overpayment of Rs. 200,349
- vii) **Audit Para # 9-Page-18-AR-1998-99**  
Excess payment of Rs. 587,939
- viii) **Audit Para # 10-Page-19-AR-1998-99**  
Non-Recovery of Rs.359,398
- ix) **Audit Para # 11-Page-19-AR-1998-99**  
Excess payment of Rs,396,041
- x) **Audit Para # 12-Page-20-AR-1998-99**  
Excess payment of Rs. 757,606
- xi) **Audit Para # 13-Page-21-AR-1998-99**  
Overpayment of Rs. 568,796
- xii) **Audit Para # 16-Page-23-AR-1998-99**  
Over payment of Rs. 165,856
- xiii) **Audit Para # 18-Page-24-AR-1998-99**  
Excess payment of Rs. 2,329,882
- xiv) **Audit Para # 19-Page-25-AR-1998-99**  
Over payment of Rs 111,234
- xv) **Audit Para # 20-Page-25-AR-1998-99**  
Excess payment of Rs. 107,195
- xvi) **Audit Para # 21-Page-26-AR-1998-99**  
Over payment of Rs. 548,093
- xvii) **Audit Para # 22-Page-27-AR-1998-99**  
Overpayment of Rs 198,862
- xviii) **Audit Para # 23-Page-27-AR-1998-99**  
Over payment of Rs. 326,774
- xix) **Audit Para # 24-Page-28-AR-1998-99**  
Loss of Rs 323,123 due to Negligence
- xx) **Audit Para # 25-Page-29-AR-1998-99**  
Loss of Rs 1,275,242
- xxi) **Audit Para # 26-Page-30-AR-1998-99**

Loss of Rs 5,000 million

- xxii) **Audit Para # 27-Page-30-AR-1998-99**  
Extra expenditure of Rs 0.343 million
- xxiii) **Audit Para # 28-Page-31-AR-1998-99**  
In-fructuous expenditure of Rs 2,257 million
- xxiv) **Audit Para # 29-Page-32-AR-1998-99**  
Loss of Rs 1,568,975
- xxv) **Audit Para # 30-Page-33-AR-1998-99**  
Unjustified payment of Rs 1,799,097
- xxvi) **Audit Para # 31-Page-33-AR-1998-99**  
Irregular payment of Rs 3,185,223
- xxvii) **Audit Para # 33-Page-35-AR-1998-99**  
Irregular payment of Rs 586,623
- xxviii) **Audit Para # 34-Page-35&36-AR-1998-99**  
Loss of Rs. 966,555
- xxix) **Audit Para # 35-Page-36-AR-1998-99**  
Loss of Rs. 344,666
- xxx) **Audit Para # 36-Page-37-AR-1998-99**  
Irregular expenditure of Rs 235,000
- xxxi) **Audit Para # 37-Page-38-AR-1998-99**  
Irregular extra payment of Rs 163,887
- xxxii) **Audit Para # 38-Page-38-AR-1998-99**  
Undue payment of Rs 264,352
  
- xxxiii) **Audit Para # 39-Page-38-AR-1998-99**  
undue financial aid to contractor Rs. 15.000 million
- xxxiv) **Audit Para # 40-Page-40-AR-1998-99**  
Irregular enhancement of scope of work Rs 328,438
  
- xxxv) **Audit Para # 41-Page-40-AR-1998-99**  
Non recovery of extra expenditure Rs 20.138 million
- xxxvi) **Audit Para # 42-Page-41-AR-1998-99**  
Irregular payment of Rs 32.734 million
- xxxvii) **Audit Para # 43-Page-43-AR-1998-99**  
Undue financial aid of Rs 15.000 million
- xxxviii) **Audit Para # 44-Page-43-AR-1998-99**  
Excess expenditure of Rs 30.283 million
- xxxix) **Audit Para # 45-Page-44-AR-1998-99**  
Undue payment of Rs 5.236 million
- xl) **Audit Para # 46-Page-44&45-AR-1998-99**  
Undue financial burden of Rs.3,292 million
- xli) **Audit Para # 47-Page-45-AR-1998-99**

