



Audit Report  
No.

WS/R/97-98/3

**AUDIT REPORT  
ON THE WORKS ACCOUNTS OF  
NORTHERN AREAS PUBLIC  
WORKS  
DEPARTMENT**

**KASHMIR AND NORTHERN  
AFFAIRS  
DIVISION**

**MINISTRY OF STATES &  
FRONTIER  
REGIONS AND KASHMIR AFFAIRS**

**GOVERNMENT OF PAKISTAN**

**FOR TH YEAR 1998-99**

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



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## **PREFACE**

This Audit Report consists of the results of regularity audit of the works accounts of Government of Pakistan, Ministry of Kashmir Affairs and Northern Affairs and States and Frontier Regions Division for the year 1998-99.

The report was issued to the Secretary, Ministry of Kashmir Affairs and Northern Areas in August 1999 but no satisfactory reply was received from him till finalization of the report in October 1999.

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**

1. Northern Areas Public Works Department is under the administrative control of Ministry of Kashmir Affairs and Northern Area and States and Frontier Regions Division. The main function of the Division is the development of the Northern Areas by providing basic facilities of life to the residents. The department is headed by a Chief Engineer who is assisted by Superintending Engineers heading five circles. They are assisted by Executive Engineers and Sub-Divisional Officers etc. Divisional Engineer is the basic accounting unit, assisted by a Divisional Accounts Officer. The department follows the accounting system of the Pak P.W.D. At the divisional level, there are Building and Road Divisions and Water and Power Divisions. N.A. P.W.D. also provided water and power to the residents beside the construction and maintenance of buildings and roads.

2. The regularity audit was conducted for the accounts of department relating to works. Out of an expenditure of Rs 245.515 million, 15% expenditure was subjected to audit.

3. Audit of 8 formations was undertaken during 1998-99 out of the 12 formations of the Northern Area Public Works Department. As a result of audit, large number of irregularities of various types such as overpayments, violation of financial propriety, lack of internal checks, non-recoveries of cost of material and unauthorised expenditure were detected and reported to the Principal Accounting Officer.

The PAC while discussing this report on 09.07.2014 issued directions. Out of total 60 audit paras, 55 paras were settled and compliance of 5 paras is awaited (Annexure-B). Besides, an amount of Rs 12.903 million was recovered (Annexure-C). The PAC directives are attached as Annexure-A.

## **FINDINGS**

The present report points out an objected amount of Rs 199.575 million on various types of financial irregularities committed by the department during the period under review:-

S.No.	Description	No. of cases	Amount (Rs) (Million)
1.	Misappropriation, Misuse and Thefts	4	2.818
2.	Over/Excess Payments	27	25.952
3.	Accounting Errors	01	.053
4.	Violation of Rules	10	53.582
5.	Recoverable	12	16.166
6.	Others	06	101.004
	Total:-	60	199.575

## **RECOMMENDATIONS**

1. There was a need to investigate each case and fix responsibility for various irregularities and losses to public exchequer.
2. Government rules, regulations, procedure and departmental instructions should be followed in their true spirit.
3. Internal controls needed to be strengthened to stop recurrence of such irregularities by the field functionaries as they generally lead to uneconomical use 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 -1**

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

The Northern Area Public Works Department, Government of Pakistan, is primarily responsible for planning, designing, construction, repair and maintenance of buildings and roads in northern area. There is a Chief Engineer, five circles and twelve divisions through which works are executed.

Budget allotment for works portion under grant No.97 for 1997-98 was Rs 212.579 million whereas department incurred expenditure of Rs 245.515 million resulting in excess amounting to Rs 32.936 million. This revealed that the department utilized the budget more than the allocation. The Department justify the excess expenditure before the Public Accounts Committee.

The amount under audit observations comes to Rs 199.575 million which also encompasses development expenditure made during the previous year works/schemes in progress.

There was an expenditure of Rs 245.515 million for the year 1997-98 incurred on projects and procurements.



**SECTION - II**  
**THE REPORT**  
**CHAPTER - ONE**

**MISAPPROPRIATION, MISUSE AND THEFTS**  
**(Rs 2.818 million)**

**Para 1** based on Draft Para 50 for the year 1998-99

Non consumption of the dismantled material worth ,  
Rs 1,443,136

Building and Road Division Hunza Nagar dismantled suspension bridges. Its serviceable material of steel wire rope, main cables, SWT and saddle plates etc were neither re-used nor their cost recovered.

Non accountal of the dismantled material resulted into loss of Rs 1,443,136 in February 1999.

Audit pointed out the non-accountal \_ in June 1999. The department replied that 60% material had been used and the remaining would be used & got verified. The reply' was not tenable as the used material was not got verified. The matter was also reported to the Administrative Secretary in August 1999 but no reply was received.

Action required

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

**Para 2 based on D.P.39**  
Loss to Govt. Rs 1,189,264

Building & Road Division Chilas allotted a work to a contractor during August 1993 for Rs 10,291,830. The contractor was paid Rs 14,165,469 during February 1999 in which payment of Rs 1,189,264 was made on account of material stolen from site of work after fixing/installing the items of electricity without fixing the responsibility/recovery from the responsible.

This resulted in loss of Rs 1,189,264

Audit pointed out the loss in June 1999. The department replied that FIR was lodged with police. The reply was not tenable because no progress was reported since January 1997. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises investigation/departmental enquiry to fix responsibility/ recovery of the loss besides disciplinary action against the person(s) responsible.

**Para 3 based on D.P.22**

Misappropriation of R.C.C Pipes Rs 100,300.

Building & Road Division Skardu acquired R.C,C pipes of different dia. These were neither laid nor found as taken on stock. Non-accountal/consumption of RCC pipes resulted in misappropriation of material costing Rs 100,300 in May 1998.

Audit pointed out the misappropriation in May 1999. The department replied that the pipes were taken on material at site

account and laid on different sites which was incorrect as no record was produced in support of reply. The matter was reported to the Administrative Secretary in July 1999. but no reply was received.

Action required

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

**Para 4** based on D.P.1

Non accountal of lubricants Rs 85,375.

Building & Road Division Astore failed to account for the consumption account of the turbo oil & grease etc.

Non-accountal of issue of lubricants through indents resulted in misappropriation of Rs 85,375 in March 1998.

