



Audit Report  
No.

WS/R98-99/5

**AUDIT REPORT  
ON THE ACCOUNTS OF  
PAK. PUBLIC WORKS DEPARTMENT  
AND ESTATE OFFICES  
HOUSING AND WORKS DIVISION GOVERNMENT OF  
PAKISTAN  
FOR THE YEAR 1998-99**

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



## CONTENTS

	PAGE
Preface	1
Executive Summary	3
Findings	4
Recommendations	5
SectionI. Comments on Budget & Appropriation Accounts	7
SectionII. The Report	11
Chapter 1. Mis-appropriation Misuse & Thefts	11
Chapter 2. Accidents	21
Chapter 3. Overpayments	22
Chapter 4. Negligence	49
Chapter 5. Violation of Rules	52
Chapter 6. Violation of Financial Propriety	77
Chapter 7. Recoverable	96
Chapter 8. Others	114
SectionIII. Financial position of Audit Report & MEFDAC	131



## **PREFACE**

The Audit Report highlights the results of test audit of the accounts of Pakistan Public Works Department and Estate Offices, Ministry of Housing and Works, Government of Pakistan. We hope this report would provide basis for improvement in financial management of the Department to enforce economy, efficiency and effectiveness of the money spent on public works programmes, besides information to the public representatives for the accountability of the financial managers.

The report was issued to the Secretary, Ministry of Housing & Works, Islamabad in July 1999 and replies received upto 1st week of November 1999 were considered/verified to the extent of record produced. Facts were incorporated in each case.

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

**Islamabad.**  
Dated:

**(MANZUR HUSSAIN)**  
Auditor-General of Pakistan.



## **EXECUTIVE SUMMARY**

1. Pakistan Public Works Department is an attached department of the Ministry of Housing & Works, Islamabad and is headed by a Director General. The Department is responsible for construction and maintenance of works of the Federal Government. The Director General is assisted by a Chief Administrative Officer who deals with the administrative matters; Planning unit is headed by the Chief Engineer (Planning) while budget and accounts matters are dealt with by the Director Budget and Accounts. There are three Chief Engineers for North, South and West Zones in the country. They are assisted by Superintending Engineers and Executive Engineers/Assistant Executive Engineers.

Detailed estimates are proposed at the sub-divisional level and technically sanctioned by the Executive Engineers, Superintending Engineers or the Chief Engineers according to their competence. Pre-audit is carried out by the Divisional Accounts Officers on behalf of the Director, Budget & Accounts who is responsible for keeping the Accounts of the Department.

2. The Estate Office was established at the time of creation of Pakistan in August 1947 in Karachi. At present, six Estate Offices are working in the Pakistan located at Karachi, Quetta, Lahore, Rawalpindi, Islamabad and Peshawar. The Estate Offices are under the administrative control of the Ministry' of Housing and Works. These offices deal with allotment of government owned/hired accommodations, payment of rent of requisitioned houses to the owners and recovery of house rent etc. from the allottees/occupants.

3. Audit of 41 formations was undertaken during 1998-99 out of 61 formations of the Public Works Department and Estate Offices. As a result of audit, 262 irregularities (217 for Pak PWD & 45 for Estate Offices) of various types such as overpayments, violation of financial propriety, lack of internal control, non-recoveries of cost of

material and unauthorised expenditure were detected and reported to the Principal Accounting Officer. Replies received were verified by extending opportunity to the executive for verification to the extent of record produced. Resultantly 87 Draft Paras of the Report(82 for Pak PWD & 5 for Estate Offices) requiring further verification of record and discussion were set aside for inclusion in the MFDAC for pursuance through the forum of DAC

4. The report comprises of three Sections. Section-I of the report contains comments on Budget and Appropriation Accounts whereas Section II “The Report” contains 17\$ Draft Paras for discussion in the PAC. Section-III gives financial position of Audit Report and MFDAC.

The PAC while discussing this report on 06.05.2015 issued directions. Compliance status is attached at Annexure-B. Besides an amount of Rs 8.253 million was recovered (Annexure-C). The PAC directives are attached as Annexure-A.

