



Audit Report
No.

WS/R/98-99/4

AUDIT REPORT

ON THE ACCOUNTS OF

NATIONAL HIGHWAY AUTHORITY

MINISTRY OF COMMUNICATION

GOVERNMENT OF PAKISTAN

FOR THE YEAR 1998-99

MARCH 2000

AUDITOR-GENERAL OF PAKISTAN

ISLAMABAD

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PREFACE

This Audit Report contains the results of Regularity audit of the works accounts of Government of Pakistan, Ministry of Communication (National Highway Authority) for the year 1998-99.

The report was issued to the Secretary to the Government of Pakistan, Ministry of Communication vide letter No.IRC-II/PAR/NHA/98-99/3233 dated July 26th, 1999. No satisfactory reply was received from the Principal Accounting Officer within the stipulated period since the date of issue of this report.

The report is submitted to the President of Pakistan in terms of Article 171 of the Constitution of The Islamic Republic of Pakistan 1973.

Dated:
Islamabad

(MANZUR HUSSAIN)
AUDITOR-GENERAL OF PAKISTAN

EXECUTIVE SUMMARY

National Highway Authority was established under the National Highway Authority Act, 1991 as a legacy of National Highway Board working under Government of Pakistan, Ministry of Communications. The Authority is responsible to plan, promote, organize and implement programmes for constructions, development operation, repair and maintenance of National Highways and strategic roads specially entrusted to it by the Federal and Provincial Governments or others authorities concerned.

The Director General Audit (Works) Lahore- audited 19 formations during the year 1998-99 out of 114 formations of the National Highway Authority. Various irregularities were deducted during the course of audit on accounts of overpayments, violation of financial propriety involving loss to the government, cases of lack of internal controls, short recoveries, irregular or unauthorized expenditure etc. These irregularities were reported to the Principal Accounting Officer during July 1999.

The PAC while discussing this report on 26.07.2011 and 20.02.2015 issued directions. Out of total 177 audit paras, 154 were settled and compliance of 23 paras is awaited (Annexure-B). Besides, an amount of Rs 13.954 million was recovered (Annexure-C). The PAC directives are attached as Annexure-A.

FINDINGS

The government has prescribed rules and procedures for maintaining the financial discipline. It is a matter of great concern that the department did not follow the prescribed rules and procedures in a large number of cases. It was observed that timely recoveries of the government dues were not made. The required standards of financial propriety were not observed while awarding the works. Public money was spent against codel rules and without provision in estimates/excess over estimates.

This report points out an objected amount of Rs 12.675 billion & US\$ 21.827 million based on various financial irregularities. Category-wise details are summarized below: -

| S.No. | Description | No. of Cases | Amount (Million) | |
|-------|-----------------------------------|--------------|------------------|---------------|
| | | | Rs | US\$ |
| 1. | Misappropriation, Misuse & Thefts | 8 | 20.316 | |
| 2. | Over/ Excess payments | 76 | 449.854 | 0.535 |
| 3. | Accounting Errors | 1 | 0.521 | |
| 4. | Negligence | 8 | 749.977 | |
| 5. | Violation of Rules | 37 | 6816.999 | 2.292 |
| 6. | Violation of Propriety | 9 | 5.782 | 19.00 |
| 7. | Recoverable | 16 | 261.716 | |
| 8. | Others | 22 | 4369.696 | |
| | Total: - | 177 | 12674.861 | 21.827 |

RECOMMENDATIONS

1. There is a need to investigate each case and fix responsibility for various irregularities and losses to public exchequer. The amount involved should be recovered.
2. Government rules, regulations, procedures and departmental instructions should be followed in their true spirit.
3. Internal controls need to be strengthened to stop recurrences of such irregularities by the field functionaries as they generally lead to uneconomical use/loss of public money.
4. Timely recoveries of dues were not made. The amount involved should be recovered.
5. The required standards of financial propriety were not observed while awarding the works and public moneys was spent against rules and in some cases without provision in budget estimates. The department must ensure financial discipline.

SECTION-I

COMMENTS ON BUDGET AND APPROPRIATION ACCOUNTS.

The Director General Audit (Works) Lahore audited the accounts of the National Highway Authority for the year 1998-99 on percentage basis because it was not possible to audit the entire account. The emphasis, however, remained on works accounts.

The Budget position of the Authority for the year 1997-98 is as under:-

| Rs. In Million | | | | |
|----------------|---------------------------|-------------|-------------------------------|-------------|
| Year | Development Allocation | Expenditure | Non-Development Allocation | Expenditure |
| 1997-97 | 13500.000 | 16815.958 | 620.395 | 381.306 |

There was a demand of Rs 23125.000 million during the year 1997-98 against which Rs 13500.000 million was allocated/released during the year 1997-98 and Rs 16815.958 million was spent by the Authority. Thus the funds for Rs 3315.958 million was excessively used than actual released amount on development side. The department may justify the excess expenditure before the Public Account Committee

The non-development funds were released for Rs 620.395 million during the year 1997-98, containing Rs 600.000 million for maintenance works and Rs 20.395 million for regular establishment. Against which Rs 363.896 million was spent on maintenance works and Rs 17.410 million was spent on regular establishment leaving an un-spent balance of Rs 236.104 million and Rs 2.985 million respectively.

The amount under audit observations comes to Rs 12.675 billion which also encompasses development expenditure made during previous years works/schemes in progress.

SECTION-II

THE REPORT

CHAPTER - ONE

MISAPPROPRIATION, MISUSE AND THEFTS

(Rs 20.316 million)

Para I based on Draft Para 492 for the year 1998-99.

Misappropriation of salvage material Rs 8,001,830.

Project Director Chablat Nowshera paid for dismantling of existing structure but the accountal, disposal, or recovery of dismantled material from the contractor was not made.

Non-recovery of dismantled material resulted in misappropriation of Rs 8,001,830.

Audit pointed out the irregularity during December 1998. The Authority replied that the work of dismantling was executed and material obtained was of no use anywhere. The reply was not tenable being illogical and beyond expectations that in a dismantling of 9000 cubic meter of existing structures nothing was of any worth. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 2 based on D.P. 474**Non accountal of material Rs 6,951,000**

Project Director Hala Mian Channu Project made payment for cutting of trees falling in the right of way of the road project. Trees removed were neither accounted for/taken on stock nor auctioned.

Non-accountal of material resulted in misappropriation of Rs 6, 951,000.

Audit pointed out the irregularity during January 1999. The Authority replied that trees were the property of forest department and were taken away by them. The reply was not tenable because no record was available in support of departmental contention. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 3 based on D.P. 490.**Misappropriation of trees Rs 4,918,000**

Project Director MBRP/RSP(TSP) made payment for “removal of trees” in connection with improvement of a road but the trees were neither accounted for/recovered nor auctioned.

Non-accountal of 740 nos. trees resulted in misappropriation Rs 4,918,000.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required
Audit advises detail investigation for fixing responsibility early recovery and disciplinary action against the defaulter (s)

Para 4 based on D.P. 484.

Misappropriation of Rs 150,000

Project Director MBRP/RSP(TSP) made payment for dismantling of a bridge but the salvage material was neither accounted for/auctioned nor recovered from the contractor.

Non-accountal of the dismantled material resulted in misappropriation Rs 150,000.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999, but no reply was received.

Action required
Audit advises for early recovery and disciplinary action against the defaulter (s)

Para 5 based on D.P. 489.

Misappropriation of dismantled bricks Rs 124,326.

Project Director MBRP/RSP(TSP) measured and paid the item of dismantling of brick masonry but did not account for the dismantled material and its cost was also not recovered from the contractor.

Non-accountal/ recovery of the dismantled bricks resulted in misappropriation Rs 124, 326.

Audit pointed out the misappropriation during December 1998 and also reported to the Administrative Ministry in February 1999, but no reply was received.

Action required

Audit advises for early recovery and disciplinary action against the defaulter (s)

Para 6 based on D.P. 483.

Misappropriation of material Rs 109,790

Project Director MBRP/RSP(TSP) measured and paid item “dismantling of old brick masonry” but did not account for the salvage material.

Non-recovery/accountal of the dismantled bricks resulted into misappropriation Rs 109,790.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999, but no reply was received.

Action required

Audit advises for early recovery and disciplinary action against the defaulter(s).

Para 7 based on D.P. 423.

Loss of Rs60,600

Deputy Director Maintenance Wazirabad issued bitumen for R.M works to the contractors but neither the empty tar drums were received back nor recovery was made.

Non-accountal/recovery resulted in loss of Rs.60,600 to the Authority.

Audit pointed out the loss during June 1998. The authority recovery of Rs 30400 but no got verified. For the balance recovery of Rs 30,200 no record was produced for their consumption. The matter was also reported to the Administrative Ministry in July 1999, but no reply was received.

Action required

Audit advises for early recovery initiate disciplinary action against the defaulter(s) at fault and adopt measures to avoid recurrences.

Para 8 based on D.P.504.

Theft of cash voucher books

Land Acquisition collector Lahore Bye-pass Project got issued cash vouchers books from district treasury officer for making payment to the Land Owners but the same were stolen from the office of the L.A.C. Neither the F.I.R.s were lodged nor any investigation was made departmentally to take action against the defaulters. Thus there were chances of bogus/fraudulent payments as there was maintained no cash book properly and reconciliation of balances was also not done with the bank and district treasury office

Non compliance of codal rules resulted in theft of cash vouchers books.

Audit pointed out the irregularity during March 1998. The matter was also reported to the Administrative Ministry in July 1999, but no reply was given.

Action required

Audit advises for early investigation for fixing responsibility against the person(s) at fault

CHAPTER - TWO

OVER/ EXCESS PAYMENTS **(Rs 449.854 and US \$ 0.535 million)**

Para 9 based on Draft Para 351 for the year 1998-99.

Overpayment of Rs 147,649,415

Project Director Hala Mian Channu awarded a contract originally to a foreign contractor and subsequently assigned to a local contractor for providing payment of foreign exchange component at proportions of contract, on two accounts, firstly for import of construction machinery (20%) and secondly for payment of salaries etc. to foreign/expatriate staff (19.55%). For import of machinery contractor was to establish an irrecoverable letter of credit on a scheduled bank which was not established. No foreign/expatriate was involved in the assigned contract. The contractor was however, paid full foreign exchange.

The payment of foreign currency resulted in Overpayment of Rs 147,649,415 as exchange rate compensation.

The irregularity was pointed out during January 1999 and also reported to the Administrative Ministry but no reply was received.

Action required

Audit advises for early recovery and disciplinary action against the defaulter(s)

Para 10 based on D.P. 357.

Overpayment of Rs 18,741,517 & US \$ 467,836

Project Director Hala Mian Channu measured and paid an item of work “clearing and grubbing” after stripping which was not justified.

The payment after stripping resulted in Overpayment of Rs 18,741,517 and US \$ 467,836.

Audit pointed out the irregularity during January 1999. The Authority replied that the work fell in areas where old water courses were removed. Originally, stripping was not paid because it was contractor’s fault to lower the ground while doing clearing and grubbing. On persistent demands of the contractor, a committee was formed which recommended the payment and the same was released after approval of the competent authority. The reply was not acceptable because: -

- (i) As per specifications of clearing and grubbing, payment was required to be made restricting the measurements to theoretical limits. No compensation was payable for additional depths if any.
- (ii) Additional depth was not ordered by the engineer or the employer. It was contractors fault to go beyond. No compensation was payable for work done beyond permitted/ordered depths.

(iii) Work was carried out in areas where old water courses were removed and contractor received payment for relocation of water courses. Nothing was payable under stripping. Even payments made under clearing and grubbing were also not admissible. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 11 based on D.P. 345.

Overpayment of Rs 4.709.068

Project Director Chinch Bridge paid compensation for machinery of the contractor retrained idle, back filling of incomplete piles, and other over heads in contravention of the contract agreement.

The payment of Compensation resulted in Overpayment of Rs 4,709,068 to the contractor.

Audit pointed out the irregularity during November 1998. The Authority replied that the claims were considered in the authority and were approved by the competent authority on merits. The reply was not tenable because no such compensation was admissible under any clause of the contract agreement. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences</p> |
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Para 12 based on D.P. 348.

Overpayment of Rs 6,625,584

Project Director Chiniot Bridge paid escalation to the contractor on the basic rates of M/S Metropolitan Karachi but used the steel of a local factory purchased at lesser rates. This was a violation of clause 70 of conditions of contract (Part-II) which allowed escalation on the basis of actual prices of the material used.

The payment of escalation at higher rate resulted in Overpayment of Rs 6,625,584.

Audit pointed out the irregularity during November 1998. The Authority replied that escalation of steel has been worked out as permissible under clause 70(ii) and as such justified. The reply was not tenable being misleading. Clause 70 of the contract agreement (Part-II) allows escalation at actual and not presumptive rates. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 13 based on D.P. 349.

Overpayment of Rs 16,655,460

Project Director Hala Mian Channu paid rate of water course "SS Rs 1780 per L.M. instead of Rs 890 per L.M.

The application of incorrect rate resulted in Overpayment of 16,655,460.

Audit pointed out the irregularity during January 1999. The Authority replied that job was executed on L.M. which was not accepted being not to the point. The matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit desires to effect recovery from the contractor and initiate disciplinary action against the defaulter(s)

Para 14 based on D.P. 360.

Overpayment of Rs 9,251,200

Project Director Hala Mian Channu applied incorrect factors i.e basic rate for HSD at Rs 5.03 instead of Rs 5.19 and percentage of work done at 15% instead of 10% for calculating the escalation on POL.