Audit pointed out the non-accountal in June 1999. The department replied that it was taken on form 8. The reply was not tenable as the issue of material was not accounted for as per requirement through indents. The matter was reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

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

## CHAPTER - TWO

### OVER PAYMENTS (Rs 25.952 million)

**Para 5** based on Draft Para 5 for the year 1998-99

Over payment of Rs 8,905,499

Building & Road Division Astore measured and paid excessive length of RCC bridges over the length provided in the sanctioned estimates technically.

Excessive measurement of length of RCC bridges resulted in over payment of Rs 8,905,499 in January 1998.

Audit pointed out the over payment in June 1999 but no reply was given by the department. It was reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

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

**Para 6** based on D.P.7

Over payment of Rs 2,916,814.

Building & Road Division Astore measured and paid providing & laying uncoursed rubble masonry in cement mortar 1:6 in foundation plinth and basement including scaffolding curing complete (item No 1 page 20 SR-1991) @ Rs 2267.79 where as neither the basement was made nor work of scaffolding was done.

Non-deduction of cost of scaffolding @ Rs 895.02 % Cft resulted in over payment of Rs 2,916,814 to the different contractors during 1998-99.

Audit pointed out the over payment in June 1999. The department replied that the depth of foundation of school building was from 5' to 8' and thus scaffolding was required. The reply was incorrect as no foundation of school building was in excess of 3' depth. Moreover no basement was constructed. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises early recovery from the contractors and also in other such cases.

**Para 7 based on D.P.54**

Over payment of Rs 2,824,514

Building & Road Division Hunzanagar made payment of providing/laying un-coursed rubble masonry 1:6 in foundation and plinth and basement including scaffolding curring complete @ Rs 2267.79 % cft without deducting Rs 895.02 on account of work not done of scaffolding/basement.

Non deduction of cost of scaffolding @ Rs 895.02 from the rate of Rs 2267.79 resulted in overpayment of Rs 2,824,514 in the different work paid during January 1998 to January 1999.

Audit pointed out the overpayment in June 1999. The department replied that the payments were made as per agreements. The reply was not tenable as the cost of work which was not executed, required to be deducted. The matter was also reported to Administrative Secretary in August 1999 but no reply was received.

**Action required**

Audit advises early recovery from the contractors as well as in other cases where the scaffolding was not involved.

**Para 8 based on D.P.29**Over payment of Rs 2.177,430.

Building & Road Division Ghanchi measured and paid providing & laying uncoursed rubble masonry in cement mortar 1:6 in foundation plinth and basement including scaffolding curing complete (item No 1 page 260 Schedule of Rate 1991) @ Rs 2267.79 % Cft where as neither the work was done in basement nor the process of scaffolding was involved.

Non-deduction of rate of scaffolding of 936/29 % Cft resulted in over payment of Rs 2,177,430 to the different contractors during 1998-99.

Audit pointed out the over payment in June 1999. The department replied that the rate provided in Schedule of Rate was included in the sanctioned estimates and the rate could not be reduced unless changed/ amended by the competent authority. The reply was not tenable as the payment was unjustified for which the work was not done. The matter was brought to the notice of the Administrative Secretary in August 1999 but no reply was received.

**Action required**

Audit advises early recovery as well all cases where such payment was made.



**Para 9 based on D.P.26****Over payment of Rs 1,496,552 due to non recovery of minus Bill**

Building & Road Division Ghanchi failed to recover the minus bill of a contractor amounting to Rs 1,496,552.

Non-recovery of cost of material issued to the contractor resulted in overpayment of Rs 1,496,552 in September 1997.

Audit pointed out the recoverable amount in June 1999. The department replied that the recovery would be made from other works of the contractor. The matter was reported to the Administrative Secretary in August 1999 but no reply was received.

**Action required**

Audit advises early recovery from the contractor and suitable disciplinary action against the person failed to effect recovery from the contractor.

**Para 10 based on D.P.56****Overpayment of Rs 1,371,614**

Building & Road Division Gilgit measured and paid various items of works in excess of the quantities/lengths provided in TS estimate and approved drawing/design.

Measurement of items in excess of technical sanctioned estimate resulted in over payment of Rs 1,371,614

Audit pointed out the over payment in May 1999. The department replied that the work was executed as per actual requirement and most of the expenditure remained within technical

sanctioned estimate and remaining would be got regularized by the competent authority. The reply was not tenable as excessive measurement was made in violation of TS estimate. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises to effect recovery/regularization and to take disciplinary action against the person(s) responsible.

**Para 11** based on D.P.41

Over payment of Rs 727,217

Building & Road Division Chilas failed to recover the minus amount of the bill from the contractor.

The non-recovery of the amount of minus bill resulted in over payment of Rs 727,217.

Audit pointed out the excess payment in June-1999. -The department replied that reply would be given after verification of record. The reply was not tenable because no action was taken since 1991 to recover the Govt, amount. Matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Para 12** based on D.P.20Over payment of Rs 645,310

Building & Road Division Skardu measured and paid Providing/Laying uncoursed rubble masonry up to 90% of the excavated material instead of 50% of the estimated provision in the extra RDs.

The excessive measurement resulted in over payment of Rs 645,310 in 1994-95.

Audit pointed out the over payment in May 1999. It was replied that the PC-I was revised and the revised estimate was under approval. The reply was not tenable as the percentage of the masonry work was measured in excess of the original provision. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 13** based on D.P.13Over payment of Rs 621,058

Audit pointed out the over payment in June 1999. The department replied that the over payment would be recovered from the contractor. But no recovery was got verified. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required  
Audit advises early recovery and suitable disciplinary action against the officer(s) responsible.

**Para 14** based on D.P.49

Over payment of Rs 559,670

Building & Road Division Chilas released excess security then admissible.

The over release of security resulted in over payment of Rs 559,670.

Audit pointed out the over payment in June 1999. The department replied in one case that security was released in lieu of with held amount which was more than security and in other case an interim reply was given. The reply was not tenable because it was not to the point. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required  
Audit advises early recovery of the amount involved besides disciplinary action against the person(s) responsible.

**Para 15** based on D.P.15Over payment of Rs 462,538.

Water & Power Division Skardu measured and paid excessive quantities over the sanctioned estimate.

Measurement of the excessive work resulted in over payment of Rs 462,538 in September 1998.

Audit pointed out the over payment in June 1999. It was replied that the revised estimate was under process. The reply was not tenable because as per rule the scope of work was required to get sanctioned before the execution of the work. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 16** based on D.P.23Over payment of Rs 385,660.

Building & Road Division Ghanchi measured and paid lining of power channel 5900 Rft against the provision of 5000 Rft.