### **FINDINGS**

The present report points out irregularities on an expenditure of Rs 263.235 millions incurred on various types of public works executed by the department during the period under review. A brief view of various irregularities is as under:



S.No.	Description	No of Cases	Amount Rs In Million)
1.	Misappropriation. Misuse. Theft	15	11.912
2.	Accidents	1	0.422
3.	Overpayments	40	13.134
4.	Negligence	5	16.247
5.	Violation of Rules	37	90.990
6.	Violation of financial Propriety.	27	81.023
7.	Recoverable	28	18.015
8.	Internal control	22	31.492
	Totals:	175	263.235

**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 and irregularities got condoned/regularised.
2. Government rules, regulations, procedures and departmental instructions should be followed in their true spirit. Proper classification of transactions may be ensured. Accounts and Financial Review Statement should be prepared on due dates.
3. Internal controls need to be strengthened to stop recurrence of such financial 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

1.1 The Pakistan Public Works Department of the Federal Government, is primarily responsible for construction, repair and maintenance of works of the federal government. There are three Chief Engineers, 16 Circle Offices and 54 Divisions through which works are executed

1.2 Budget allotment for works portion under various grants for the year 1997-98 was Rs 841.446 million, whereas, the department incurred expenditure of Rs 802.215 million resulting in savings amounting to Rs 42.398 million. This revealed that the department did not utilize the budget grant well in time. Resultantly, funds amounting to Rs 42.398 were lapsed.

s. No	Particular grant No.	Allocation for the year 1997-98(Rs)	Expenditure For the year 1997-98(Rs)	Excess(+) Savings(-) (Rs)
1.	Original Grant No.68 Civil Works Supplementary grant	672,542,000 11,263,000	668,917.512	(-) 14.887.488
	Total	683,805.000	668,917.512	(-) 14.887.488
2.	Grant No.70 Federal Lodges	17,775,000	14,766,245	(-) 3,008,755
	Total	17.775.000	14,766.245	(-)3.008.755
3.	Grant No.71 Other expenditure H&W	2,319,000	1,985,866	(-) 333,134
	Total	2.319.000	1.985.866	(-) 333.134
4.	Grant No. 143 Dev: expenditure of H&W	782,000	689,111	(-) 92,889
	Total	782.000	689.111	(-) 92.882

5	Grant No.165 Capital Outlay Clive Original/Supplementary	132,929,000 7,004,000	115,857,055	(-)24,075,945
	Grand Total	844,614,000	802,215,789	(-)42,398,211

Net Saving (-) Rs.42,398,211

- 1.3 Under grant No.68 & 70 an amount of Rs.2.513 million was incurred in excess of actual grant under functional classification and regular allowances. This needs justified.

Grant No.68			
Function Classification	Actual (R s . )	Grant Actual Expenditure (Rs)	Excess (Rs.)
10000-Purchase of durable goods. Charged	1,000	33,716	32,716
12000-Machinery & equipment Charged	000	33,716	33,716
42000-Machinerv & equipment	13,287,000	14,249,233	962,233
51000- Transportation	2,648,000	2,915,829	267,829
54000-Office stationery'	376m000	398,226	12,677
55000-Printing and publication	197,000	209,677	12,677
59000-Other expenditure	992,500	2,091,951	1,105,457
Grant No.70			
02000-Regular allowance	4,438,000	4,514,242	76,242
		Total	2,513,096

### **ESTATE OFFICES**

The Estate Offices deal with allotment of government owned/ hired accommodations, payment of rent of requisitioned buildings to the owners and recovery of house rent etc. from the allottees/occupants.