The application of incorrect factors resulted in overpayment of Rs 9,251,200.

Audit pointed out the overpayment during January 1999. The authority replied that payment was made as per amended clauses of the agreement. The reply was not tenable because clause 1-9 (3) was not amended. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit suggests for detailed investigation, early recovery and disciplinary action against the defaulter(s)

Para 15 based on D.P. 362.

Overpayment of Rs 2,003,969

Project Director MBRP/RSP(TSP) paid item No. 105(a) "Roadway excavation" and item No. 107(a) "structural excavation" but failed to deduct the excavated earth from the quantity of item No. 108(c) "formation of embankment from borrow material."

Non-deduction of available earth resulted in overpayment of Rs 2,003,969 in June 1998.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery along with disciplinary action against the defaulter(s).

Para 16 based on D.P. 367.

Overpayment of Rs 1,229,375

Project Director Lahore-Gujranwala Overlay Project made payment of escalation on labour at the rate of 7.94% instead of 4% as calculated by the consultants.

The incorrect application of rate resulted in overpayment of Rs 1,229,375.

Audit pointed out the overpayment during December 1998 and also reported the matter to the Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery of the amount involved alongwith disciplinary action against the defaulter(s)

Para 17 based on D.P. 340.

Overpayment of Rs 14,499.286

Project Director Chiniot Bridge paid an additional payment @ Rs 7500 per L.M. of pile work where dumped stone were encountered through variation order. Drilling through ordinary soil was also converted into depth of drilling in stone and paid for at enhanced rate.

The additional payment resulted in overpayment of Rs 14,499,286.

Audit pointed out the irregularity during November 1998. The Authority replied that the rate for drilling in stone was a non BOQ item which was approved as a variation order by the competent authority, and payment was justified under clause 12 & 52(i) of contract agreement. Reply was not tenable as contract did not provide any specific mode of boring. During actual execution of work rates of boring in stone were applied to work done and measured in ordinary soil, which was neither fair nor proper. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)/responsible

Para 18 based on D.P. 321.

Overpayment of Rs 11,787,040

Project Director Chablat Nowshera paid the rock excavation without going through drilling/blasting and a soak test in absence of which soil was to be regarded as common instead of rock.

The payment carrying higher rates by changing the classification of soil resulted in overpayment of Rs 11,787,040.

Audit pointed out the irregularity during December 1998. The Authority replied that excavation of material was paid on the basis of "per classification & topographical survey. The reply was not tenable because it was not supported with the documents i.e survey/test reports, evidences for drilling/blasting and the detailed sanctioned estimates etc. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises detailed investigation at appropriate level, early and disciplinary action against the defaulter(s).

Para 19 based on D.P. 322.

Overpayment of Rs 12,593,138

Project Director Lahore-Gunranwala Overplay Project paid 13740.359 tons (11790+238+1712.359) 'catalyzed mixture and 'base' without making record entry in Measurement Book.

Payment without any detailed measurements resulted in of Rs 12,593,138.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required
Audit advises for early recovery alongwith disciplinary action against the defaulter

Para 20 based on D.P. 323.

Overpayment of Rs 1,189,539

Project Director Lahore-Islamabad Motorway Project made payment of pay for 37 months to an official amounting to Rs 1,932,187 whereas the correct amount worked out to Rs 742,648

The incorrect calculation resulted in overpayment of Rs 1,189,539.

Audit pointed out the irregularity during December 1998 and reported to the Administrative Ministry in March 1999 but no reply was received.

Action required
Audit advises for early recovery alongwith disciplinary action against the defaulter

Para 21 based on D.P. 328.

Overpayment of Rs 1,704,538

Director Maintenance Quetta measured and paid a quantity of 2495.707 CM for "Dense Graded Bitmac" against the quantity of 2100 CM provided in BOQ and drawings, without any increase in

the scope of work. In another case the same item was paid for 1829.011CM against the admissible quantity of 1525 CM.

The excessive measurements resulted in overpayment of Rs 1,704,538.

Audit pointed out the irregularity during November 1998. The authority stated that reply would be given after verification of record. In other case it was replied that the Bitmac was placed in deep patches to cover the road depressions etc. The reply was not tenable because payment was made for excessive quantity than that worked out as per approved design. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required
Audit advises for early recovery alongwith disciplinary action against the defaulter(s).

Para 22 based on D.P. 334.

Overpayment of Rs 24,862,068

Project Director Hala Mian Channu paid the rate of an item of work “improved subgrade” @ Rs 88 per M² against contract rate of Rs 60 per M².

The payment of higher rate resulted in overpayment of Rs 24,862,068.

Audit pointed out the overpayment during January 1998. The Authority replied that revised rate was approved through variation order by the competent authority. The reply was not tenable because contract/agreement rate of Rs 60 was to prevail throughout the

contract period. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 23 based on D.P. 335.

Overpayment of Rs 2.046.625

Project Director Hala Mian Channu made payment for an extra item @ Rs 607 per C.M. under variation clause while item of almost same nature & specification existed in the BOQ @ Rs 385.

The incorrect application of rate resulted in overpayment of Rs 2,046,625.

Audit pointed out the irregularity during January 1999. The Authority replied that new item was provided in order to save the capillary action of water for which extra rate was allowed for improved nature of material. The reply was not tenable because as water logging was not an unforeseen items and new item was provided and paid for at much higher rates. The item of work also carried the nature and specification of item No.I08-C which was available in the BOQ at much lower rates. The matter was also reported to the Administrative Ministry in April, 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulters).

Para 24 based on D.P. 336,

Overpayment of Rs 10,170.315

Project Director Chablat Nowshera measured and paid excessive quantity of granular fills in blanket material for 41,931,262 cubic meter against provided quantity of 1250 cubic meter.

The payment over and above BOQ resulted in overpayment of Rs 10,170,315.

Audit pointed out the irregularity-during December 1998 and also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery or justification of abnormal increase along with disciplinary action against the defaulter(s)

Para 25 based on D.P. 337.

Overpayment of Rs 9.673.150

Project Director Chiniot Bridge paid some facilities as per BOQ item which were not admissible because of over-riding clauses/provisions in the contract where BOQ was placed at the tail in order of preference.

Incurring of expenditure against agreement resulted in overpayment of Rs 9,673,150.

Audit pointed out the irregularity during November 1998. The Authority replied that objected items are BOQ items and payment made as per BOQ rates as permissible under the contract and also

stated that BOQ was the basis of bid price which superseded all other contract documents. The reply was not tenable because of rating of the BOQ stood at the tail in the order of preference and because of over-riding provisions in other sets of documents. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 26 based on D.P. 339.

Overpayment of Rs 9,967.376

Project Director Chiniot Bridge paid an escalation on labour on the basis of statistical rate bulletin by violating clause 70 of the contract agreement which provided for payments of escalation or recovery as de-escalation as a result of change in minimum basic wages of labour because of legislative action of Govt. Federal or Provincial. In fact minimum basic wages fixed by the Government were less than those in appendix "C" to the contract which entailed recovery on account of de-escalation.

The payment of escalation at higher rate resulted in overpayment of Rs 9,967,376.

Audit pointed out the irregularity during November 1998. The Authority replied that escalation was admissible under clause 70 of the condition of contract. It was further added that matter was under consideration in NHA at higher level and amount would be adjusted accordingly as per final decision by the competent authority. The reply was not tenable because under clause 70 of the contract, escalation of Labour was permissible only if minimum rates of labour wages were increased by the Govt. The matter was also

reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 27 based on D.P. 342.

Overpayment of Rs 2,283,116

Project Director Chablat Nowshera increased the rate of running of vehicles from Rs 2 to Rs 4 per kilometer by installing A/cs in the vehicles. The rate paid Rs 4 per kilometer was not justified.

Enhancing of rate resulted in overpayment of Rs2,283,116 to the contractor.

Audit pointed out the irregularity during December 1998. The Authority replied that extra rates were approved by the competent authority. The reply was not tenable because the rates were approved without based on any analysis. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para28 based on D.P. 344.

Overpayment of Rs 2,818,179

Project Director Chablat Nowshera measured and paid twice quantities of items sub base course&base course in certain reaches.

Double measurement resulted in an overpayment of Rs 2,818,179.

Audit pointed out the Overpayment in December 1998. The Authority admitted a part recovery of Rs 49,730. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s)</p> |
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Para 29 based on D.P.347.

Overpayment of Rs 1.335.600

Project Director Chiniot Bridge made payment for the general items No.G-104 & 105 “providing equipment of material testing Lab: & Maintenance thereof” which was admissible on 100% furnishing & operation complete in all respects. Contractor did not equip the laboratory completely but was paid for maintenance as well.

The payment beyond the contract agreement resulted in overpayment of Rs 1,335,600.

Audit pointed out the irregularity during November 1998 The Authority replied that consultant made measurements of all equipment needed for testing of quality of work and observed some shortcomings in the lab: equipment. The reply was not tenable because payment of maintenance of lab: was admissible only on 100% furnishing & equipment of lab: material. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 30 based on D.P.350.

Overpayment of Rs 14,498,940

Project Director Hala Mian Channu paid the ancillary facilities to the engineer provided in the B.O.Q. in lump sum. The contractor was to provide these facilities throughout the contract period including extended period if any. Authority however paid ' separately for extended period of contract.

The lump-sum payment instead of currency of the contract resulted in overpayment of Rs 14,498,940.

Audit pointed out the irregularity during January 1999. The Authority replied that payment was justified because contract period was extended and that the same was made after approval as per rules. The reply was not tenable because B.O.Q. provided for extending these facilities at lump sum throughout the contract period which included extended period. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises upon early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 31 based on D.P.352.

Overpayment of Rs 13,364,260

Project Director Hala Mian Channu paid for laying of sand cushion under embankment under item 108(c) “embankment from

borrow excavation.” This item contained in built compaction upto 95% Aashoo Density. The contents were however, measured loose and compaction was got executed through an extra item. Compaction factor was also not applied from the measurements of loose contents.

Non-deduction of compaction factor resulted in overpayment of Rs 13,364,260.

Audit pointed out the irregularity during January 1999 and the matter was also reported to the Administrative Ministry but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises upon for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 32 based on D.P.353,

Overpayment of Rs 15,818.326

Project Director Hala Mian Channu paid for labour escalation which was admissible only if the increase was due to legislative action of Govt, federal or provincial and not with reference to statistical rate bulletin.

The payment beyond the contract resulted in overpayment of Rs 15,818,326.

Audit pointed out the irregularity during January 1999. The Authority replied that the payment was made with the approval of competent authority. The reply was not tenable because the payment was beyond the contractor’s obligation. The matter was also reported to the Administrative Ministry but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises upon for early recovery alongwith disciplinary action against the defaulters).</p> |
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Para 33 based on D.P.355

Overpayment of Rs 23.864.846

Project Director Hala Mian Channu paid for compaction of working platform in areas of unstable and soft soil with high water level and salinity against the specifications.

The payment against specification resulted in overpayment of Rs 23,864,846.

Audit pointed out the irregularity during January 1999. The Authority replied that measurement was made for 50 centimeter thickness only. The reply was not tenable. The matter was also reported to the Administrative Ministry but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 34 based on D.P.354.

Overpayment of Rs 9,194.460

Land Acquisition Collector Lahore Bye-pass Project made payments to the land owners on account of compensation of trees/fruit trees based on original survey reports included in the award announced but again the revised/amended new survey reports were prepared increasing the number of trees at a later stage for the same Khasra numbers.

Payments made at a later stage after announcement of the award resulted in overpayment of Rs 9,194,460 to the land owners.

Audit pointed out the loss in March 1998. The matter was also reported to the Administrative Ministry in July, 1999, but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 35 based on D.P.356

Overpayment of Rs 2.697.428 and US \$ 67.335

Project Director HalaMian Channu paid the rate of Rs 185 instead of BOQ item rate of Rs98per cubic meter for item of work excavation in unsuitable material.

The application of incorrect rate resulted in overpayment of Rs 2,697,428 and U.S. \$ 67,335.

Audit pointed out the irregularity during January 1999. The Authority replied that the work was executed under formation of embankment from roadway excavation and paid for accordingly. The reply was not tenable because pages 33 to 39 of measurement book 1225 classified the item as “excavation in unsuitable common material” and there seemed no justification in paying it under embankment. The matter was also reported to the Administrative Ministry but no reply was received.

Action required

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

Para 36 based on D.P.358.

Overpayment of Rs 5,245,745

Project Director Hala Mian Channu paid escalation on labour on the basis of statistical rate bulletins, instead of increase in legislative action of Government Federal/Provincial. The formula adopted was also not in line with clause 1-9.

The payment beyond the contract agreement resulted in overpayment of Rs 5,245,745.

The irregularity was pointed out in January 1999. The Authority replied that the rate was approved by the General Manager Sindh N.H.A. The reply was not tenable because action of the General Manager was in violation of clause 70 of the contract which did not allow any payment on account of escalation without change in minimum basic wages by the Govt, the formula adopted was also not in line with clause 1-9. The matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit advises upon early recovery alongwith disciplinary action against the defaulter(s).

Para 37 based on D.P.359.

Overpayment of Rs 16,509,338

Project Director Hala Mian Channu paid for working platform beyond theoretical limits of embankment in violation of clause SP 12-12 of the contract agreement.

The measurement and payment beyond the specification resulted in overpayment of Rs 16,509,338.

Audit pointed out the irregularity during January 1999 and the matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit stress early recovery alongwith disciplinary action against the defaulters.

Para 38 based on D.P.373.