Over measurement of length of power channel caused excess of reinforcement of cement, concrete of 6200 Cft resulting in unjustified extra payment of Rs 385,660.

Audit pointed out the over payment in June 1999. The department replied that the excess will be adjusted by reducing the covering of the power channel. The reply was not tenable as

reducing of covering was not provided in the sanctioned estimate. The matter was reported to the Administrative Secretary in August 1999 but no reply was received.

**Action required**

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

**Para 17** based on D.P.19

Over payment of Rs 326,893 due to non recovery of minus bill.

Building & Road Division Skardu incorporated recovery of store material of Rs 517,766 against the payable amount to the contractor of Rs 190,873.

Minus bill resulted in over payment of Rs 326,893 to a contractor.

Audit pointed out non-recovery in May 1999. The department replied that the recovery would be made from the contractor. The matter was reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 18** based on D.P.3

Over payment of Rs 269,471.

Building & Road Division Astore blasted hard rock of 29700.59 Cft but no stone was credited to work nor measured

without cost and paid 13590.50 Cft with cost for uncoursed rubble masonry.

The non-accountal of 50 percent without cost of stone available resulted in over payment of Rs 269,471 in December 1998.

Audit pointed out the over payment in June 1999. The department replied that the blasting material was thrown away and found available was not as per specification. The reply was not tenable as it was hard rock in a safe & sound place of school building. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

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

**Para 19** based on D.P.44

Over payment of Rs 197,881

Building & Road Division Chilas made payment for same items without provision/in excess of provision in technical sanctioned estimate and agreement.

Payment of work without provision/in excess of provision resulted in over payment of Rs 197,881 to a contractor.

Audit pointed out the over payment in June 1999. The department replied that the work was done as per site requirement. The reply was not tenable as no work was required to be executed without the-sanctioned estimate. The matter was also reported to the Administrative Secretary in July 1999, but no reply was received.

Action required

Audit advises that:

- i) Matter may be got regularized from the competent authority.
- ii) Action may be initiated against the officers/officials responsible.

**Para 20** based on D.P.10

Over payment of Rs 190.800

Water & Power Division Skardu made extra payment of cement concrete foundation of 60 Nos. electric poles @ Rs 3150 each already paid @ Rs 1250 for 320 Nos. inclusive of the 60 Nos.

Extra payment resulted in over payment of Rs 190,800 in December 1997.

Audit pointed out the over payment in June 1999. The department replied that the masonry work of 60 Nos. poles was in a hilly area. The reply was not acceptable, as the cost already paid was not deducted from the cost again paid on higher rate. The matter was reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

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

**Para 21** based on D.P.16

Overpayment of Rs 177,607.

Building & Road Division Skardu recorded 40% filling unserviceable mortar in foundation, was actually serviceable available stone as mortar was no more in use. 60% stone was used under floor and no further quantity was left for Providing/Laying uncoursed rubble masonry in foundation & plinth (without cost).



Fictitious measurements of masonry work in foundation & plinth resulted in over payment of Rs 177,607 in June 1998.

Audit pointed out the over payment in May 1999. In reply the department admitted that it was 40% of stone not mortar but unserviceable. The reply was not tenable as no unserviceable stone was worth to use in foundation of a building as such the reply was not accepted. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 22** based on D.P.47

Over payment of Rs 150,681

Building & Road Division Chilas measured and paid some items of work in excess of those provided in technical sanctioned estimate/agreement.

The excessive measurement resulted in over payment of Rs 150,681 to a contractor.

Audit pointed out the over payment in June 1999. The department replied that work was done as per site requirement. The reply was not tenable as no work would be executed without the approval of competent authority. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises early regularization of the amount involved besides disciplinary action against the person(s) responsible.

**Para 23** based on D.P.27Over payment of Rs 136,492.

Building & Road Division Ghanchi made payment of supply, stacking and spreading filling stone available without application of deduction factor of 11/13 for voids required in P.W specification.

Non-deduction of voids as per specified formula resulted in over payment of Rs 136,492 during 1998-99.

Audit pointed out the over payment in June 1999. It was replied that the filling was dully compacted as the deduction formula was not required. The reply was not tenable as the deduction was required in fillings, even it is compacted. The matter was brought to reply was received.

**Action required**

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

**Para 24** based on D.P.40Over payment of Rs 131,400

Building & Road Division Chilas measured the road work for 3500 rft but paid for 5300 rft.

The payment of incorrect quantity resulted in over payment of Rs 131,400.

Audit pointed out the over payment in June 1999. The department replied that accounts of the contractor not yet finalized and the missing RDs would be recorded in MB for next bill. The

reply was not tenable as no payment would be made without detailed measurements. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

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

**Para 25** based on D.P.57

Over payment of Rs 74,305

Building & Road Division Gilgit failed to deduct the available excavated earth from the earth brought from out-side for embankment.

Non-deduction of available earth resulted in over payment of Rs 74,305.

Audit pointed out the over payment in May 1999. The department replied that the excavated, available earth was also utilized on site. The reply was not tenable as same was not proved with record. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

Action required

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

**Para 26** based on D.P.59Over payment of Rs 59,144

Building & Road Division Gilgit allotted road work on lump-sum basis and made separate payment of causeway but the area of causeway was not deducted from road while making payment.

The non-deduction of the area of causeway from road resulted in over payment of Rs 59,144.

Audit pointed out the excess payment in May 1999. The department replied that the area of causeway was deducted from road. The reply was not tenable as no record in support of reply was produced for verification. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 27** based on D.P.21Over payment of Rs 53,050 due to non recovery of minus bill.

Building & Road Division Skardu could not recover the amount of the minus bill arrived in due to excessive quantities made through running payments.

Non-adjustment of minus bill against security deposit resulted in over payment of Rs 53,050 in June 1998.

Audit pointed out the excess payment in May 1999. The department promised for recovery. The matter was brought to the

notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

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

Over payment of Rs 384,868.

Building & Road Division Ghanchi made 75% premium on “excavation of all kinds instead of those items in which the cement work was involved as per acceptance letter dated 28.07.96.

Payment of 75% above on excavation of all kinds resulted in over payment of Rs 384,868 to a contractor in January 1999.

Audit pointed out the over payment in June 1999. The department replied that the contractor quoted the rate under sub-head bridges which includes all items. The reply was not tenable as it had specifically been shown cement work. The matter was reported to the Administrative Secretary in August 1999 but no reply was received.

**Action required**

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

**Para 29** based on D.P.53Over payment of Rs 350,967

Building & Road Division Hunzanagar allowed 65% premium on the item where cement work was. Involved but the payment was made on such items in which no cement was used.