Budget grant for payment of rent under demand No.69 for the

year 1997-98 was Rs.974.971 million, whereas, the department incurred an expenditure of Rs.979.774 million resulting in excess expenditure amounting to Rs.4.803 million. This revealed that the department utilized funds over and above the allocation. This needs justification.

s No.	Object classification	Original grant (Rs)	Final grant (Rs.)	Expenditure (Rs)	(+) Excess (-) Saving (Rs)
1.	Estate Office Islamabad	404,802,00	404,802,00	404,228,392	(-) 573,608
2.	Estate Office Rawalpindi	339,467,000	339,467,000	339,336,193	(-) 130,807
3.	Estate Office Karachi	97,790,000	97,790,000	101,785,210	(+)3,395,210
4.	Estate Office Lahore	90,594,000	90,594,000	90,593,951	(-) 49
5.	Estate Office Peshawar	27,107,000	27,107,000	27,037,747	(+) 69,253
6.	Estate Office Quetta	15,211,000	15,211,000	16,793,062	(+)1,582,062
	Total	974,971,000	974,971,000	979,774,555	(+)4,803,554

### **COMMENTS.**

Verification of the appropriation accounts of the Pakistan Public Works Department was done through Branch Audit Office, Pak. P. W. D. and report was issued to the Director Budget & Accounts vide No. BAO/PPWD/Admn/APP/Acctt/97-98/1141 dated 5.1.1999.

The reply given by the Director Budget and Accounts was not considered satisfactory. However, a committee was constituted by the worthy Auditor-General to examine the accounts of Pakistan Public Works Department in detail. The comments of the committee have yet not been communicated.



**SECTION-II****THE REPORT****CHAPTER – 1****MISAPPROPRIATION, MISUSE AND THEFTS**  
**(Rs 11.912 Millions)**

**Para 1** based on Draft Para 276 for the year 1998-99

Misappropriation of Rs 3,368,700

Central Civil Division-III Karachi received Rs 3,368,700 on 30-6-1998 against which payment of Rs 218,200 was made. Closing balance was shown as Rs 0.90 instead of Rs 3,150,500.

The discrepancy rendered the entire entries/transactions as doubtful and is tantamount to misappropriation of Rs 3,368,700.

Audit pointed out the irregularity during January 1999 and reported to the higher authorities in March and April 1999. The department replied that the matter was being investigated. No progress was however, reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required Audit advises for early investigation in the matter.
---

**Para 2 based on D.P. 282**Non-accountal of Rs. 1,530,600

Central Civil Division-I Karachi purchased various kinds of building material which was not entered on relevant register to watch its receipt, issue and consumption.

Non-accountal of the material was tantamount to misappropriation of material worth Rs 1,530,600.

Audit pointed out the irregularity during April 1998 and reported to the higher authorities in November 1998 and April 1999. The department replied that all the material was taken properly on Form-8 and T&P Register. The reply was not tenable as no documentary evidence was produced for verification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises early steps to investigate the matter for fixing the responsibility for the negligence.

**Para 3 based on D.P. 318**Misappropriation of Rs 1,178,000

Central Civil Division-I, Lahore Purchased-certain items of material for use at government buildings but accountal of material besides its consumption was not forth-coming on any record.

Non-accountal resulted in misappropriation of material of Rs 1,178,000.



Audit pointed out the irregularity during December 1998 and was also reported to the higher authorities in February and April 1999. The department replied that all the material had already been taken in the relevant form but no record was produced for verification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for immediate recovery of the amount of misappropriated material besides action against the person(s) responsible.

**Para 4** based D.P. 200

Non accountal of material worth Rs. 1,025,103

Central Electrical & Mechanical-I Division, Karachi-I purchased material from various suppliers which was not accounted for in the form-8.

Non accountal resulted in misappropriation of material worth Rs 1,025,103.

Audit pointed out the irregularity during June 1998 and reported to the higher authorities in July 1999. The department replied that the material was accounted for in the relevant registers. The reply of the department was not tenable because no such registers were produced for verification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for recovery from the person responsible.

**Para 5 based D.P. 224**Irregular expenditure of Rs 844,276

Store and Workshop Division, Karachi incurred an expenditure on repair and maintenance of T&P in the month of June just to utilize the budget grant.

The irregular expenditure of Rs 844,276 incurred by the department was of no use.

Audit pointed out the irregularity during December 1995 and also reported to the higher authorities in August 1996. The department replied that previous year expenditure had been liquidated. The reply was not tenable because there was no utilization of the T&P as all the works were executed through private contractors. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularization of expenditure or recovery thereof.

**Para 6 based on D.P. 186**Misappropriation of material worth Rs 843,000

Central Civil Division-IV, Islamabad purchased material of repair/maintenance of government buildings which was not properly accounted for in the record.