Overpayment of Rs 2,652,680

Land Acquisition Collector Lahore Bye-pass Project got approval from the board of revenue, Lahore for the purchase of land for a project for 281-K & 19-M at the rate of Rs.12,784 per marla but made payment for 292-K & 6½-M to the land owners.

Making more cost of land resulted in overpayment of Rs.2,652,680 to the land owners.

Audit pointed out the over-payment during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early recovery, initiate disciplinary action against the defaulter(s) at fault and steps be taken to avoid concurrence.

Para 39 based on D.P.375.

Overpayment of Rs 1,328,800

Land Acquisition Collector Lahore Bye-pass Project announced award during February 1996 for making payment of

compensation of land/structures etc. but also made additional payments not approved/included in the award.

Making of payments without approval of competent authority resulted in an overpayment of Rs 1,328,800 to the land owners.

Audit pointed out the overpayment during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but reply was not given by the Authority.

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| <p>Audit advises to effect recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.</p> |
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Para 40 based on D.P.376.

Overpayment of Rs 1,661,326

Director LM&IS Peshawar enhanced the rates of damages of the crops building structures after announcing the awards and made additional payments without any justification to the land owners.

Payment of additional compensation resulted in overpayment of Rs 1,661,326 to the land owners.

Audit pointed out the irregularity during February 1999. The Authority replied that the rates of crops was enhanced on the recommendations of the provincial Government and compensation for building structure was not made so far. The reply was not tenable because compensation of an award should not be revised with another award because the rates of crops are fixed by the concerned deputy commissioner of each district keeping the nature of land. The matter was also reported to the administrative ministry but no reply was received.

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| Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps taken to avoid recurrences. |
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Para 41 based on D.P.379.

Over payment Rs 2,686,000.

Project Director ChablatNowshera made payment for an item “G-118 Trainee Engineer” for 767 Months @ Rs 3500 P.Month without provision in the contract agreement.

The payment of trainee engineers resulted in overpayment of Rs 5,245,745.

Audit pointed out the overpayment in December 1998. The Authority .replied that payment for trainee engineers was allowed by the Member Operations NHA. The reply was not tenable because payment to the trainee engineers was the liability of the contractor as per contract agreement. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| Audit advises for early recovery alongwith disciplinary action against the defaulter(s). |
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Para 42 based on D.P.380.

Overpayment of Rs.3,214,048

Project Director ChablatNowshera paid the rate of Rs 5500 per C.M. for the item of pre-stressed concrete girders against BOQ rate of Rs 3200 per C.M.

The application of incorrect rate resulted in overpayment of Rs 3,214,048.

Audit pointed out the overpayment in December 1998. The Authority replied that revised rate was paid due to the change in the design of the bridge. The reply was not tenable because nomenclature of the item was the same and contract rates were to remain operative throughout the currency of the contract. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

* **Para 43** based on D.P.382.

Overpayment of Rs 8,487,556

Land Acquisition Collector Lahore Bye-pass Project got approval by the Board of Revenue for acquiring of land for a project but the land acquisition collector made payment to the land owners after announcement of the award by changing the category of land/for excess area and made double payments of the same area.

Change of category/ excess area resulted in overpayment of Rs 8,487,556 to the land owners.

Audit pointed out the overpayment in March 1998. The matter was also reported to the Administrative Ministry in July 1999 but reply was not received.

Action required

Audit advises for early recovery initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences,

Para 44 based on D.P.383.

Overpayment of Rs 1,357,089

Land Acquisition Collector Lahore Bye-pass Project acquired a land for the construction of road and made payment of trees (mangoes, papulars, smbuls and shishams etc) but 15% deduction was not made on account of cost of timber.

Non deduction of cost of timbers resulted in overpayment of Rs 1,357,089 to the land owners.

Audit pointed out the overpayment during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.</p> |
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Para 45 based on D.P.388.

Overpayment of Rs 1,895,053

Land Acquisition Collector Lahore Bye-pass Project acquired additional Land out of alignment not required for the road without approval of Board of Revenue, Lahore after announcement of the award.

Acquiring of land out of alignment resulted in overpayment of Rs 1,895,053 to the land owners.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 46 based on D.P.389.

Overpayment of Rs 1,281,963

Project Director Chablat Nowshera made payment on account of pay & allowances, medical, over time, and T.A., D.A. without any provision in PC.I.

Payment without any provision in PC.I resulted in overpayment of Rs 1,281,963.

Audit pointed out the irregularity during December 1998. The Authority gave an interim reply. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery/regularization alongwith disciplinary action against the defaulter(s).

Para 47 based on D.P.437.

Overpayment of Rs 3,882,530

Project Director Chablat Nowshera made payment to provide 20 Nos. AC vehicles to the consultants instead of 18 Nos. Non-AC.

Purchase of vehicles in excess of provision resulted in overpayment of Rs 3,882,530 to the consultants.

Audit pointed out the irregularity in December 1998. The Authority replied that vehicles were provided as per agreement & A.C. facility was allowed by the competent authority. The reply was not tenable because consultants were provided two vehicles over and above their title and A.C. facility in vehicles was also beyond their title. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 48 based on D.P.467.

Overpayment of Rs 5,557,430

Project Director MBRP/RSP(TSP) executed a contract at contract price Rs 70,860,350 whereas the contractor had quoted his bid price Rs 65,302,920.

Acceptance of tender at higher price resulted in overpayment of Rs 5,557,430.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 49 based on D.P.494.

Overpayment ofRs 14,332,440

Project Director Hala Mian Channu made separate payment for procurement, furnishing & maintenance of vehicles for the use of the Engineer/Employer cost of which was included in the bid price of other payable items.

Separate payment beyond the contract agreement resulted in overpayment ofRs 14,332,440.

Audit pointed out the irregularity during January 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 50 based on D.P.324.

Overpayment ofRs 130,403

Project Director MBRP/RSP(TSP) while measuring item 108(c) formation of embankment failed to deduct the quantity of earth (1332 cm) obtained from structural excavation.

Non-deduction of available earth resulted in overpayment of Rs 130,403 to the contractor.

Audit pointed out the overpayment during December 1998 and also reported the matter to the Administrative Ministry in February 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises upon for early recovery and disciplinary action against the defaulter(s).</p> |
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Para 51 based on D.P.325

Overpayment of Rs 217,637

Project Director MBRP/RSP(TSP) allowed separate payment of Rs 217,637 for laboratory, equipment and staff which was not admissible because compensation for these items stood included in other pay items.

Separate payment for the items included in BOQ other items resulted in overpayment of Rs 217,637.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises detailed investigation, early recovery and disciplinary action against the defaulter(s).</p> |
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Para 52 based on D.P.326.

Overpayment of Rs 95,722

Project Director Lahore-Gujranwala Overlay Project gave credit of Income Tax for Rs 101,886 on Rs 1,698,106 of de-escalation and again further credit of Rs 95,722 on balance amount of Rs 1,596,219 was also given to the contractor.

Double credit of income tax resulted in overpayment of Rs 95,722.

Audit pointed out the irregularity during December 1998 and also reported the matter to the Administrative Secretary in February 1999 but no reply was received.

Action required

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

Para 53 based on D.P.327.

Overpayment of Rs 261,896

Project Director Lahore-Gujranwala Overlay Project made payment of escalation on the basis of formula given in the agreement but while calculating "C" factor for fuel accounted more number of days than the actual days consumed on the work. In another case excessive amount of bill was taken into account.

The calculation of incorrect days and taking of excessive work done resulted in overpayment of Rs 261,896.

Audit pointed out the irregularity during December 1998 and also reported the matter to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 54 based on D.P.329.

Overpayment of Rs 144,000

Director Maintenance Quetta measured and paid twice the item 'water bound macadam' to the extent of 288 M³.

Double measurement resulted in overpayment of Rs 144,000.

Audit pointed out the overpayment during November 1998. The Authority replied that reply would be given after checking the record. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 55 based on D.P.331.

Overpayment of Rs 55,000

Project Director Fourth Highway Project made payment of rent of a house hired for an officer at the rate of Rs 15000 p.m against the admissible rate of Rs 10,000 p.m.

Allowing of excessive rent for February 1998 to December 1998 resulted in overpayment of Rs 55,000.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 56 based on D.P.332.

Overpayment of Rs 138,925

Director Maintenance Quetta while recording measurement for the item “Common Back Fill” failed to deduct a quantity of 913.98 M³ earth obtained from “Excavation in Common Material”.

The payment of excessive quantity of Common Back Fill due to non deduction of available earth resulted in overpayment of Rs 138,925.

Audit pointed out the irregularity during November 1998. The Authority replied that 913.98 M³ back fill was collected from excavation of walls and the remaining 1933.10 was taken from outside. Thus the total quantity was 2847.08 M³. The reply was not tenable "because record entry showed total back fill as 1933.10 cm and did not prove deduction of the available earth. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 57 based on D.P.333.

Overpayment of Rs 3,793,569

Project Director Chablat Nowshera did not make the adjustments in rates and costs of items of work increased by more than 15% of B.O.Q.

The payment without adjustment of rate resulted in overpayment of Rs 3,793,569.

Audit pointed out the irregularity during December 1998. The Authority replied that payment for work done was made as per actual site requirement with the approval of competent authority and the quantity provided in BOQ were only estimated one. The reply was not tenable because the rate was required to be reduced as per factor quoted in the contract agreement. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 58 based on D.P.341.

Overpayment of Rs 597,950

Project Director MBRP/RSP(TSP) calculated the escalation for cement, labour, fuel, steel and bitumen on in correct and excessive value of work done.

The incorrect calculation of escalation resulted in overpayment of Rs 597,950.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 59 based on D.P.343.

Overpayment of Rs 576,000

Project Director Chablat Nowshera made separate payment for updating the drawing, which was not admissible in terms of Agreement.

The payment beyond contract agreement resulted in overpayment of Rs 576,000.

Audit pointed out the irregularity during December 1998. The Authority replied-that updating of drawing & plan was an additional work and paid in accordance with the order of the competent authority. The reply was not tenable because updation of drawings and designs was within its mandate and was not an additional work. The matter' was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| <p>Action required</p> |
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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 60 based on D.P.361.

Overpayment of Rs 337,500

Director Maintenance Quetta measured and paid the width of granular sub base as 2.0 M against the approved width of 1.5 M.

The excessive measurement of width resulted in overpayment of Rs 337,500. '

Audit pointed out the irregularity during November 1998. The Authority replied that sub base was executed in widening (1.5 M)

and also on shoulders as per approved cross section. The reply was not tenable because excessive width (2 M) was measured for widened portion and reply was not supported with documentary proof. The matter was also reported to the Administrative Ministry in February, 1999 but no reply was received.

Action required

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

Para 61 based on D.P.364.

Overpayment of Rs 235,160

Project Director MBRP/RSP(TSP) paid certain items for the quantity excessive of than those worked out as per detailed record entries.

The payment of excessive quantities resulted in overpayment of Rs 235,160 in February 1998.

Audit pointed out the irregularity during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 62 based on D.P.365.

Overpayment of Rs 232,000

Project Director MBRP/RSP(TSP) measured and paid entire quantity (38366.38 M²) of item No.SP 10 @ Rs 40 per M² where as a quantity of 23200 M² was required to be paid at Rs 30 P.M².

The Payment at higher rate resulted in overpayment of Rs 232,000 to the contractor.

Audit pointed out the overpayment during December 1998 and also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 63 based on D.P.366.

Overpayment of Rs 262,600

Project Director Fourth Highway Project allowed higher rates instead of approved rate for pre-cast kerb stone.

Payment of higher rates resulted in an Overpayment of Rs 262,600.

Audit pointed out the irregularity during December 1998 and also reported the matter to the Administrative Ministry in February 1999 but no reply was received.

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| <p>Audit advises to effect recovery and take disciplinary action against the defaulter(s).</p> |
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Para 64 based on D.P.368.

Overpayment of Rs 61,069

Project Director Lahore-Gujranwala Overlay Project measured excess quantities of embankment in running bill and the same value was taken for the purpose of calculating escalation.

The calculation of excess value of running bill resulted in overpayment of Rs 61,069.

Audit pointed out the irregularity during December 1998 and also reported the matter to the Administrative Ministry in February, 1999 but no reply was received.

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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.</p> |
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Para 65 based on D.P.369.

Overpayment of Rs 79,550

Project Director Lahore-Gujranwala Overlay Project made payment of escalation for ancillary items, which were not specified in the contract agreement.

Payment of escalation on ancillary items resulted in overpayment of Rs 79,550.

Audit pointed out the overpayment during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

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

Para 66 based on D.P.370.

Overpayment of Rs 148,573

Deputy Director Maintenance Rawalpindi measured the bottom width of retaining wall in excess of specifications and standard designs.

The excessive measurement resulted in an overpayment of Rs 148,573.

Audit pointed out the irregularity during March 1999. The Authority explained that top width could be increased or decreased as per site conditions. The reply was not tenable because top width was not objected to specifications and standard drawings stipulated a mechanism for determine base width with reference to top width which was violated in measurements. The matter was also reported to the Administrative Ministry but no reply was received.

Action required
Audit advises upon for early recovery alongwith disciplinary action against the defaulter(s).

Para 67 based on D.P.371.

Overpayment of Rs 50,000

Deputy Director Maintenance Abbottabad paid Rs 50,000 to the contractor for providing and maintaining diversion in contravention of specification clause 705.4.1.

The payment of diversion resulted in an overpayment of Rs 50,000.