Premium on the items other than cement work resulted in overpayment of Rs 350,967 in October 1998.

Audit pointed out the overpayment in June 1999. The department replied that the contractor quoted 65% on all items of building work. The reply was not tenable as in the acceptance letter issued on 20.11.95, the 65% premium was payable only on cement work. The matter was also reported to Administrative Secretary in August 1999 but no reply was received.

**Action required**

Audit advises early recovery & disciplinary action against the defaulters.

**Para 30** based on D.P.55Over payment of Rs 244,142

Building & Road Division Hunzanagar made premium 74% on the item of excavation & filling instead of the item on which the cement work was involved.

Incorrect payment of premium resulted in overpayment of Rs 244,142 in July 1998.

Audit pointed out the overpayment in June 1999. The department in reply promised for recovery. The matter was also

reported to Administrative Secretary in August 1999 but no reply was received.

Action required

Audit advises early recovery & disciplinary action against the defaulters.

**Para 31** based on D.P.17

Over payment of Rs 111 ,,471.

Building & Road Division Skardu made payment at 149% instead of 10% above on the excessive quantity of wood work over the provision of the contract agreement.

The payment against the decision of the competent authority resulted in over payment of Rs 111,471 in December 1998.

Audit pointed out the over payment in May 1999. It was replied that the adjustment/recovery would be made on the final measurements. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

Action required

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

## CHAPTER - THREE

### ACCOUNTING ERRORS

(Rs 0.053 million)

**Para 32** based on Draft Para 58 for the year 1998-99

#### Over payment of Rs 52.985

Building & Road Division Gilgit made payment for incorrect calculation/totals.

The calculation of incorrect contents/totals resulted in over payment of Rs 52,985.

Audit pointed out the over payment in May 1999. The department admitted the excess payment for incorrect contents but no reply was given for incorrect totals. The matter was also reported to Administrative Secretary in July 1999 but no progress towards recovery was reported.

#### Action required

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



## CHAPTER - FOUR

### VIOLATION OF RULES

(Rs 53.582 million)

**Para 33** based on Draft Para 14 for the year 1998-99

#### Unjustified payment of Rs 10,948,388

Water & Power Division Skardu made payment to a contractor for Rs 38,125,063 against his contract of Rs 27,176,675 without enhancement of the agreement.

Extra payment against a contract agreement resulted in unjustified payment of Rs 10,948,388 in May 1999.

Audit pointed out the unjustified payment in June 1999. The reply of the department that the payment was made according to agreement was incorrect. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises recovery or regularization of the extra payment.

**Para 34** based on D.P.42

#### Unauthorized expenditure of Rs 10,625,208

Building & Road Division Chilas measured & paid extra items without any provision in technical sanctioned estimate/agreement.

Payment of extra items without any provision in technical sanctioned estimate/agreement and approval of the competent authority resulted in unauthorized expenditure of Rs 10,625,208.

Audit pointed out the irregularity in June 1999. The department replied that payment was made under the Chief Engineer letter dated 25.5.98. The reply was not tenable as no work would be executed without the approval of detail design/drawing by the competent authority. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 35 based on D.P.32**

Loss to Govt. Rs 10,50 1,624

Water & Power Division Gilgit accepted tenders at 31.58% above the technical sanctioned amount against the permissible limit of 15% fixed by the Govt.

Acceptance of tenders at higher rates resulted in a loss of Rs 10,501,624 to the government.

Audit pointed out the loss in June 1999. The department replied that estimate was sanctioned by the competent authority for Rs 85,390,100 and there was no excess. The reply was not tenable because the technical sanctioned amount included the work charge and contingencies charges. Moreover comparison was required to be made with the amount put to tender. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises early condonation of irregularity from the Finance Division or recovery from the person(s) at fault.

**Para 36 based on D.P.35**Loss to Govt. Rs 9,676,533

Water & Power Division Gilgit accepted tenders of 2nd lowest for Rs 85,390,100 by ignoring the 1st lowest for Rs 75,713,567 in violation of financial rules.

This resulted in a loss of Rs 9,676,533 (Rs 85390100-Rs 75713567) to the government.

Audit pointed out the loss in June 1999. The department replied the tender of 1st lowest was accepted which might be verified from comparative statement. The reply was not tenable because as per comparative statement tender of 1st lowest was rejected being conditional, but the tender of 2nd lowest was accepted which was also conditional. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises early condonation of the loss or recovery from the responsible. Steps may also be taken to stop such recurrence in future.

**Para 37 based on D.P.43**Irregular Payment of Rs 3,943,880

Building & Road Division Chilas measured and paid V/Non-schedule items without any approval and provision in technical sanctioned estimate/agreement.

Payment of non-schedule item on market rates without any provision and approval by the competent authority resulted in irregular payment of Rs 3,943,880 to a contractor.

Audit pointed out the irregularity in June 1999. The department replied that payment was made under Chief Engineer letter dated 25.5.98. The reply was not tenable because the rate of non-schedule items were required to be prepared and got approved from the competent authority. This was not done. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises that:-

- i) Matter may be got regularised from the competent authority.
- ii) Action may be taken against the person(s) responsible.
- iii) Steps may be taken to stop such recurrence in future.

**Para 38 based on D.P.45**

Un-authorized payment of Rs 3,645.600

Building & Road Division Chilas measured and paid length of bridge for 194.7 meter instead of 180 meter as per provision made in the agreement.

Excess measurement resulted in an un-authorized payment of Rs 3,645,600 to a contractor.

Audit pointed out the irregularity in June 1999. The department replied that payment was made as per actual work done at site under the authority letter of Chief Engineer. The reply was not tenable as no design/drawing/technical sanctioned was approved by the competent authority. The length of bridge was changed from 180 to 194.7 meter by the contractor for his own facility to avoid cutting of mountains from both sides. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

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

<p>Audit advises regularization/recovery of the amount involved besides disciplinary action against the person(s) responsible.</p>
--

**Para 39** based on D.P.33

Loss to Govt. Rs 2,077,000

Water & Power Division Gilgit accepted tenders at 35.77% above the technical sanctioned amount against the permissible limit of 15% fixed by the Govt.

Acceptance of tenders at higher rates resulted in a loss of Rs 2,077,000 to the government.