Non-accountal of material tantamount to misappropriation material worth Rs 843,000.

Audit pointed out the irregularity during Local Audit in February 1999 and brought it to the notice of the higher authorities in April 1999. The department replied that the material purchased had been taken into Accounts. The reply was not tenable because no record was produced. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of the material from the person(s) responsible.

**Para 7 based on D.P. 308**

Misappropriation-of material worth Rs 700,760

Central Electrical & Mechanical-II Division, Karachi purchased certain articles which were not accounted for in Form-8 and T&P register.

The irregularity was tantamount to misappropriation of material worth Rs 700,760.

Audit pointed the irregularity during July 1998 and also brought to the notice of the higher authorities in October 1998 and April 1999. The department replied that the material was taken in T&P registers, Form-8. The reply of the department was not tenable as Form-8 and other allied record was not produced to audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for immediate recovery of the material and disciplinary action against the person(s) responsible.

**Para 8** based on D.P. 251Misappropriation .of material worth Rs 622,000

Central Civil Division-I, Karachi purchased material during June 1998. The accountal & consumption of the material was not on record.

Non-accountal resulted in misappropriation of material worth Rs 622,000

Audit pointed out the irregularity during January 1999 and also brought to the notice of the higher authorities in March and April 1999. The department failed to reply. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of misappropriated material from the person's at fault.

**Para 9** based on D.P. 173Misappropriation of Rs..472,077.

Project Civil Division-I, Islamabad purchased material for day to day maintenance of government buildings, but the same was not accounted for in the stock register (Form-8)

The non accountal of material resulted in loss of Rs 472,077.

Audit pointed out the irregularity during local audit inspection and also brought to the notice of the higher authorities in April 1999. It was replied that the material was accounted for in the stock register Form-8. The reply was not tenable as no material was entered in Form-8 and also

no register of dismantled material was maintained to account for the replaced material. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for immediate recovery of the amount of misappropriated material for Rs 472,077 besides action against the person(s) responsible.

**Para 10** based on D.P. 197

Misappropriation of Rs 449,400

Central Civil Division-I, Karachi incurred an expenditure on supply of material, but accountal and consumption thereof was not on the record.

Non-accountal of material resulted in misappropriation of material worth Rs 449,400.

Audit pointed the irregularity during December 1998 and also brought to the notice of the higher authorities in July 1999. The department replied that the accountal of material was available for verification but failed to produce it to audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for production of complete record or recovery of the material from the persons responsible.

**Para 11** based on D.P. 288Non-accountal of material of Rs 340,000

Central Civil Division-III, Karachi purchased material from the supplier during the year 1996-97 which was not accounted for in Form -8 as per rules.

Non-accountal of material resulted in misappropriation of material worth Rs 340,000

Audit pointed out the irregularity during April 1998 and also brought to the notice of the higher authorities in August 1998 and April 1999. The department replied that the material was accounted for in the material register. The reply of the department was not tenable because no such record was produced to Audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of Rs 78,418 for misappropriated material.

**Para 12** based on D.P. 280Misappropriation of RS.219,900

Central Civil Division-V, Karachi paid to a contractor quantities in excess of shown in the users completion certificate.

Measurement of excessive quantities resulted in excess payment of Rs 219,900.

Audit pointed out the overpayment during June 1998 and also reported to the higher authorities in November 1998 and April 1999.

The department replied that the payment was made as per technically sanctioned estimates. The reply was not tenable because the work was not done at site as per technically sanctioned estimates. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises early recovery of excess payment besides disciplinary action against the person(s) at fault. \_\_\_\_\_

**Para 13** based on D.P. 166

Non-accountal of Rs 184,600

Central Electrical & Mechanical Division-I, Lahore . purchased material for use on government buildings which was not accounted for.

Non accountal of material resulted in misappropriation of Rs 184,600.

Audit pointed out the irregularity during April 1998 and also brought to the notice of the higher authorities in August 1998 and April 1999. The department replied that the material was accounted for in the material register. The reply was not tenable as no such record was produced. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of Rs 78,418 for the material misappropriated from the person at fault besides disciplinary action.