Audit pointed out the overpayment during February 1999. The Authority replied that the abutment of bridge was washed away. There was no alternative route available for the whole traffic and the payment was made as per BOQ. The reply was not tenable because preparation and maintenance of diversion was the responsibility of the contractor free of cost. The matter was also brought to the notice of the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 68 based on D.P.372.

Overpayment of Rs 149,885

Director LM&IS Peshawar wrongly worked out the excess land compensation award on account of damages of crops/trees and paid to the land owners.

Wrong calculations/additional award to the land owners resulted in overpayment of Rs 149,885

Audit pointed out the Overpayment during February 1999. The Authority replied that total of the award was correct. The reply was not tenable because it was not relevant to the observation. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 69 based on D.P.374.

Overpayment of Rs 402,893

Land Acquisition Collector Lahore Bye-pass Project acquired a land for a project and approval for the payment of structure was accorded by the Chairman National Highway Authority but the Land Acquisition Collector made extra/more payment without approval of the competent authority.

Making extra compensation resulted in overpayment of Rs 402,893 to the land owners.

Audit pointed out the overpayment during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 70 based on D.P.378.

Overpayment of Rs 198,633

Project Director Chablat Nowshera paid for concrete C-30 at Rs 7475 per M³ and Rs 6500 per M³ against BOQ rates of Rs 7130 & Rs 6200 per M³ respectively.

The application of incorrect rate resulted in an overpayment of Rs 198,633.

Audit pointed out the Overpayment during December 1998. The Authority replied that higher rates were paid for additional work. The reply was not tenable because BOQ rates could not be changed during currency of the contract. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 71 based on D.P.381.

Overpayment of Rs 917,031

Project Director Lahore-Okara Additional Carriageway Project measured and paid excessive quantities due to wrong calculations.

The wrong calculations resulted in overpayment of Rs 917,031 to the contractor.

Audit pointed out the overpayment during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 72 based On D.P.384.

Overpayment ofRs 142,160

Deputy Director Maintenance Wazirabad made payments in R.M. contracts to the contractors by violating the clauses of agreements for not providing the facilities of telephones/clearing the median reflectors/traffic control devices as well as outstanding recovery from other contractor etc.

Violating the clauses of agreement resulted in overpayment of Rs 142,160 to the contractors.

Audit pointed out the overpayment during June 1998. The Authority admitted overpayment of Rs 137,160 but not got verified so for. As regards the recovery of Rs 5000 the reply was not correct for closing of toll tax gates as there existed no order of the competent authority. The matter was also reported to the Administrative Ministry in July 1999 but no reply was not received.

Action required

Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and adopt measures to avoid recurrences.

Para 73 based on D.P.386.

Overpayment of Rs 263,236

Deputy Director Maintenance Wazirabad made lump sum agreement for construction of box culvert falling in the carriage way of 12 meter wide. The contractor executed the item in 10 meter length but received payment for 12 meter.

Non execution of work as per agreement resulted in overpayment of Rs 263,236 to the contractor.

Audit pointed out the overpayment during June 1998. The Authority furnished the interim reply as after consultation of record although all the record was available with him. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises to effect recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 74 based on D.P.387.

Overpayment of Rs 573,866

Deputy Director Maintenance Wazirabad got executed the item of "Sand back filling in abutment walls and test pile pits" without provision in the agreement at higher rate of Rs 827 instead of Rs 305 per M³ paid for the item "granular back fill" provided in other contracts for similar nature of work.

Higher rate paid resulted in overpayment of Rs 573,866 to the contractor.

Audit pointed out the overpayment during June 1998. The Authority furnished interim reply in spite of the fact that all record was available

Action required

Audit advises to effect recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para75 based on D.P.390.

Overpayment of Rs 200,000

Land Acquisition Collector Lahore Bye-pass Project paid compensation Rs 1,712,653 for the structure of a petrol pump against the approval of Rs 1,512,653 accorded by the competent authority.

Making of payment in excess of the approved cost resulted in Overpayment of Rs 200,000 to the landowner in May 1997.

Audit pointed out the overpayment during March 1998 and also reported the matter to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises to effect the recovery and to take disciplinary action against the person(s) at fault.

Para 76 based on D.P.425.

Double payment of Rs 418,695

Deputy Director Maintenance Division Dera Ismail Khan paid the items of work formed part of the routine maintenance

contract through emergency agreement to the same contractor. The cost of the items paid against emergency agreement was also not recovered from the routine maintenance contract.

The payment of routine maintenance works through emergency agreement resulted in double payment of Rs 418,695 to the contractor.

Audit pointed out the irregularity during February 1999. The Authority replied that the work of emergency contract was awarded as per site requirement. The reply was not tenable because the work of emergency contract was assigned to the same contractor for the same reach and for the same items of work. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early investigation, expeditious recovery and suitable disciplinary action against the defaulter(s).

Para 77 based on D.P.426.

Double payment of Rs 359,327

Project Director MBRP/RSP(TSP) paid a sum of Rs 359,327 for item No.SP-2/1 “provide & maintenance of rented CRE Accommodation”. This item was also paid in other item No.2-6/1 “maintaining rent accommodation for SRE & Staff”.

This resulted in double payment of Rs 359,327.

Audit pointed out the double payment was pointed out during December 1998. The Authority replied that one item is maintenance for providing accommodation to CRE and other one is for his office i.e. staff. Reply was not tenable because Authority misconstrued the

clauses. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises upon for early recovery alongwith disciplinary action against the defaulter(s).

Para 78 based on D.P.427.

Double payment of Rs 765,433

Deputy Director Maintenance Abbottabad made payment of Rs 765,433 to-the contractor through an emergency contract for clearance of drains and misc: maintenance work of routine nature stood already entrusted to the same contractor.

The award of emergency contract separately resulted in double payment of Rs 765,433.

Audit pointed out the irregularity during February 1999. The Authority replied that K.M. 20 to 115 K.M. in hilly area was cleared. The balance work could not be covered in R.M contract. The reply was not convincing as clearance of drain was not an emergency and this job should have been covered in R.M. contract. The matter was also brought to the notice of the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 79 based on D.P.428.

Double payment of Rs 735,000

Land Acquisition Collector Lahore Bye-pass Project made payment on account of compensation of land twice for the same area to two land owners by preparing fudged documents of khathoni/ mukhtar nama/ mutations etc.

Non observation of codal formalities resulted in double payment of Rs 735,000 to the land owners.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises to effect recovery, initiate disciplinary action and steps be taken to avoid recurrences.

Para 80 based on D.P.429.

Double payment of Rs 331,851

Project Director MBRP/RSP(TSP) measured same reach twicely i.e. once for item No. 105(a) excavation in common material & secondly for item No. 106(b) "excavation in unsuitable common material".

This resulted in double payment of Rs 331,851.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

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| <p>Audit advises for early recovery alongwith disciplinary action against the defaulter(s).</p> |
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Para 81 based on D.P.430.

Double payment of Rs 73,093

Deputy Director Maintenance Wazirabad made double measurement for the quantity of 845 M² of the item “Double surface treatment.”

Excess measurement resulted in double payment of Rs 73,093 to the Government.

Audit pointed out the loss during June 1998. The Authority admitted the full recovery but not got verified so far. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

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| <p>Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.</p> |
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Para 82 based on D.P.402.

Overpayment of Rs 100,080

Project Director MBRP/RSP(TSP) allowed payment for item No. 108 C “formation of embankment from borrow material” in the reaches where embankment was to be made from the material obtained through road way excavation in common material under item No. 108(a). The earth available at site was not utilized.

The non-deduction of available earth from the earth brought from outside resulted in overpayment of Rs 100,080.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para83 based on D.P.466.

Unjustified payment ofRs 199,088

Deputy Director Maintenance Peshawar made separate payment for the item 2.3 cut out/excavate in existing wearing course up to 15 CM for the reaches where Bitmac was laid subsequently; whereas open Grade Bitmac was a composite item which included cutting of existing wearing course, making vertical edges at potholes etc.

The separate payment of cutting of existing wearing course resulted in unjustified payment of Rs 199,088 to a contractor.

Audit pointed out the irregularity during February 1999. The Authority replied that the BOQ item No 2.3 cut out/excavate wearing course up to 15 CM was excavated as per site condition before laying of Bitmac. The reply was not tenable because separate payment was not admissible. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 84 based on D.P.482.

Fictitious payment of Rs 502,877

Project Director MBRP/RSP(TSP) paid the item No.201 “granular sub base” in final bill on the basis of measurements taken after laying of base course 1st & IIInd layer which was not possible to measure.

The doubtful measurements resulted in fictitious payment of Rs 502,877.

Audit pointed out the irregularity during December 1998 and the matter also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises detailed investigation, early recovery and disciplinary action against the defaulter(s).

CHAPTER - THREE

ACCOUNTING ERRORS

(Rs 0.521 million)

Para 85 based on Draft Para 399 for the year 1998-99

Loss of Rs 521,406

Project Director Lahore-Gujranwala Overlay Project recovered the mobilization Advance from escalation bill instead of work done amount paid to the contractor.

The recovery of mobilization advance from escalation payment resulted in loss of Rs 521,406.

Audit pointed out the loss during December 1998 and the matter was also brought to the notice of Administrative Secretary in February 1999 but no reply was received.

Action required

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

CHAPTER - FOUR

NEGLIGENCE (Rs 749.977 million)

Para 86 based on Draft Para 453 for the year 1998-99

Irregular expenditure of Rs 699.81 million

Project Director Hala Mian Channu after executing a contract agreement for Rs 767.00 million enhanced it to Rs 1466.805 millions on the grounds that original BOQ prepared based on the estimate by the consultants was not rational and was computed without proper survey.

This resulted in irregular expenditure of Rs 699.81 million.

Audit pointed out the irregularity during January 1999. The Authority replied that revised estimate was approved by the competent Authority and BOQ of Rs 767.000 million was floated with the intention to provide less mobilization advance. The reply was not tenable because an expenditure of Rs 699.810 million was incurred without putting the job to bidding. Moreover no action was taken against the consultant who completed the work without survey and the quantities provided in the estimate were not rational. The matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit advises to make good the loss besides disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 87 based on D.P.418.

Loss of Rs 28.283 million

Project Director Chablat Nowshera executed an agreement with a consultant without co-relating with actual progress of work done by the contractor.

The execution of mismanagement contract resulted in a loss of Rs 28.283 million.

Audit pointed out the irregularity during December 1998. The Authority replied that the work delayed because of inadequate funding and consultants were paid as per their contract. The reply was not tenable because contract was defective which led to the loss. The matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit advises to make good the loss alongwith disciplinary action against the defaulter(s)

Para 88 based on D.P.401.

Loss of Rs 16.295 million

Project Director Hala Mian Channu made additional payment on account of interest on delayed payment upto June 1998, despite the fact sufficient funds were available in the year in which interest was paid.

The additional payment resulted in loss of Rs 16.295 million.

Audit pointed out the loss in January 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para89 based on D.P.406.

Loss of Rs 2,432,563

Director LM&IS Peshawar changed the alignment of a road but the land acquisition collector paid at its own compensation for damages to the land owners of the original alignment as well.

Paying of extra compensation resulted in a loss of Rs 2,432,563 to the Government.

Audit pointed out the loss during February 1999. The Authority replied that payment was made before change of alignment. The reply was not tenable as the process of change of alignment was in the knowledge of the LAC. Further no action was taken to get the refunds of payments. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 90 based on D.P.419.

Loss of Rs 2,282,885

Deputy Director Maintenance Bannu awarded a work to a first lowest bidder for Rs 2,388,664 but the same was cancelled and work was re-tendered. Second time contract was awarded at a contract cost of Rs 4,671,549.

Cancellation of the lowest bid and re-tendering resulted in a loss of Rs 2,282,885 due to mismanagement.

The loss was pointed out during February 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises to make good the loss besides discipline action against the defaulter(s) and steps be taken to avoid recurrences.

Para 91 based on D.P.420.

Loss of Rs 371,465

Deputy Director Maintenance Bannu awarded a work at higher rate i.e. 7.88% above the Engineer estimate whereas competent authority had decided to award the work as per Engineer estimate.

Award of work at higher rates resulted in a loss of Rs 371,465.

Audit pointed out the loss during February 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 92 based on D.P.398.

Loss of Rs 305,680

Project Director Lahore-Gujranwala Overlay Project calculated and paid the difference of foreign currency at the rate of Rs 46.70 instead of Rs 44.31 per U.S Dollar.

The application of incorrect rate resulted in a loss of Rs 305,680.

Audit pointed out the loss during December 1998 and the matter was also reported to the Administrative Secretary in February 1999 but no reply was received.

Action required

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

Para 93 based on D.P.393.

Loss of Rs 196,287

Project Director Fourth Highway Project paid difference of dollar conversion rates between the date of passing of the bill and the date of issuing the cheque .

The delay of issuing the cheque resulted in a loss of Rs 196,227.

Audit pointed out the loss during December 1998 and also brought the matter to the notice of the Administrative Ministry in February 1999 but no reply was received.

Action required
Audit advises to make good the loss alongwith disciplinary action against the person(s) responsible.

CHAPTER - FIVE

VIOLATION OF RULES

(Rs 6816.999 and US \$ 2.292 million)

Para 94 based on Draft Para 391 for the year 1998-99

Loss of Rs 32,864,771

Project Director Lahore-Okara Additional Carriageway Project called for tenders of a work with two options for completion period i.e. within 30 and 36 months. The contractor to whom the work was awarded had quoted 2% rebate in case of the completion period of 36 months. The department deducted 2% rebate upto fourth payment made on May 7, 1995 but subsequently refunded the amount to the contractor. The work was in progress upto December 1998.