- Undue payment of Rs 0.2689 million
- xlii) **Audit Para # 48-Page-46-AR-1998-99**  
Extra payment of Rs 0.643 million
- xliii) **Audit Para # 49-Page-47-AR-1998-99**  
Irregular payment of Rs. 62.697 million
- xliv) **Audit Para # 50-Page-47-AR-1998-99**  
Irregular payment of Rs 43.700 million
- xlv) **Audit Para # 51-Page-48-AR-1998-99**  
Loss of Rs 490,074
- xlvi) **Audit Para # 52-Page-49-AR-1998-99**  
Loss of Rs 490,095
- xlvii) **Audit Para # 54-Page-50&51-AR-1998-99**  
Loss of Rs 538,600
- xlviii) **Audit Para # 55-Page-51-AR-1998-99**  
Excess payment of Rs 1,153,064
- xlix) **Audit Para # 56-Page-52-AR-1998-99**  
Loss of Rs 909,820
- l) **Audit Para # 57-Page-52&53-AR-1998-99**  
In-fructuous expenditure of Rs 86,940
- li) **Audit Para # 58-Page-53-AR-1998-99**  
Loss of Rs 699,029
- lii) **Audit Para # 59-Page-54-AR-1998-99**  
Irregular award of work Rs 1,558,808
- liii) **Audit Para # 61-Page-55-AR-1998-99**  
Non-recovery of Rs. 382,359
- liv) **Audit Para # 62-Page-56-AR-1998-99**  
Non-recovery of Rs. 536,375
- lv) **Audit Para # 66-Page-59-AR-1998-99**  
Non-recovery of Rs. 370,261,193
- lvi) **Audit Para # 68-Page-60-AR-1998-99**  
Non-recovery of Rs. 384,120
- lvii) **Audit Para # 70-Page-61&62-AR-1998-99**  
Non-recovery of Rs. 644,896
- lviii) **Audit Para # 71-Page-62-AR-1998-99**  
Non-recovery of Rs. 98,400
- lix) **Audit Para # 74-Page-64-AR-1998-99**  
Loss due to non-recovery of Rs. 2.169 million
- lx) **Audit Para # 75-Page-64-AR-1998-99**  
Non-recovery of Rs. 0.949 million
- lxi) **Audit Para # 76-Page-65-AR-1998-99**  
Loss of Rs 1.430 million
- lxii) **Audit Para # 77-Page-66-AR-1998-99**  
Non-production/furnishing of Record/information
- lxiii) **Audit Para # 79-Page-67&68-AR-1998-99**  
Wasteful expenditure of Rs. 91.938

**DIRECTIVE**

The Committee recommended the above paras for settlement.

Note: A discrepancy has been pointed out as 11 Paras to be pursued at DAC level has wrongly been included in the list of paras settled also, vide this office letter No. DGAWF/PAC-I/Minutes of DAC/1998-99 to 07-08/4227 dated 20.9.2011.

**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.	CDA	28.07.2011	79	63	16

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

<b>Department</b>	<b>Date of PAC meeting</b>	<b>Para No.</b>	<b>Amount of the para (Rs. in million)</b>	<b>Amount Recovered (Rs. in million)</b>
CDA	28.07.2011	04	0.323	0.032
CDA	28.07.2011	06	2.090	1.022
CDA	28.07.2011	07	0.286	0.286
CDA	28.07.2011	14	0.131	0.131
CDA	28.07.2011	22	0.199	0.018
CDA	28.07.2011	25	1.275	0.050
CDA	28.07.2011	38	0.264	0.264
CDA	28.07.2011	39	15.000	15.000
CDA	28.07.2011	54	0.539	0.041
CDA	28.07.2011	61	0.382	0.382
CDA	28.07.2011	65	0.963	0.121
CDA	28.07.2011	69	0.478	0.478
CDA	28.07.2011	71	0.098	0.098
CDA	28.07.2011	72	242.010	36.430
CDA	28.07.2011	73	2.716	0.069
<b>Grand Total</b>				<b>54.422</b>