Audit pointed out the loss in June 1999. The department replied that tender were accepted by the competent authority and revised technical sanctioned estimate was under process. The reply was not tenable because tender were required to be accepted within 15%. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

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

<p>Audit advises early condonation of irregularity from the Finance Division besides disciplinary action against the person(s) responsible.</p>
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**Para 40** based on D.P.60

Loss of Rs L509.611

Building & Road Division Gilgit accepted tenders of two works beyond the admissible limit of 15% above the technically sanctioned estimate as fixed by the Government in delegation of financial powers.

The acceptance of tenders beyond admissible limit resulted in loss of Rs 1,509,611 to the Government.

Audit pointed out the loss in May 1999. The department replied that the tenders were accepted by the Chief Engineer who was competent. The reply was not tenable as competency was not challenged but irregular acceptance was due to incorrect' evaluation. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises to affect recovery of loss and to take disciplinary action against the person(s) responsible.

**Para 41 based on D.P.4**

Loss to Govt: for Rs 562,000.

Building & Road Division Astore allotted a wagon road of 12 K.M to three contractors by splitting into three portions and for first kilometer of each portion offered very high rate than subsequent kilometers.

Higher rates of the starting kilometer due to splitting resulted in loss of Rs 562,000 to the government in March 1997.

Audit pointed out the loss in June 1999. The department replied that there was saving as the road was allotted on lump sump basis. The reply was not tenable. Had it been allotted to one contractor the rate of 1<sup>st</sup> kilometer may be on higher rate but the rate of other kilometers would have on lessor side. The matter was reported to the Administrative Secretary in July 1999 but no reply was received.

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

<p>Audit advises for recovery/regularization from the Ministry of Finance Government of Pakistan.</p>
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**Para 42** based on D.P.30

Non-forfeiture of security deposit amounting to, Rs 92,119.

Building & Road Division Ghanchi rescinded a contract under clause 3(a) by forfeiting 1 (one) percent security deposit instead of forfeiting all the security lying with the department.

Incorrect action of the department resulted in non-forfeiture of security deposit of Rs 92,119 in September 1994.

Audit pointed out the non-forfeiture of security deposit in June 1999. It was replied that the competent authority was empowered to fix the rate of penalty as such 1 (one) percent penalty was recovered. The reply was not tenable as it was provided in the contract to forfeit the full amount of security deposit under clause 3(a). The matter was reported to the Administrative Secretary in August 1999 but no reply was received.

<p>Action required</p>
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<p>Audit advises early recovery and suitable disciplinary action against the defaulter(s).</p>
--

## CHAPTER - FIVE

### RECOVERABLES

(Rs 16.166 million)

**Para 43** based on Draft Para 36 for the year 1998-99

Non recovery of hire charges of Rs 6.164.106

Water & Power Division Gilgit lent out machinery to sister formations/contractors but failed to recover the hire charges.

This resulted into non-recovery of Rs 6,164,106

Audit pointed out the non-recovery in June 1999. The department replied that ATDs (acceptance of debit) were submitted to concerned formations for recovery. The reply was not tenable as there was no progress towards recovery since long. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises early recovery through cheque instead of ATDs besides disciplinary action against the person(s) responsible.

**Para 44** based on D.P.24

Less recovery of cost of bitumen of Rs 2,369,855.

Building & Road Division Ghanchi issued 323.558 tons bitumen to a contractor at Rs 15,966 per ton but effected lump sump recovery of Rs 2,896,071 against the recoverable cost amounting to Rs 5,165,927.



The recovery of bitumen at lessor rate resulted in non-recovery of Rs 2,369,856 up to 8th running bill.

Audit pointed out the short recovery in June 1999. The department explained that the cost of bitumen worked out to Rs 2,990,825 and that the balance recovery would be made after approval of issue rate. The reply was not tenable because the issue rate should be determined at the time of issue of material as such recovery was admitted at the rate of Rs 15,966 per ton for the whole quantity. The matter was reported to the Administrative Secretary in August 1999 but no reply was received.

Action required
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Audit advises early recovery of the balance amount
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**Para 45** based on D.P.46

Non recovery of Rs 2,127,244

Building & Road Division Chilas issued material to various contractors but the cost was not recovered.

This resulted in non-recovery of cost of material worth Rs 2,127,244.

Audit pointed out the non-recovery in June 1999. The department gave an interim reply that recovery would be effected after verification of record. The reply was not tenable as material was issued from December 1997 to May 1999 and most of the contracts were completed without effecting recovery. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required
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Audit advises that:-
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- |   |
|---|
| <ul style="list-style-type: none"> <li>i. Early recovery from the contractors/person(s) at fault besides disciplinary action against the person(s) responsible.</li> <li>ii. Steps may be taken to stop such recurrence in future.</li> </ul> |
|---|

**Para 46** based on D.P.11

Recoverable amount of Rs 1,600,887

Water & Power Division Skardu failed to effect recovery of electric charges from Army, Executive Engineer B & R Division and Shangrila Tourist Resort.

Recoverable charges of the Electric consumption resulted in non-recovery of Rs 1,600,887 up to June 1999.

Audit pointed out the non-recovery in June 1999. It was replied that the authorities were perused for recovery. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

Action required
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Audit advises early recovery from the quarter concerned.
--

**Para 47** based on D.P.18

Non recovery of Rs E373.901

Building & Road Division Skardu made store recovery of Rs 1,232,641 out of total recovery of Rs 2,606,542.

Balance recovery resulted in non-recovery of Rs 1,373,901 in December 1998.

Audit pointed out the non recovery in May 1999. The department promised to effect the balance amount in the subsequent bill. The matter was also brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 48** based on D.P.37

Non-recovery of Rs 1,036,793.

Water & Power Division Gilgit failed to recover the electricity charges outstanding since January 1997.

This resulted into non-recovery of Rs 1,036,793

Audit pointed out the non-recovery in June 1999. The department replied that efforts were being made to recover the amount. The reply was not tenable as there was no progress towards recovery since January 1997. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 49** based on D.P.9

Non recovery of Rs 851,206

Building & Road Division Astore agreed with the undertaking of the contractor that 1.5 percent rebate may be made from his bill of work done if total 6 No RCC bridges costing

Rs 52,160,881 with the total length of 720 Rft were allotted to him. But he was allotted 5 No bridges and paid finally with length of 853.125 Rft costing Rs 56,747,058.

Non-deduction of rebate on the excessive scope of work resulted in non-recovery of Rs 851,206 in October, 1998.

Audit pointed out the non-recovery in June 1999 but no reply was furnished by the department. The matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 50 based on D.P.51**

Recoverable cost of store material Rs 274,590

Building & Road Division Hunzanagar issued store material to the contractors for use on work but no recovery was made inspite of the facts that intermediate payments were made to the contractors.