The non recovery of the rebate resulted in a loss of Rs 32,864,771 to the Government.

Audit pointed out the loss during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

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| Audit advises for early recovery alongwith disciplinary action against the defaulter(s). |
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Para 95 based on D.P.404.

Loss of Rs 21,565,140

Director LM&IS Peshawar made payment of land compensation on the basis of self assessed rates which were higher than rates fixed by the Deputy commissioner concerned.

The payment at higher rates resulted in a loss of Rs 21,565,140 to the Government.

Audit pointed out the loss during February 1999. The Authority replied that rates fixed were less than the ausat yaksala of the area. The reply was not accepted because Authority was not empowered to adopt its own rates. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| Audit advises for early recovery, disciplinary action against the person(s) at fault and steps be taken to avoid recurrences. |
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Para 96 based on D.P.405.

Loss of Rs 46,179,653

Director LM&IS Peshawar made payment of land compensation on rates exorbitantly higher than those approved by the Deputy commissioners concerned.

The payment made at higher rates resulted in a loss of Rs 46,179,653 to the Government.

Audit pointed out the loss during February 1999 and the matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 97 based on D.P.407.

Loss of Rs 2,835,102 and £ 2,292,896

In Islamabad-Peshawar Motorway Project, a consultancy contract was executed by the Authority for detailed design of Islamabad-Peshawar Motorway (M-I). Three firms were approved in technical scrutiny. Their financial proposals were opened but contract was awarded to 2nd lowest firms instead of 1st lowest.

Award of contract to the 2nd lowest contractor resulted in a loss of Rs 2,835,102 and £ 2,292,896.

Audit pointed out the loss in May 1995 and the matter was also reported to the Administrative Ministry in September 1995 but no reply was received.

Action required

Audit stresses upon to make good the loss and initiate disciplinary action against the defaulter(s).

Para 98 based on D.P.408.

Loss of Rs 1,732,800

Project Director Hala Mian Channu paid for cutting of trees falling in the right of way of the road project. Trees removed were neither accounted for/taken on stock nor auctioned.

The non accountal/auction resulted in a loss of Rs 1,732,800.

Audit pointed out the loss during December 1998 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises to make good the loss and initiate disciplinary action against the defaulter(s).

Para 99 based on D.P.409.

Loss of Rs 51,236,208

Project Director Hala Mian Channu paid Mobilization Advance @ 20% to a local contractor for purchase of plant & equipment. Payment of Mobilization Advance in foreign currency to a local contractor was not admissible as contractor never opened L.C. for purchase of plant & equipment from abroad.

The payment in foreign currency resulted in a loss of Rs 51,236,208 as exchange rate difference.

Audit pointed out the loss during December 1998 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit stresses upon to make good the loss and initiate disciplinary action against the defaulter(s).

Para 100 based on D.P.413.

Loss of Rs 4,490,000

General Manager Finance hired the chartered accountant for preparation of Final Account (Annual Account) for the years 1993-94 to 1995-96 and payment of Rs 4,490,000 was paid to against contractual provision of Rs 3,500,000. The assignment was a legitimate duty and function of the Authority itself.

The preparation of final accounts resulted in a loss of Rs 4,490,000 to the Authority.

Audit pointed out the irregularity during May 1997 and the matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises to make good the loss and initiate disciplinary action against the defaulters.

Para 101 based on D.P.396.

Loss of Rs 528,581

Project Director Lahore-Islamabad Motorway Project made payment of Rs 528,581 to the Consultant on account of Air fares/excess baggage's/trips for the transfer of his wife, which was required to be paid from his own pocket as per section 2.7.3 of the Agreement.

Payment of Air fares/excess luggage resulted into loss of Rs 528,581 to the Authority.

Audit pointed out the loss in December 1998 and matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 102 based on D.P.397.

Loss of Rs 108,308

Project Director Lahore-Islamabad Motorway Project deducted Income Tax at the rate of 5 percent instead of 6 percent from the consultants in violation of Finance Act 1998, Income Tax Ordinance 1979 under section 50(4) withholding tax rates w.e.f. 1.7.1998.

Less recovery of Income Tax resulted in a loss of Rs 108,308 to the Government.

Audit pointed out the less recovery during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 103 based on D.P.410Loss of Rs 505,722

Director LM&IS Peshawar made provision 25% of the salvage material of buildings and structures falling in ROW but recovery was made at 15% instead of 20% approved by the competent authority.

Short recovery of material resulted in a loss of Rs 505,722.

Audit pointed out the loss during February 1999. The Authority replied that orders of Chairman were not applicable as rates approved by C&W Department of Govt: of NWFP were to be followed. The reply was not accepted because project management could not over rule the orders of its Chief Executive. The Authority also failed to substantiate as to how schedule approved by C&W Department Govt: of NWFP took recordance over NHA” order. Further the Project Director made provision 25% for recovery in original estimates which was reduced to 15% at a later stage. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 104 based on D.P.415.Loss of Rs 1,074,639

Land Acquisition Collector Lahore Bye-pass Project acquired land for a project and preliminary survey report of structure/ good-will was prepared by the engineers but the Land Acquisition

Collector made more compensation without approval of the competent authority.

Making extra payment resulted in a loss of Rs 1,074,639 to the land owners.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises to effect recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 105 based on D.P.421.

Loss of Rs 2,746,130

Director Land Management and Environmental Affairs Lahore executed agreement with a consultant for Rs 39,632,551 during November 1995 to be completed within 60 months for rendering services for planting of 6408200 numbers trees. After lapsing a period of two years the number of trees plantation was reduced to 4353600 but agreement was enhanced to Rs 57,000,000. The posts of Project Coordinator/Deputy Project Coordinator were also provided/created in the revised agreement without any having qualification/experience of forestry affairs at a heavy lump sum payment of salary alongwith expenses of staff/rent of building/purchase of luxurious above entitled vehicles/POL and field trips etc. The targets of progress of tree plantation had also become slow down in spite of heavy burden on public exchequer.

Deviations from the original agreement for creating additional parts resulted in a loss of Rs 2, 746,130 upto December 1998 to the Government.

Audit pointed out the loss during January 1998. The Authority admitted that the Project Coordinators were appointed as the engineers through variation order No.1 dated 4th July, 1996 to manage the programme effectively. The reply was not tenable due to the reason that original agreement was signed keeping in view all the factors covering the area all over the country and sufficient staff/officers were provided. Further the targets of progress of plantations were not achieved even upto completion of agreement period. The matter was also reported to the Administrative Ministry in July, 1999 but no reply was received.

Action required

Audit advises for early recovery, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 106 based on D.P.424.

Loss of Rs 1,125,072

Project Director Lahore-Okara Additional Carriageway Project made payment to the consultant for supervision of the works i.e. roads of Okara city which were neither provided in the agreement nor related to the jurisdiction of NHA.

Making of payment beyond the agreement resulted in a loss of Rs 1,125,072 to the Government.

Audit pointed out the loss in December 1998 and the matter was also reported to the matter to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 107 based on D.P.442.

Non recovery of Rs 802,441

Project Director Lahore-Gujranwala Overlay Project failed to recover the de-escalation on full rate as required under clause 70 conditions to contract part-II of the contract agreement.

Recovery of de-escalation on less rate resulted in non recovery of Rs 802,441.

Audit pointed out the less recovery during December 1998 and the matter was also brought to the notice of Administrative Secretary in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 108 based on D.P.444.

Non recovery of Rs 3,300,000

Project Director Hala Mian Channu incurred expenditure for supply of Lab: Equipment, which was the responsibility of the contractor to supply free of charges in terms of clause SP 3.1 of the contract agreement.

This resulted in non-recovery of Rs 3,300,000 from the contractor.

Audit pointed out the irregularity during January 1999. The Authority replied that payment made for special equipment was not recovered under original contract. The reply was not tenable because supply of lab: equipment was the responsibility of the contractor free

of charges to the employer. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) & steps be taken to avoid recurrences.

Para 109 based on D.P.449.

Irregular payment of Rs 93.652.110

Project Director Lahore-Islamabad Motorway Project made payment for certain items in excess of the provisions made in the agreement without approval of the competent authority.

Payment of excessive quantity resulted in irregular payment of Rs 93,652,110 to the contractor.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received. The proper account of the durable goods i.e machines, equipment, vehicles etc was not shown to watch return thereof from the consultants.

Action required

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

Para 110 based on D.P.450.

Irregular expenditure of Rs 296.658

Deputy Director Maintenance Dera Ismail Khan did not award works through tendering and instead done through quotations in violation of codal rules.

The award of works without tendering resulted in irregular expenditure of Rs 296,658.

Audit pointed out the irregularity during February 1999. The Authority replied that the work was awarded through quotation by the competent authority due to urgency of work. The reply was not tenable because work awarded was beyond the scope of quotations. Further no urgency emerged from record. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure alongwith disciplinary action against the defaulter(s).

Para 111 based on D.P.451.

Irregular payment of Rs 9.515 million

Project Director Fourth Highway Project made payments without record entries in the measurement books.

Making of payment without recording detailed measurement resulted in irregular payment of Rs.9.515 million.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recover)' or regularization alongwith disciplinary action against the defaulter(s).

Para 112 based on D.P.452.

Irregular payment of Rs 91,417

Project Director Fourth Highway Project made payments on account of repair/maintenance of vehicles to the officers(employees) of the Authority instead of making payment directly to the work shops to the bonafide payees.

The violation of rules resulted in irregular payment of Rs 91,417.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 113 based on D.P.454.

Irregular payment of Rs 375.239 million

Project Director Chablat Nowshera allowed Mobilization Advance of Rs 375.239 million (20% bid cost) to the contractor against machinery without pledging it in favour of the authority.

This resulted in irregular payment of Rs 375.239 million.

Audit pointed out the irregularity during December 1998. The Authority replied that plant & equipment, against which mobilization advance was allowed was pledged to the NHA. The reply was not tenable because no machinery was pledged. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure besides disciplinary action against the defaulter(s).

Para 114 based on D.P.457.

Irregular expenditure of Rs 693.247 million

Project Director Hala Mian Channu executed contract agreement of Rs 767.00 Million. The BOQ cost was subsequently enhanced to Rs 1460.247 million under variation clause. There existed no provision for such a substantial variation in the BOQ.

This resulted in irregular expenditure of Rs 693.247 million.

Audit pointed out the irregularity during January 1999. The Authority replied that contract awarded provisionally with the available funds and did not carry all items. The reply was not tenable because quantities increased through an addendum No.2 were never tendered after approval of executive Council of the Authority. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure besides disciplinary action against the defaulter(s) & steps be taken to avoid recurrences.

Para 115 based on D.P.459.

Irregular payment of Rs 415.583 million

Project Director Hala Mian Channu made payment of Mobilization Advance @ 20% of contract cost for import of plant & equipment, directly to the contractor, whereas payment was to be made to the supplier through bank, for which L.C. was to be opened by the contractor ensuring ownership of equipment in favour of employer. No L.C. was opened by the contractor.

This resulted in an irregular payment of Rs 415.583 million.

Audit pointed out the irregularity during January 1999 and the matter also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises detailed investigation at higher level besides regularizing of the expenditure alongwith to take disciplinary action against person (s) at fault.

Para 116 based on D.P.460.

Irregular payment of Rs 425.048 million and non recovery of Rs 286.237 million

Project Director Hala Mian Channu made payment of Mobilization Advance @ 20% of bid value to the contractor in violation of contract agreement. According to agreement, payment

was to be made to the supplier for opening of L.C. in the favour of the supplier and propriety rights of importable machinery in favour of NHA.

The payment to the contractor instead of supplier resulted in an irregular payment of Rs 425.048 million. Further recovery' of Mobilization Advance was also not effected according to the provisions made in the contract agreement.

Audit pointed out the irregularity during December 1998. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit stresses upon for early recovery alongwith interest on deferred payments and regularization of the Mobilization Advance besides disciplinary action against the person (s) at fault.

Para 117 based on D.P.463.

Irregular increase/revision of contract price for Rs 4,265.325.350

Project Director Kharian-Rawalpindi Additional Carriageway Project enhanced the contract price about 88.32% above the agreed cost, through variation orders.

This resulted in irregular/unjustified revision of cost for Rs 4,265,325,350.

Audit pointed out the irregularity during January 1999. The Authority replied that revised PC-I including all variation orders were approved by the Executive Board NHA. The reply was not tenable because substantial portion of work was awarded without tendering and no inbuilt clause was there to adjudge the veracity of

rates allowed. It was left to the engineer to allow rates as per his estimates. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for regularization of increased cost and initiate disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 118 based on D.P.464.

Irregular payment of Rs 1.150 million

Deputy Director Maintenance Peshawar made payment of Rs 1,149,828 against manpower deployed without sanctioned posts.

Payment without sanctioned posts resulted in irregular expenditure of Rs 1,149,828.

Audit pointed out the irregularity during February 1999 and the matter was also reported to the Administrative Secretary in April 1999 but no reply was received.

Action required

Audit advises for regularization of expenditure, withdrawal of manpower and disciplinary action against the defaulters(s).

Para 119 based on D.P.465.

Unauthorized refund of income tax worth Rs 4,410,078

Project Director Lahore-Gujranwala Overlay Project deducted 6% income tax from a foreign contractor, but later on allowed a refund of 3% income tax to the contractor in violation of Income

Tax Ordinance 1979 even after decision of the legal adviser of the Authority.

The refund of 3% income tax resulted in unauthorised refund of Rs 4,410,078.

Audit pointed out the loss in December 1998 and the matter was also brought to the notice of Administrative Ministry in February 1999 but no progress towards recovery was received.

Action required

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

Para 120 based on D.P.469.

Non adjustment of advances worth Rs 16,786,458

Project Director Lahore-Okara Additional Carriageway Project paid huge amount Rs 16,786,458 to LAC(ACW) Lahore-Okara compensations without any detail of area/rate/quantity of trees/crops duly approved by the competent Authority.

The payment without sanction and detailed land award statement resulted in irregular payment of Rs 16,786,458.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery/regularization and the adjustment of advances alongwith disciplinary action against the defaulter(s).

Para 121 based on D.P.478.

Unauthorized payment of Rs 64,153,943

Land Acquisition Collector Lahore Bye-pass Project issued cheques in the name of attorney holders instead of the land owners on account of land compensation purchased for the project.

Making the payment by violating the provision of land acquisition act, 1894 resulted in unauthorized payment of Rs 64,153,943 to the attorney holders.

Audit pointed out the irregularity during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 122 based on D.P.487.

Irregular refund of income tax worth Rs 2,062,814

Project Director Fourth Highway Project refunded a sum of Rs 2,062,814 previously deducted on account of income tax under section 50(4) of Income Tax Ordinance 1979.

The violation of income tax ordinance resulted in irregular refund of Rs 2,062,814.

Audit pointed out the irregularity during December 1998 and was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early along with disciplinary action against the defaulter(s).

Para 123 based on D.P.488.

Unauthorized payment of Rs 50,636,160

Project Director Lahore-Islamabad Motorway Project paid an unauthorized payment of Rs 50, 636,160 to the consultant for 75.30 months million instead of 36 months as provided in the original agreement (@ 21231 US \$x Rs 30 per Dollar) without any document and detail attached with the invoices.

Incurring of expenditure in excess of provision in the agreement resulted in unauthorized payment of Rs 50,636,160.

Audit pointed out the unauthorized payment during December 1998 and the matter was also reported to the Administrative Secretary in February 1999 but no reply was not received.

Action required

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

Para 124 based on D.P.493.

Unauthorized payment of Rs 23.194 million

Project Director Hala Mian Channu made payment for repair & maintenance of vehicles used by the employer, which was not admissible as per special provisions of contract agreement.

This resulted in unauthorized payment of Rs 23.194 million to the contractor.

Audit pointed out the irregularity during January 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary' action against the defaulter(s).

Para 125 based on D.P.497.

Misuse of development funds for Rs 3.663.600

Project Director Chablat Nowshera made separate payment for purchase of 8 Nos. extra vehicles over & above the agreement provision.

The purchase of vehicles beyond the agreement provision resulted in misuse of development funds for Rs 3,663,600.

Audit pointed out the irregularity during December 1998. The Authority replied that expenditure was incurred in Head Office. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| Audit advises for early recovery alongwith disciplinary action against the defaulter(s). |
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Para 126 based on D.P.498.

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Irregular refund of income tax worth Rs 1,264,349

Project Director Chablat Nowshera refunded income tax of Rs 1,264,349 to contractor in violation of Income Tax Ordinance 1979.

The refund of income tax without referring to income tax department resulted in irregular refund of income tax Rs. 1,264,349.

Audit pointed out the irregularity during December 1998. An interim reply was received. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| Audit advises for early recovery alongwith disciplinary action against the defaulter(s). |
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Para 127 based on D.P.499.

Unauthorized payment of Rs 147,658,826

Project Director Hala Mian Channu awarded the contract for a work to a foreign contractor. Before the start of the work, it was assigned to a local contractor on terms and conditions of the original contractor. The local contractor was, however, paid contract considerations in foreign exchange component for the portion reserved for salary expenses of the employees of the foreign contractor which were not admissible to him in Foreign Currency.

for import of construction machinery without opening Letter of Credit.

The payment in foreign currency resulted in un-authorized payment of Rs 147,658,826.

Audit pointed out the irregularity during January 1999 and the matter was also reported to the Administrative Ministry but no reply was received.

Action required

Audit advises to effect recovery and initiate disciplinary action against the defaulter(s).

Para 128 based on D.P.500.

Undue financial aid and irregular payment of Rs 427.126.510

Project Director Lahore-Okara Additional Carriageway Project allowed 18% and 20% mobilization advance to two contractors for purchase of plant, machinery and equipments without opening of letter of credit, obtaining proper bank guarantee and pledging of the machinery in the name of the Authority till the completion of the work.

The payment of mobilization advance in violation of the agreement resulted in undue financial aid and irregular payment for Rs 427,126,510 to the contractors.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises expeditious recovery/regularization alongwith disciplinary action against the defaulter(s).

Para 129 based on D.P.501.

Non forfeiture of earnest money worth Rs 500,000

Deputy Director Maintenance Wazirabad called tenders for collection of toll tax and acceptance letter issued to the highest bidder. The bidder failed to furnish bank guarantee and his earnest money was not forfeited.

Non forfeiture of earnest money resulted in a loss of Rs 500,000 to the Government.

Audit pointed out the loss during June 1998. The Authority admitted the forfeiture of earnest money but the final accountal was not got verified from Audit. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early accountal of earnest money in theaccounts of the authority alongwith disciplinary action against the defaulter(s).

Para 130 based on D.P.395.

Loss of Rs 2,999,468

Project Director Lahore-Islamabad Motorway Project deducted Income Tax at the rate of 5 percent instead of 20 percent from the non residential contractor.

Less recovery resulted in a loss of Rs 2,999,468 to the Government.

Audit pointed out the short recovery during December 1998 and the matter was also reported to the Administrative Secretary in February 1999 but no reply was received.

Action required

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

CHAPTER - SIX

VIOLATION OF PROPRIETY

(Rs 5.782 and US \$ 19.000 million)

Para 131 based on Draft Para 392 for the year 1998-99

Loss of Rs 2,012,755

Deputy Director Maintenance Dera Ismail Khan awarded a work to a successful bidder at the tender cost of Rs 1,795,317 but subsequently cancelled the acceptance letter without assigning any reasons. The Authority put the work to tender again and re-awarded the work at the higher cost of Rs 3,808,072.

The action of the Authority to cancel the acceptance letter of the 1st called tenders and re-awarding the work at higher rates resulted in a loss of Rs 2,012,755.

Audit pointed the irregularity during February 1999. The Authority replied that the work was awarded on the basis of competition. The reply was not tenable because Authority did not act prudently and sustained loss due to mismanagement. The matter was

also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 132 based on D.P.400.

Loss due to mismanagement worth US \$ 19.00 million

Project Director Chablat Nowshera prequalified the foreign contractors only whereas the project was totally funded by the Government of Pakistanis such the payment in foreign currency was not justified.

Mis-management resulted in a loss of U.S \$ 19.000 million.

Audit pointed out the loss during December 1998 and the matter was also reported to Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 133 based on D.P.411.

Loss of Rs 750,161

Deputy Director Maintenance Peshawar paid a sum of Rs 750,161 to the consultants M/S Khyber Consulting (Pvt) for supervision of maintenance of work in presence of qualified engineers.

The mismanagement resulted in a loss of Rs 750,161.

Audit pointed out the loss during February 1999. The Authority replied that the consultants were engaged by the General Manager (N.W.F.P) with approval of competent Authority. The reply was not convincing because engagement of the consultant for maintenance job in the presence of qualified departmental engineer was not justified. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit desires to make good the loss besides disciplinary action against the defaulter(s).

Para 134 based on D.P.412.

Loss of Rs 232,694

Director LM&IS Peshawar made recovery of salvage material (in one project) for fruit bearing and non fruit bearing trees fixed at 40% and 35% of the assessed value of the trees whereas the same was reduced to 30% and 15% (in another project) for a particular section of R.O.W. of road.

Short recovery of salvage material resulted in a loss of Rs 232,694 to government.

Audit pointed out the loss during February 1999. The Authority replied that previous rates were not realistic and were revised with the approval of the chairman of the Authority. The reply was not tenable because undue benefit to the land owners by violating the general decision was given. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| <p>Audit advises for early recovery alongwith disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.</p> |
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Para 135 based on D.P.422.

Loss to Government worth Rs 1,512.142

Deputy Director Maintenance Wazirabad awarded a work to a contractor at 167.24% above the revised estimate without fixing premium on the schedule of rate, 1995 as well as allowing premium more than 15% by the competent authority.

Allowing of higher premium resulted in a loss of Rs 1,512,142 to the Government.

Audit pointed out the loss during June 1998. The Authority replied that the Composite Schedule of Rates were not workable for the work executed at site of rutting through cold milling machine. The reply was not tenable as the Composite Schedule of Rates 1995 was approved with the latest rates taken from market and there was no need to pay higher premium. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

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| <p>Audit advises for early recovery initiate disciplinary action and steps be taken to avoid recurrences.</p> |
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Para 136 based on D.P.458.

Irregular payment of Rs 973,142

Deputy Director Maintenance Rawalpindi got executed the items of work favourable to the contractor and left altogether undone the items not favouring him.

This resulted in irregular payment of Rs 973,142 by way of additions to favourable items.

Audit pointed out the irregularity during March 1999. The Authority replied that increase/decrease in quantities was made as per site requirements. The reply was not tenable because of variance in cost of items, elimination of unfavourable items and increase in the favourable one's. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) & steps be taken to avoid recurrences.

Para 137 based on D.P.495.

Unauthorised payment of Rs 135,329

Project Director Islamabad-Peshawar Motorway Project incurred expenditure on account of fuel charges beyond permissible limit fixed by the Authority.

Incurring of extra expenditure resulted in unauthorized expenditure of Rs 135, 329.

Audit pointed out in December 1998. The Authority replied that POL limits were not applicable on the officers working in the field. The reply was not tenable because users of the objected vehicles were working in the office of GM-M.I Islamabad and not performing any field duties. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 138 based on D.P.417.

Loss of Rs 85,914

Director LM&IS Peshawar made additional payment to a land owner on account of two years mark up on the land compensation already awarded and paid in time.

The delay in completion of formalities resulted in a loss of Rs 85,914 to the Government.

Audit pointed out the loss during February 1999. The Authority replied that the request of the land lord was genuine and the interest accrued on loan was paid with the approval of the Competent Authority. The reply was not tenable because payment was required to be paid before possession of the land acquired. The matter was also reported to the administrative ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 139 based on D.P. 394.

Loss of Rs 79,500

Director Maintenance Quetta made payment on account of hire charges of machinery for the idle period which was not justified.

The payment of idle period resulted in a loss of Rs 79,500 to the Government.

Audit pointed out the loss during November 1998 and the matter was also reported to the Administrative Ministry in February 1999. The Authority replied that the machinery remained at site to face the emergency. The reply was not tenable because payment was not justified.

Action required

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

CHAPTER - SEVEN

RECOVERABLES **(Rs 261.716 million)**

Para 140 based on Draft Para 403 for the year 1998-99

Less recovery of Rs 54.890 million

Project Director Hala Mian Channu made payment for Mobilization Advance @ 20% of the bid amount to a contractor for plant & equipment in foreign currency i.e. US Dollars but the recovery of same was made in Local currency i.e. Pak Rupees.

The recovery in Pak currency instead of foreign currency resulted less recovery of Rs 54.890 million.

Audit pointed out the short recovery during December 1998. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

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

Para 141 based on D.P. 431.

Short recovery of Rs 2,396,538

Project Director Lahore-Okara Additional Carriageway Project deducted income tax from a contractor at the rate of 3% instead of 5%, which was applicable under the Income Tax Ordinance 1979.

The deduction of income tax at lesser rate resulted in non recovery of Rs 2,396,538.

Audit pointed out short recovery during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 142 based on D.P. 43*.

Short recovery of Rs 8,779,466

Project Director Lahore-Okara Additional Carriageway Project sub letted a work to a local contractor on the terms and conditions of the foreign contractor but deducted Income Tax @ 5% instead of 6% applicable under the Income Tax *Ordinance 1979*.

The recovery of Income Tax at lesser rate resulted in non recovery of Rs 8,779,466.

Audit pointed out short recovery during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 143 based on D.P. 435.

Non recovery of Rs 1,347,565

Project Director Chiniot Bridge incurred an expenditure for engaging the services of M/s Geo, PEC and AGOP for core extraction tests, review of design and locate reasons of damages to the piles. The expenditure was required to be recovered from consultant who failed to ensure the work execution as per specification or whose design was defective.

This resulted in non recovery of Rs 1,347,565.

Audit pointed out the non recovery during November 1998. The Authority replied that to know the reasons of damages during floods, investigation from neutral agencies was necessary, which was still in progress and report had not been finalized. It was further added that fault was not established and recovery was not justified for the moment. The reply was not tenable because damages could only be caused of substandardness of work or faulty designs and for both these defaults consultant was responsible. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 144 based on D.P. 436.

Non recovery/adjustment of advances worth Rs 598.312

Project Director Kharian-Rawalpindi Additional Carriageway Project did not adjust the advances given to various officials/agencies since long.

This resulted in a non recovery/non adjustment of public money worth Rs 598,312.

Audit pointed out the non recovery during January 1999. The Authority replied that the case was initiated against the persons and audit will be informed after adjustment. The reply was not tenable because advances were required to be recovered/adjusted by close of the financial year. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early adjustment/recovery alongwith disciplinary action against the defaulter(s) and steps be teaken to avoid recurrences.

Para 145 based on D.P. 438

Non recovery of Rs 303,379

Director LM&IS Peshawar made payment for dismantling structure but actually the building *was* not dismantled and was retained for use by the contractor. No recovery *was* made from the contractor.