Non recovery of the cost of store material resulted in recoverable amount of Rs 274,590 in January 1999.

Audit pointed out the non-recovery in June 1999. The department replied that it would be recovered in the subsequent bill. The reply was not tenable as why it was not made one of the bill already paid. The matter was also reported to Administrative Secretary in August 1999 but no reply was received.

<p>Action required</p>
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<p>Audit advises early recovery and suitable disciplinary action against the defaulters.</p>
--

**Para 51** based on D.P.8

Non recovery of cost of store Rs 130.723

Building & Road Division Astore made final payment to a contractor without deducting balance cost of store material.

Non-deduction of cost of store material resulted in non recovery of Rs 130,723 in March 1999.

Audit pointed out the non-recovery in June 1999. The department replied that it would be recovered. Matter was brought to the notice of the Administrative Secretary in July 1999 but no reply was received.

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

<p>Audit advises early recovery and disciplinary action against the defaulter(s).</p>
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**Para 52** based on D.P.25

Recoverable amount of Rs 118,087 on account of non consumption of secured advance

Building & Road Division Ghanci made payment of Rs 372,909 of secured advance of certain items but only one item was consumed.

Non-consumption of the material of secured advance resulted in recoverable amount of Rs 118,087 from a contractor in November 1997.

Audit pointed out the recovery in June, 1999. The department replied that the secured advance was deducted in shape of less paid amount. The reply was incorrect as no item against which the secured advance was allowed appeared in the bill of the contractor. The matter was brought to the notice of the Administrative Secretary in August 1999 but no reply was received.

**Action required**

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

**Para 53 based on D.P.2**

Non recovery of Rs 60,203

Building & Road Division Astore made store recovery of Rs. 70,520 leaving balance recovery of Rs. 60,203 from final bill of the contractor.

This resulted in non recovery of Rs. 60,203 in May 1999.

Audit pointed out the non recovery in June 1999. the department promised for immediate recovery. But no recovery was got verified. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises early recovery from the contractor.

**Para 54** based on D.P.52

Recoverable cost of store material Rs. 58,320

Building & Road Division Hunzanagar recovered cost of store material Rs. 136,080 out of Rs. 194,400 leaving a balance recovery of Rs. 58,320

Non recovery of cost of store material resulted in recoverable amount of Rs. 58,320 in January 1999.

Audit pointed out the non recovery in June 1999. The department replied to effect recovery when the funds were provided. The reply was not tenable as it was to be recovered simultaneously of the payments of work done. The matter was also reported to Administrative Secretary in August 1999 but no reply was received.

Action required

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

## CHAPTER-SIX

### Others

(Rs 101.400 Million)

**Para 55** based on draft Para 31 for the year 1998-99

Un-due financial aid of Rs. 51,421,060

Water & Power Division Gilgit made payment of Rs. 69,016,000 for supply of ductile iron pipe in June 1994 whereas the contractor supplied pipe worth Rs. 17,594,940 up-to July 1997.

This resulted into un-due financial aid of Rs 51,421,060 (69,016,000 - 17,594,940) to a contractor.

Audit pointed out the irregularity in June 1999. The department replied that payment was made as per contract agreement. The reply was not acceptable due to provisions of unrealistic clauses in the agreement. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises that:-

- i. Contract may be completed at the earliest.
- ii. Matter regarding provision of unrealistic clause in agreement may be investigated.
- iii. Steps may be taken to put a stop such practices in future.

**Para 56** based on D.P.34

Loss to Government worth Rs 36,601,240

Water & Power Division Gilgit incurred an amount of Rs 47,868,730 on generation/ distribution of electricity during July 1997 to April 1999 and received only Rs 10,667,490.

This resulted into loss of Rs 36,601,240 to government (47268730C-) 10667490}.

Audit pointed out the loss in June 1999. The department replied that the rate of billing in Northern Area was very nominal i.e. Rs 0.55 per unit. The reply was not tenable as no authority for Rs 0.55 was produced in support of reply. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.



Action required

Audit advises that the rate of billing may be revised by the higher authorities.

**Para 57** based on D.P.48

Non adjustment of Rs 6,191,110

Building & Road Division Chilas made advance payment to the land collector but failed to get the land award/vouched account.

Non compliance of codal rules resulted in non-adjustment of Rs 6,191,110

Audit pointed out the irregularity in June 1999. The department replied that the vouched account was not received from the land collector. The reply was not tenable as the same was required to be obtained after disbursement of payment to the land owners. The matter was also reported to Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises early adjustment of the amount involved besides disciplinary action against the person(s) responsible and steps taken to stop such recurrence in future.

**Para 58** based on D.P.38

Loss to Govt. Rs 5,014,948

Water & Power Division Gilgit incurred an expenditure of Rs 5,014,948 on repair of heavy machinery from September 1997 to December 1998 but the out turn was Nil.

This resulted in a loss of Rs 5,014,948

Audit pointed out the loss in June 1999. The department replied that an amount of Rs 6,164,106 was recoverable and ATDs had been submitted. The reply was not tenable because manufacture account of machinery was not maintained. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

Action required

Audit advises that:-

- i. Loss may be made good by effecting recovery.
- ii. Recovery should be made through cheque instead of ATDs
- iii. Action against responsible for delaying in recovery of hire charges may be initiated

**Para 59** based on D.P.6

Undue financial aid to contractor worth Rs 1,290,386.

Building & Road Division Astore could not deduct 10 percent security deposit form the bill of work done of a contractor.

Non-deduction of security deposit resulted in undue financial aid of Rs 1,290,386 in June 1999

Audit pointed out the undue financial aid in June 1999. It was replied that the bank guarantee was obtained from the contractor as such there was no need of deduction of security deposit, however department promised to deduct security deposit. The reply was not tenable as the bank guarantee was required when the security was to be refunded before the maturity period and non-deduction was violation of the contract agreement. The matter was reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

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

**Para 60 based on D.P.12**Un-necessary utilization of budget grant Rs 484,848

Water & Power Division Skardu purchased the spare parts of the machinery during June 1998 and remained unused till June 1999.

Un-necessary purchase resulted, in un-necessary utilization of budget grant worth Rs 484,848 during June 1998.

Audit pointed out the irregularity in June 1999. The department replied that the consumption of material would be produced to Audit. The reply was not tenable as it was not shown to Audit. The matter was also reported to the Administrative Secretary in July 1999 but no reply was received.

**Action required**

Audit advises to fix responsibility of the misuse of budget grant for further disciplinary action.



## SECTION – III

### FINANCIAL POSITION OF AUDIT REPORT & MEFDAC

**Name of Audit Office:** Director General Audit (Works) Lahore  
**Name of Department/Ministry:** Ministry of States and Frontier Regions and Kashmir Affairs  
**Audit Report for the year:** 1998-99

<b>Annex</b>	<b>Particulars/Results of Discussion</b>	<b>No. of Paras</b>	<b>Amount involved (Million Rupees)</b>
<b>A</b>	Observations issued during audit	237	400.596
<b>B</b>	Paras settled after discussion with Head Office	18	13.777
<b>B-1</b>	Settled after verification of record	18	13.777
<b>B-2</b>	Settled after regularization		
<b>B-3</b>	Settled after recovery made		
	Total Paras reported in AIR as:-	219	386.819
	a) Ordinary Paras	16	-----
	b) Advance Paras	203	386.819
	Balance of Advance Paras carried forward for DAC.	131	187.244
<b>C</b>	Paras settled after DAC.		
<b>C-1</b>	Settled after verification of record.		
<b>C-2</b>	Settled after regularization		
<b>C-3</b>	Settled after recovery made		
	Balance	131	187.244
<b>D</b>	Paras settled under Court decision		
<b>B+C+D</b>	Total Paras settled	18	13.777
<b>E</b>	Paras pending for verification of record	45	57.244
<b>F</b>	Paras pending for regularization	55	93.446
<b>G</b>	Paras pending for verification	31	36.554
<b>H</b>	Paras pending for Court decision		
<b>E+F+G+H</b>	Total Paras pending	131	187.244
<b>I</b>	Pending being clear cut embezzlement cases (already included I E to 11 above)		
<b>J</b>	Paras printed in Audit Report	72	199.575
<b>B-3+C-3+G</b>	Recoveries at the instance of Audit (made or ordered)	1*	0.048

1 \* Para not settled but partly recovered.  
 PCPPI—98 (2000) D.G.A.—9-2-2000—500.

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

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

**(ACTIONABLE POINTS)**

Actionable points arising from discussion of the meeting of the Sub-Committee of the Public Accounts Committee held on 9<sup>th</sup> July, 2014, for examination of Appropriation Accounts/Audit Reports/Special Audit Reports of **Ministry of Kashmir Affairs & Gilgit Baltistan** for the years 1998-99 are as below:-

**AUDIT REPORT FOR THE YEAR 1998-1999****GILGIT-BALTISTAN PUBLIC WORKS DEPARTMENT**

4. i) **Para 1 A.R 1998-99**  
NON-CONSUMPTION OF THE DISMANTLED MATERIAL WORTH RS. 1,443,136.
- ii) **Para 2 A.R 1998-99**  
LOSS TO GOVERNMENT RS. 1,189,264
- iii) **Para 3 A.R 1998-99**  
MISAPPROPRIATION OF R.C.C. PIPE R. 100,300
- iv) **Para 4 A.R 1998-99**
- v) **Para 5 A.R 1998-99**  
OVER PAYMENT OF RS. 8,905.
- vi) **Para 6 A.R 1998-99**  
OVER PAYMENT OF RS. 2,916,814.
- vii) **Para 7 A.R 1998-99**  
OVER PAYMENT OF RS. 2,824,514
- viii) **Para 8 A.R 1998-99**  
OVER PAYMENT OF RS. 2,177,430
- ix) **Para 9 A.R 1998-99**  
OVERPAYMENT OF RS. 1,496,552 DUE TO NON-RECOVERY OF MINUS BILL.
- x) **Para 10 A.R 1998-99**  
OVER PAYMENT OF RS. 1,371,614
- \_xi) **Para 11 A.R 1998-99**  
OVER PAYMENT OF RS. 727,217

- xii) **Para 12 A.R 1998-99**  
OVER PAYMENT OF RS. 645,310
- xiii) **Para 13 A.R 1998-99**  
OVER PAYMENT OF RS. 621,058
- xiv) **Para 14 A.R 1998-99**  
OVER PAYMENT OF RS. 559,670
- xv) **Para 15 A.R 1998-99**  
OVER PAYMENT OF RS. 462,538
- xvi) **Para 16 A.R 1998-99**  
OVER PAYMENT OF RS. 385,660
- xvii) **Para 17 A.R 1998-99**  
OVER PAYMENT OF RS. 326,893 DUE TO  
NON-RECOVERY OF MINUS OF MINUS BILL
- xviii) **Para 18 A.R 1998-99**  
OVER PAYMENT OF RS. 269,471
- xix) **Para 19 A.R 1998-99**  
OVER PAYMENT OF RS. 197,881
- xx) **Para 20 A.R 1998-99**  
OVER PAYMENT OF RS. 190,800
- xxi) **Para 21 A.R 1998-99**  
OVER PAYMENT OF RS. 177,607
- xxii) **Para 22 A.R 1998-99**  
OVER PAYMENT OF RS. 150,681
- xxiii) **Para 23 A.R 1998-99**  
OVER PAYMENT OF RS. 136,492
- xxiv) **Para 24 A.R 1998-99**  
OVER PAYMENT OF RS. 131,400
- xxv) **Para 25 A.R 1998-99**  
OVER PAYMENT OF RS. 74,305
- xxvi) **Para 26 A.R 1998-99**  
OVER PAYMENT OF RS. 59144



- xxvii) **Para 27 A.R 1998-99**  
OVER PAYMENT OF RS. 53,050 DUE TO  
NON-RECOVERY OF MINUS BILL
- xxviii) **Para 28 A.R 1998-99**  
OVER PAYMENT OF RS.384,868
- xxix) **Para 29 A.R 1998-99**  
OVER PAYMENT OF RS. 350,967
- xxx) **Para 30 A.R 1998-99**  
OVER PAYMENT OF RS. 244,142
- xxxi) **Para 31 A.R 1998-99**  
OVER PAYMENT OF RS. 111,471
- xxxii) **Para 32 A.R 1998-99**  
OVER PAYMENT OF RS. 52,985
- xxxiii) **Para 33 A.R 1998-99**  
OVER PAYMENT OF RS. 10,948,388
- xxxiv) **Para 34 A.R 1998-99**  
OVER PAYMENT OF RS. 10,625,208

#### **SUB-COMMITTEE DIRECTIVE**

On presentation, the committee settled the above mentioned thirty four Paras on the recommendation of the Audit.