Making payment for not dismantling of structure at site resulted in non-recovery of Rs 303,379 from the contractor.

Audit pointed out the loss during February 1999 and the matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises to effect the recovery, initiate disciplinary action against the person(s) at fault and steps taken to avoid recurrences.

Para 146 based on D.P. 440.

Non recovery of Rs 118,000

Project Director Fourth Highway Project allowed advance to some officers/officials but failed to recover or adjust the same.

Non-adjustment of the advances resulted in non-recovery of Rs 118,000.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery/adjustment of the advances and to take disciplinary action against the defaulter(s).

Para 147 based on D.P. 445.

Non recovery of liquidated damages worth Rs 31.014 million

Project Director Chiniot Bridge did not recover liquidated damages on account of delay in completion of work.

This resulted in non recovery of liquidated damages worth Rs 31.014 million.

Audit pointed out the non recovery in November 1998. The Authority replied that fault of contractor for delay in completion of work was not established and recovery was not justified. The reply was not tenable because no fault of the employer or the engineer was on record. The delay therefore, was attributed to the contractor only. The contractor was not penalized and instead allowed escalation of work executed beyond permissible time limit. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 148 based on D.P. 448.

Non recovery of Rs 1,253,371

Project Director Lahore-Okara Additional Carriageway Project got executed the item of removal of surplus material but neither the excavated material was accounted for nor recovery thereof was made against the provision made in the BOQ.

Non accountal / recovery of material resulted in non recovery of Rs 1,253,371.

Audit pointed the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 149 based on D.P. 468.

Undue financial aid of Rs 160,486,272 due to non recovery of mobilization advances

Project Director Lahore-Okara Additional Carriageway Project granted mobilization advances during 1994-95 for works allotted to two contractors but failed to make full recovery even after lapsing four years.

Non recovery of mobilization advance resulted in undue financial aid of Rs 160,486,272 to the contractors.

Audit pointed out the non-recovery in December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 150 based on D.P. 447

Non recovery of Rs 148,334

Project Director Chablat Nowshera made separate payment to workshops for repair/maintenance of project vehicles, which was the liability of the contractor under item No.1 15 of the BOQ.

This resulted in non recovery of Rs 148,334.

Audit pointed out the non-recovery during December 1998. The Authority replied that expenditure incurred on account of repair/maintenance and paid to workshop was not in the notice of the Engineers. The reply was not found satisfactory. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

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

Para 151 based on D.P. 486.

Short recovery of income tax worth Rs 117,242

Project Director Fourth Highway Project deducted income tax on the net payable amount (after making adjustment of retention money and other recoveries,) instead of the gross amount of work done.

The deduction of income tax on incorrect amount resulted in short recovery of Rs 117,242.

Audit pointed out the irregularity during December 1998. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s)

Para 152 based on D.P. 439.

Non recovery of advances worth Rs 90,000

Project Director MBRP/RSP(TSP) paid advance for boring and carriage of equipment. Later on the contract was terminated and advance payment already made remained un-adjusted and could not be recovered.

The non recovery of advances resulted in a loss of Rs 90,000.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 153 based on D.P. 485.

Non adjustment of advances worth Rs 61,224

Project Director Fourth Highway Project paid advances to the officers but failed to adjust or recover the same from them.

The non-adjustment of advances resulted in non-recovery of Rs 61, 224.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

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| Audit advises for early recovery/adjustment alongwith disciplinary action against the person(s) responsible. |
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Para 154 based on D.P. 434.

Non recovery of Rs 59,400

Director LM&IS Peshawar made payment for compensation of damages of the crops to the land owners caused by the contractor which was recoverable from the defaulter.

Making of incorrect payment resulted in non-recovery of Rs 59,400.

Audit pointed out the loss during February 1998. The Authority promised to take up the matter with the contractor. But no progress was reported. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

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| Audit advises for early recovery initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences. |
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Para 155 based on D.P. 441.

Non recovery of Rs 53,156

Director Maintenance Quetta failed to deduct the income tax @ 5% from the contractor.

The non recovery of income tax resulted in a loss to the Government for Rs 53,156.

Audit pointed out the non recovery in November 1998. The Authority gave an interim reply. The matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

CHAPTER-EIGHT

OTHERS

(Rs 4369.696 million)

Para 156 based on Draft Para 414 for the year 1998-99

Loss of Rs 8,741,481

Project Director N-40 Quetta dismantled the old road but dismantled material obtained from the road was not utilized.

Non utilization of dismantled material resulted in loss of Rs 8,741,481 to the Government.

Audit pointed out the loss during December 1998. The authority replied that dismantling of old road was planned in early days of the contract execution. After sometimes it was realized that new alignment parallel to existing road could be adopted as diversion. Reply of the department was not tenable due to wrong planning. Full quantity of dismantled material was not utilized. More over if the embankment was constructed with new earth the Authority could be saved from a large loss and old road could use as alternative means of transportation. The matter was also brought to the notice to the Administrative Secretary in February 1999 but no reply was received.

Action required

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

Para 157 based on D.P. 416.

Loss of Rs 4,000,000

Land Acquisition Collector Lahore Bye-pass Project acquired a land for construction of a bridge and made payment for 435 marlas including 250 marlas already acquired by LDA WASA for construction of land/drain.

The double payment resulted in a loss of Rs 4,000,000 to the government.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early recovery initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 158 based on D.P. 443.

Non recovery of Rs 900,000

In Hala Mian Channu Project extra payment was made to the design consultants for design review as discrepancies were found in the original design prepared by another consulting agency. The expenditure so incurred was not recovered from the original consultant.

This resulted in non recovery of Rs 900,000.

Audit pointed out the irregularity during January 1999. The Authority replied that payment was made for improvement of the original design. The reply was not tenable because removal of defect in design was the responsibility of the original consultant without any further payment. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

Para 159 based on D.P. 455.

Irregular payment of Rs 1,328,476

Project Director Chablat Nowshera incurred expenditure on account of seminar/inauguration upto June 1998. This was not charge of the project and not covered in the approved PC-I.

This resulted in irregular expenditure of Rs 1,328,476.

Audit pointed out the irregular expenditure in December 1998 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for justification or recovery from the responsible(s) and steps be taken to avoid recurrences. _____

Para 160 based on D.P. 456.

Irregular expenditure of Rs 34,715,435

Project Director Hala Mian Channu incurred an expenditure of Rs 34.715 Million out of Development Funds on the upkeep and

maintenance of existing roads. The job was also awarded without invoking tendering process.

This resulted in irregular expenditure of Rs 34,715,435.

Audit pointed out the irregularity during January 1999. The Authority replied that expenditure was incurred with the approval of the competent authority through variation order for the maintenance & development of existing road which was the responsibility of the Authority. The reply was not tenable because Authority had separate fundings for development schemes and maintenance works. Those could not be diverted at the will of the Authority. The matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure alongwith disciplinary action against the defaulter(s).

Para 161 based on D.P. 461.

Irregular award of Rs 5,081,746

Director LM&IS Peshawar acquired a land for a project in 1993-94 and road was completed in December 1994. But the compensation award was announced in July 1998 at prevailing/current rates.

Non-completion of formalities resulted in irregular award of Rs 5,081,746.

Audit pointed out the irregularity during February 1999. The Authority replied that the award could not be announced because of non-deposit of the cost of the award by the MNA. The reply was not tenable because land could only be acquired on a notification by the

Government and award announced at the rates prevalent at the time of taking possession. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for early recovery alongwith disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 162 based on D.P. 462.

Irregular payment of Rs 7,223.212

Project Director MBRP/RSP(TSP) paid escalation from the date of start of work instead of actual consumption of material on the basis of record entries of item involved.

This resulted in irregular payment of Rs 7,223,212.

Audit pointed out the irregularity during December 1998 and was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

Audit advises for justification/regularization of the expenditure alongwith disciplinary action against the person(s) responsible.

Para 163 based on D.P. 470.

Non maintenance of cash book for the payment of Rs 677.80 million

Land Acquisition Collector Lahore Bye-pass Project transferred funds to LAC for making payment to the land owners on

account of acquiring Of land for a project but no cash book was maintained showing the closing balances at the end of each month duly signed by the responsible concerned.

The violation of codal formalities resulted in non-maintenance of cash book worth Rs 677.80 million.

Audit pointed out the irregularity during March 1998 and the matter was also reported to the Administrative Ministry in July 1999 but reply was not given.

Action required

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

Para 164 based on D.P. 471.

Bogus payment of Rs 400,000

Land Acquisition Collector Lahore Bye-pass Project made payment of the damages of structure to a land owners based on preliminary survey report prepared by the engineering/revenue staff. But later on payment of earth filling was also made by the land acquisition collector without making any decision of natural or dumped earth/report and approval of competent authority.

Non-according of decision/rate resulted in bogus payment of Rs 400,000 to the land owners.

Audit pointed out the irregularity during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 165 based on D.P. 472.

Fictitious award announced for Rs 278,868,447

Land Acquisition Collector Lahore Bye-pass Project acquired land for construction of a road but the preliminary codal formalities i.e. survey report showing the exact area of land, damages of crops/tress/fruit trees/utilities services and correct names of the owners were not completed before announcement of award. The awards were also revised due to change of category of land and inclusion of additional damages compensation without any documentary proof and approval by the competent Authority.

This announcement of award without documentary evidences resulted in fictitious announcement of award payment of Rs 278,868,447 to the land owners.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but reply was not given.

Action required

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

Para 166 based on D.P. 473.

Wasteful expenditure of Rs 32,406,975

In Lahore-Okara Additional Carriageway Project, a contractor left the work incomplete after receiving the payment for the items “formation of embankments and clearing and grubbing.”

Non-completion of the work resulted in wasteful expenditure of Rs 32,406,975.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 167 based on D.P. 475

Fraudulent payment of Rs

6,354,773

Land Acquisition Collector Lahore Bye-pass Project made fraudulent payments to the land owners for acquiring of land on account of changing the category of land, making double/excess payment for the same khasra Nos, without completing documents and before signing of mukhtar namas by the sub-registrar.

The violation of rules resulted in fraudulent payment of Rs 6,354,773 to the land owners.

Audit pointed out the loss during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 168 based on D.P. 476.

Fictitious payment of Rs 18,336,717

Land Acquisition Collector Lahore Bye-pass Project made payment to the land owners on account of compensation of crops/trees/fruit trees/structures/ shifting of tube-wells and losses of business without completing the codal formalities of obtaining documentary proof of property tax paid/utilities bill numbers/crop rates approved by Deputy commissioners and rates approved of structures by competent authority.

Non compliance of codal formalities resulted in fictitious payment of Rs 18,336,717 to the land owners.

Audit pointed out the irregularity during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 169 based on D.P. 477.

Wasteful expenditure of Rs 554,500

Project Director Lahore-Okara Additional Carriageway Project awarded the works relating to city roads to contractors without receiving the deposits in advance. The works were also left incomplete after executing the items of earth work, sub-base and base courses at different RDs.

Non-completion of the work resulted in wasteful expenditure of Rs 554,500 and loss to the Authority due to non-recovery of the expenditure.

Audit pointed out the irregularity during June 1998 and the matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

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

Para 170 based on D.P. 479.

Unjustified payment of Rs 600.000

Project Director Lahore-Okara Additional Carriageway Project paid Rs 600,000 to the Executive Engineer, Buildings Division Okara on account of relocation of railway quarters without approval of the Competent Authority and proper vouched account.

The payment without sanction and detailed vouched account resulted in an unjustified payment of Rs 600,000.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in February 1999 but no reply was received.

Action required

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

Para 171 based on D.P. 480.

Non reconciliation of cash balances Rs 677.80 million with the treasury

Land Acquisition Collector Lahore Bye-pass Project transferred fund to the land acquisition collector for payment to be

made for the purchase of land required for a project but no reconciliation of cash balances at the end of each month was done with the treasury officer.

Non compliance of codel rules resulted in non reconciliation of cash balances Rs 677.80 million with the treasury.

Audit pointed out the irregularity during March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received

Action required

Audit advises for early reconciliation, initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 172 based on D.P. 481.

Fraudulent payment of Rs 271,884

Deputy Director Maintenance Peshawar made payment of rent to the occupants/ allottee instead of landowner. Thereafter, an amount of Rs 271,884 was released to the individual employees through the bank accounts instead of payment to the land lord.

This resulted in fraudulent payment of Rs 271,884.

Audit pointed out the irregularity during February 1999 and the matter was also brought to the notice of the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit stresses upon for detailed investigation besides the recovery alongwith disciplinary action against the person(s) at fault.

Para 173 based on D.P. 491.

Non surrender of surplus fund Rs 368.536 million to the Government

Project Director Chablat Nowshera did not surrender funds surplus of requirements in mid year review or by 15th May of each year so that it could be utilized on other important projects.

This resulted in undue retention of surplus funds of Rs 368.526 million.

Audit pointed out the irregularity during December 1998 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

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

| |
|---|
| <p>Audit advises its regularization alongwith disciplinary action against the defaulter(s).</p> |
|---|

Para 174 based on D.P. 496.

Unjustified award of work costing Rs 1646.478 million

Project Director Chablat Nowshera awarded a contract to a foreign firm, which was not a pre-qualified firm.

The allotment of work beyond the pre-qualification resulted in unjustified expenditure of Rs 1646.478 million.

The irregularity was pointed out in December 1998. An interim reply was given. The matter was also reported to the Administrative Ministry in March 1999 but no reply was received.

Action required

Audit advises for its regularization and initiate disciplinary action against the person(s) at fault.