5. **Para 35 A.R 1998-99**  
LOSS TO GOVERNMENT FOR RS. 10,501,624

#### **SUB-COMMITTEE DIRECTIVE**

The Committee settled the Para subject to verification of PC-I and technical sanction by Audit under intimation to PAC

6. i) **Para 36 A.R 1998-99**  
LOSS TO GOVERNMENT FOR RS. 9,676,533
- ii) **Para 37 A.R 1998-99**  
IRREGULAR PAYMENT OF RS. 3,943,880

- iii) **Para 38 A.R 1998-99**  
UNAUTHORIZED PAYMENT OF RS. 3,645,600
- iv) **Para 39 A.R 1998-99**  
LOSS TO GOVERNMENT OF RS. 2,077,000
- v) **Para 40 A.R 1998-99**  
LOSS OF RS. 1,509,611.
- vi) **Para 41 A.R 1998-99**  
LOSS OF RS. 562,000 TO THE GOVERNMENT
- vii) **Para 42 A.R 1998-99**  
NON FORFEITURE OF SECURITY DEPOSIT  
AMOUNTING TO RS. 92,119

**SUB-COMMITTEE DIRECTIVE**

On presentation, the Committee settled the above mentioned seven paras on the recommendation of the Audit.

- 7. **Para 43 A.R 1998-99**  
NON-RECOVERY OF HIRE CHARGES OF RS. 6,164,106

**SUB-COMMITTEE DIRECTIVE**

The Committee pended the Para subject to effect recovery within three month and verification by Audi under intimation to PAC.

- 8. i) **Para 44 A.R 1998-99**  
LESS RECOVERY OF COST OF BITUMEN OF RS.  
2,369,855 LOSS TO GOVERNMENT FOR RS. 9,676,533
- ii) **Para 45 A.R 1998-99**  
NON-RECOVERY OF RS. 2,127,244

**SUB-COMMITTEE DIRECTIVE**

On presentation, the Committee settled the above mentioned two paras on the recommendation of the Audit.

9. **Para 46 A.R 1998-99**  
NON-RECOVERY OF Rs. 1,600,887

**SUB-COMMITTEE DIRECTIVE**

The Committee settled the Para subject to write off the amount from Finance under intimation to Audit and PAC.

9. i) **Para 47 A.R 1998-99**  
NON-RECOVERY OF RS. 1,373, 901
- ii) **Para 48 A.R 1998-99**  
NON-RECOVERY OF RS. 1,036,793
- iii) **Para 49 A.R 1998-99**  
NON-RECOVERY OF RS. 851,206
- iv) **Para 50 A.R 1998-99**  
NON-RECOVERY OF COST OF MATERIAL RS. 274,590
- v) **Para 51 A.R 1998-99**  
NON-RECOVERY OF COST OF STORE OF RS. 130,723
- vi) **Para 52 A.R 1998-99**  
RECOVERABLE AMOUNT OF RS. 118,087 ON  
ACCOUNT OF NON-CONSUMPTION OF SECURED  
ADVANCE.
- vii) **Para 53 A.R 1998-99**  
NON-RECOVERY OF RS. 60,203
- vii) **Para 54 A.R 1998-99**  
RECOVERABLE COST OF STORE MATERIAL RS.  
58,320

**SUB-COMMITTEE DIRECTIVE**

On presentation, the Committee settled the above mentioned eight seven paras on the recommendation of the Audit.

10. **Para 55 A.R 1998-99**  
UNDUE FINANCIAL AID OF RS. 51,421,060

**SUB-COMMITTEE DIRECTIVE**

The Sub-Committee pended the Para and directed the PAO to fix responsibility after inquiry within 30 days and also peruse the case properly in the court under intimation to Audit and PAC.

11. i) **Para 56 A.R 1998-99**  
LOSS TO GOVERNMENT WORTH RS. 36,601,240
- ii) **Para 57 A.R 1998-99**  
NON-ADJUSTMENT OF RS. 6,191,110

**SUB-COMMITTEE DIRECTIVE**

On presentation, the Committee settled the above mentioned Paras on the recommendation of the Audit.

12. **Para 58 A.R 1998-99**  
LOSS TO GOVERNMENT OF RS. 5,014,948

**SUB-COMMITTEE DIRECTIVE**

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

13. i) **Para 59 A.R 1998-99**  
UNDUE FINANCIAL AID TO CONTRACTOR WORTH  
RS. 1,290,386

- ii) **Para 60 A.R 1998-99**  
**UN-NECESSARY UTILIZATION OF BUDGET GRANT**  
**RS. 484,848**

**SUB-COMMITTEE DIRECTIVE**

On presentation, the Committee settled the above mentioned Paras on the recommendation of the Audit.

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

<b>S. No.</b>	<b>Department</b>	<b>Date of PAC meeting</b>	<b>Total Paras</b>	<b>No. of Paras Settled</b>	<b>Compliance Awaited (No. of Paras)</b>
1.	NAPWD	09.07.2014	60	55	05

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

<b>Department</b>	<b>Report</b>	<b>Date of PAC meeting</b>	<b>Para No.</b>	<b>Amount of the para (Rs. in million)</b>	<b>Amount Recovered (Rs. in million)</b>
GB Works/W&P	AR 1998-99	09.07.2014	2	1.189	1.189
-do-	-do-	-do-	9	1.497	1.222
-do-	-do-	-do-	11	0.727	0.727
-do-	-do-	-do-	13	0.621	0.621
-do-	-do-	-do-	17	0.327	0.327
-do-	-do-	-do-	22	0.151	0.151
-do-	-do-	-do-	23	0.136	0.136
-do-	-do-	-do-	25	0.067	0.067
-do-	-do-	-do-	26	0.059	0.059
-do-	-do-	-do-	27	0.053	0.053
-do-	-do-	-do-	30	0.244	0.244
-do-	-do-	-do-	31	0.111	0.111
-do-	-do-	-do-	32	0.053	0.053
-do-	-do-	-do-	43	6.164	2.527
-do-	-do-	-do-	44	2.377	1.161
-do-	-do-	-do-	45	2.127	1.349
-do-	-do-	-do-	47	1.374	1.349
-do-	-do-	-do-	48	1.037	1.037
-do-	-do-	-do-	50	0.275	0.281
-do-	-do-	-do-	52	0.118	0.085
-do-	-do-	-do-	53	0.060	0.123
-do-	-do-	-do-	54	0.058	0.058
<b>Total</b>					<b>12.930</b>