Para 175 based on D.P. 502.

Unauthorised expenditure of Rs 234,000

Director LM&IS Peshawar awarded the work without allotment funds.

The allotment of a work without no provision in the annual budget resulted in an irregular expenditure of Rs 234,000.

Audit pointed out the irregularity during February 1999 and the matter was also reported to the Administrative Ministry in April 1999 but no reply was received.

Action required

Audit advises for early regularization of expenditure besides disciplinary action against the pers(s) responsible.

Para 176 based on D.P. 503.

Undue financial aid of Rs 3,600,294

Director Land Management and Environmental Affairs Lahore executed three agreements with contractors for 479000 Nos of trees plantation, which were revised to 315000 without any justification. Further the Authority made fictitious payment for Rs 13,872,444 for 143000 Nos of trees plantation out of which 51795 Nos of trees for Rs 3,600,294 were shown as dead at a later stage.

Fictitious payment resulted in undue financial aid of Rs 3,600,294 to the contractor.

Audit pointed out the irregularity during January 1998. The Authority replied that the mortality of plants was deducted from the next bill. The reply was not tenable because the contractor was given undue financial aid by making fictitious measurements in the measurement book of surviving trees. The matter was also reported to the Administrative Ministry in July 1999 but reply not received.

Action required

Audit advises to initiate disciplinary action against the person(s) at fault and steps be taken to avoid recurrences.

Para 177 based on D.P. 505.

Non transfer of land worth Rs 599,474,285

Land Acquisition Collector Lahore Bye-pass Project made payment for acquisition of land for the project but land was not transferred in the name of acquiring Authority.

Non transfer of land resulted in irregular payment of Rs 599,474,285 to the land owners.

Audit pointed out the irregularity in March 1998. The matter was also reported to the Administrative Ministry in July 1999 but no reply was received.

Action required

Audit advises for early completion of the process of mutations, initiate disciplinary action against the defaulter(s) and steps be taken to avoid recurrences.

SECTION - III

FINANCIAL POSITION OF AUDIT REPORT & MEFDAC

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

Name of Department/ Ministry: Ministry of Communication

Audit Report for the year: 1998-99

| Annex | Particulars/Results of Discussion | No. of Paras | Amount involved (Million Rupees) |
|-----------|---|--------------|----------------------------------|
| A | Observations issued during audit | 517 | 28343.348 |
| B | Paras settled after discussion with | 20 | 20.664 |
| B-1 | Settled after verification of record | 20 | 20.664 |
| B-2 | Settled after regularization | - | - |
| B-3 | Settled after recovery made | - | - |
| | Total Paras reported in AIR as:- | 497 | 28322.684 |
| | a) Ordinary Paras | 26 | 1488.257 |
| | b) Advance Paras | 471 | 26834.427 |
| | Balance of Advance Paras carried forward for DAC. | 294 | 14159.566 |
| C | Paras settled after DAC. | 16 | 86.967 |
| C-1 | Settled after verification of record. | 16 | 86.967 |
| C-2 | Settled after regularization | - | - |
| C-3 | Settled after recovery made | - | - |
| | Balance | 278 | 14072.599 |
| D | Paras settled under Court decision | - | - |
| B+C+D | Total Paras settled | 36 | 107.631 |
| E | Paras pending for verification of record | 126 | 8401.607 |
| F | pending for regularization | 67 | 4090.817 |
| G | Paras pending Paras for verification | 84 | 1580.175 |
| H | Paras pending for Court decision | 1 | - |
| E+F+G+H | Total Paras pending | 278 | 14072.599 |
| I | Pending being clear cut embezzlement cases (already included I E to 11 above) | - | - |
| J | Paras printed in Audit Report | 177 | 12674.861 |
| B-3+C-3+G | Recoveries at the instance of Audit (made or ordered) | *3 | 10.005 |

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)

Public Accounts Committee in its meeting held on 26.07.2011 discussed 177 Paras. On the recommendations of DACs, 141 Paras were settled, 03 Paras were deleted due to duplication, 15 paras were clubbed and referred to NAB while 18 paras were recommended to pursue at DAC level.

1. **Para 34: Overpayment of Rs. 9.194 million**
2. Para 38: Overpayment of Rs. 2.653 million
3. **Para 39: Overpayment of Rs 1.329 million**
4. **Para 43: Overpayment of Rs. 8.487 million**
5. **Para 44: Overpayment of Rs 1.357 million**
6. **Para 45: Overpayment of Rs 1.895 million**
7. **Para 75: Overpayment of Rs. 200,000**
8. **Para 86: Irregular expenditure of Rs. 699.81 million**
9. **Para 89: Loss of Rs 2.432 million**
10. **Para 96: Loss of Rs 46.179 million**
11. **Para 104: Loss of Rs 1.075 million**
12. **Para 130: Loss of Rs. 2.999 million**
13. **Para 165: Announcement of award without fulfilling codal formalities Rs 278.868 million**
14. **Para 167: Fraudulent payment of Rs 6.355 million**
15. **Para 168: Fictitious payment of Rs 18.337 million**

The Committee directed the PAO to refer the case to NAB and pursue it vigorously in order to effect recovery as soon as possible. The Committee also directed to approach the Chief Secretary, Punjab in order to resolve this issue. Report should be submitted to the Committee within one month.

1. **Para 32: Overpayment of Rs 15.818 million**
2. **Para 36: Overpayment of Rs. 5.246 million**

3. **Para 49: Overpayment of Rs. 14.332 million**
4. **Para 68: Overpayment of Rs. 149,885**
5. **Para 69: Overpayment of Rs. 402,893**
6. **Para 74: Overpayment of Rs. 573,866**
7. **Para 79: Double payment of Rs.735,000**
8. **Para 97: Loss of Rs 2.835 million and £ 2.292 million**
9. **Para 103: Loss of Rs 505,722**
10. **Para 105: Loss of Rs. 2.745 million**
11. **Para 106: Loss of Rs 1.125 million**
12. **Para 107: Non-recovery of Rs 802,441**
13. **Para 111: Irregular payment of Rs 9.515 million**
14. **Para 120: Non adjustment of advances worth Rs. 16.786 million**
15. **Para 145: Non-recovery of Rs. 303,379**
16. **Para 171: Non reconciliation of cash balances Rs 677.80 million with the treasury**
17. **Para 174: Unjustified award of work costing Rs. 1,646.478 million**
18. **Para 177: Non-transfer of Land Worth Rs 599.474 million**

The Committee endorsed the recommendations of DAC for pursuance of Para at DAC level.

(ACTIONABLE POINTS)

Actionable points arising from discussion of the meeting of Sub-Committee-I of Public Accounts Committee, held on 20th February, 2015 for examination of Appropriation Accounts/Audit Reports/Special Audit Reports for the years 1998-99 of Ministry of Communication as below:-

(NATIONAL HIGHWAYS AUTHORITY)
DIRECTORATE GENERAL AUDIT WORKS (FEDERAL),
ISLAMABAD

1. i) **PARA NO 34**
OVERPAYMENT OF Rs.9.194 MILLION
- ii) **PARA 38**
OVERPAYMENT OF Rs.2.653 MILLION
- iii) **PARA 39**
OVERPAYMENT OF Rs.1.329 MILLION
- iv) **PARA 43**
OVERPAYMENT OF Rs.8.487 MILLION
- v) **PARA 44**
OVERPAYMENT OF Rs.1.357 MILLION
- vi) **PARA 45**
OVERPAYMENT OF Rs.1.895 MILLION
- vii) **PARA 75**
OVERPAYMENT OF Rs.200,000
- viii) **PARA 86**
IRREGULAR EXPENDITURE OF Rs.699.81
MILLION
- ix) **PARA 89**
LOSS OF Rs.2.432 MILLION
- x) **PARA 96**
LOSS OF Rs.46.179 MILLION
- xi) **PARA 104**
LOSS OF Rs.1.075 MILLION
- xii) **PARA 130**
LOSS OF Rs.2.999 MILLION
- xiii) **PARA 165**
ANNOUNCEMENT OF AWARD WITHOUT
FULFILLING CODAL FORMALITIES Rs.278.868
MILLION

xiv) **PARA 167**
FRAUDULENT PAYMENT OF Rs.6.355 MILLION

xv) **PARA 168**
FICTITIOUS PAYMENT OF RS. 18.337 MILLION
PAC DIRECTIVE

The above mentioned 15 Paras were referred to NAB under PAC directive dated 26th July, 2011 but the department failed to comply with the said directive, however, the committee was informed that the said Paras were referred to NAB after DAC recently. It was also evolved that Para No. 130 at Sr. No. xii. have no issue in referring it to NAB, so sub-committee settled the Para on the recommendation of audit. The Sub-Committee showed displeasure on the said laxity of the Ministry and directed the NAB to expedite matter and report to PAC at the earliest.

2. **PARA 32**
OVERPAYMENT OF Rs.15.818 MILLION

PAC DIRECTIVE

The Sub-Committee settled the Para subject to verification of record by audit under intimation to PAC.

3. i. **PARA 36**
OVERPAYMENT OF Rs.5.246 MILLION

ii. **PARA 49**
OVERPAYMENT OF Rs.14.332 MILLION

iii. **PARA 68**
OVERPAYMENT OF Rs.149,885

PAC DIRECTIVE

The Sub-Committee settled the above 3 (three) Paras subject to verification of record by audit under intimation to PAC.

4. i. **PARA 69**
OVERPAYMENT OF Rs.402,893

ii. **PARA 74**
OVERPAYMENT OF Rs.573,866

PAC DIRECTIVE

The Sub-Committee settled the above 2 (two) Paras on the recommendation of Audit.

5. **PARA 79**
DOUBLE PAYMENT OF Rs.735,000

PAC DIRECTIVE

The Sub-Committee pended the Para for the next meeting with the direction to PAO to pursue the case vigorously under intimation to PAC and audit

6. i. **PARA 97**
LOSS OF Rs.2.835 MILLION AND £ 2.292 MILLION
- ii. **PARA 103**
LOSS OF Rs.505,722
- iii. **PARA 105**
LOSS OF Rs.2.745 MILLION
- iv. **PARA 106**
LOSS OF Rs.1.125 MILLION
- v. **PARA 107**
NON-RECOVERY OF Rs.802,441
- vi. **PARA 111**
IRREGULAR PAYMENT OF Rs.9.515 MILLION
- vii. **PARA 120**
NON ADJUSTMENT OF ADVANCES WORTH Rs.16.786 MILLION

PAC DIRECTIVE

The Sub-Committee settled the above seven Paras on the recommendation of Audit.

7. **PARA 145**
NON-RECOVERY OF Rs.303,379

PAC DIRECTIVE

The Sub-Committee settled the Para subject to verification of balance recovery by the Audit under intimation to PAC.

8. **PARA 171**
NON RECONCILIATION OF CASH BALANCES Rs.677.80 MILLION WITH THE TREASURY

PAC DIRECTIVE

The Sub-Committee settled the Para subject to verification of record by Audit and withdrawal of remaining amount from treasury under intimation to PAC.

9. **PARA 174**
UNJUSTIFIED AWARD OF WORK COSTING
Rs.1,646.478 MILLION

PAC DIRECTIVE

The Sub-Committee settled the Para on the recommendation of Audit.

10. **PARA 177**
NON-TRANSFER OF LAND WORTH Rs 599.474
MILLION

PAC DIRECTIVE

The Sub-Committee settled the Para subject to verification of mutation by Audit under intimation to PAC.

Note: A correction has been proposed by Audit vide letter No. DGAWF/PAC-II/Actionable Points/1998-99/2030 dated 14.04.2015 as the para has been recommended for settlement by DAC dated 17.02.2015.

A correction has also been proposed regarding settled paras that PAC settled the paras on recommendations of DAC.

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

| S. No. | Department | Date of PAC meeting | Total Paras | No. of Paras Settled | Compliance Awaited (No. of Paras) |
|---------------|-------------------|-------------------------------|--------------------|-----------------------------|--|
| 1. | NHA | 26.07.2011 & 20.02.2015 | 177 | 154 | 23 |

Annexure-C

RECOVERY STATEMENT

AUDIT REPORTS FOR THE YEAR 1998-99

| Department | Report | Date of PAC meeting | Para No. | Amount of the para (Rs. in million) | Amount Recovered (Rs. in million) |
|--------------|------------|---------------------|----------|-------------------------------------|-----------------------------------|
| NHA | AR 1998-99 | 20.02.2015 | 68 | 0.150 | 0.012 |
| -do- | -do- | -do- | 74 | 0.574 | 0.334 |
| -do- | -do- | -do- | 103 | 0.506 | 0.030 |
| -do- | -do- | 26.7.2011 | 06 | 0.110 | 0.012 |
| -do- | -do- | -do- | 15 | 2.004 | 2.004 |
| -do- | -do- | -do- | 28 | 2.818 | 0.581 |
| -do- | -do- | -do- | 52 | 0.096 | 0.096 |
| -do- | -do- | -do- | 56 | 0.139 | 0.056 |
| -do- | -do- | -do- | 72 | 0.142 | 0.108 |
| -do- | -do- | -do- | 108 | 3.300 | 3.300 |
| -do- | -do- | -do- | 119 | 4.410 | 4.410 |
| -do- | -do- | -do- | 129 | 0.500 | 0.500 |
| -do- | -do- | -do- | 141 | 2.397 | 2.397 |
| -do- | -do- | -do- | 153 | 0.061 | 0.061 |
| -do- | -do- | -do- | 155 | 0.053 | 0.053 |
| Total | | | | | 13.954 |