**Para 14** based on D.P. 198Non-accountal of material worth Rs 78,418

Project Construction Division-I, Karachi purchased material worth Rs 78,418 which was not accounted for in Form 8.

The irregularity resulted in misappropriation of material worth Rs 78,418.

Audit pointed out the irregularity during June 1998 and also brought to the notice of the higher authorities in November 1998 and April 1999. The department replied that, the material was properly accounted for and record would be produced to audit for verification. The reply was not tenable because department failed to produce it to Audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of the misappropriated material from the person at fault.

**Para 15** based on D.P. 118Misappropriation of dismantled material amounting to Rs 55,400

Project Construction Division-II, Islamabad dismantled work but the salvage material was not handed over to the concerned authorities as per agreement.

The omission resulted in misappropriation of material worth Rs 55,400.



Audit pointed out the misappropriation during September 1996 and also brought to the notice of the higher authorities in December 1996 and October 1997. The department replied that the material was handed over to the concerned authorities for which no documentary evidence was produced. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for early investigation/ fixing responsibility besides taking suitable action against the person(s) at fault.

**CHAPTER – 2**  
**ACCIDENTS**  
**(Rs 0.422 Millions)**

**Para 16** based on D.P. 281

Loss to .government-worth Rs. 422,000

Central Civil Division-I, Karachi procured a vehicle for office use in January 1995 which was snatched from a driver on December 18, 1997 after office hours and no effective steps were taken to process the case further.

Theft of government vehicle resulted in loss of Rs 422,000 to government.

Audit pointed out the irregularity during April 1998 and also reported to the higher authorities in November 1998 and April 1999. The department replied that the matter was under enquiry. The reply was not tenable as even on expiry of 4 moths the investigations were incomplete. The matter was also reported to the administrative secretary in July

1999 but no reply was received.

**Action required**

Audit advises for early finalization of enquiry and proper action against the persons') at fault.

**CHAPTER - 3**

**OVERPAYMENTS**

(Rs. 13.134 Million)

**Para 17** based on D.P. 272

**Overpayment of Rs 5,774,700**

Central Civil Division-I, Lahore measured and paid for certain items in excess of the quantities provided in the schedule of quantities and technically sanctioned estimate.

Payment beyond the provision in the agreement/technically sanctioned estimate resulted in overpayment of Rs 5,774,700.

Audit pointed out the excess payment during February 1999. The department gave an interim reply which was found evasive. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 18** based on D.P. 2Overpayment of Rs1,548,129

Estate Office, Peshawar made excess payment to various owners of houses/buildings due to assessment of rent at higher rate than specified.

The overpayment resulted in loss of Rs 1,584,129 to the government.

Audit pointed out the loss during 1993-94,1996-97 and 1997- 98. The department replied that matter had been referred to the concerned authorities for final reply. No progress towards recovery was reported. The matter was reported to the administrative secretary in July 1999 but no reply was received.

## Action required

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

**Para 19** based on D.P. 241Overpayment of Rs .605,277

Project Construction Division-II Islamabad paid certain quantities in excess of provided in BOQ/Agreement (item V of acceptance letter)

The irregularity resulted in overpayment of Rs 605,277.

Audit pointed out the irregularity during December 1998 and also brought to the notice of the higher authorities. The department replied that CPWA code provided a cover of 15% excess over technically sanctioned estimate so the excess was within 15%. The reply was not tenable because

item No. V of acceptance letter specifically restricted the excess in all items. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 20** based on D.P. 127

Overpayment of R.s.560,000

Project Construction Division-II Islamabad did not reduce the rates of carriage charges required under the schedule of rates.

Audit pointed out the loss during November 1994 and also reported to the higher authorities in March 1995. The department replied that rates were arrived at after observing the rules. Rates analysis demanded by audit was not supplied. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 21** based on D.P. 216Overpayment of R.s.318,800

Central Civil Division-I, Islamabad paid the rate of an item higher than agreed rates.

Payment of higher rates resulted in overpayment of Rs 318.800.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999. The department failed in submission of final reply. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 22** based on D.P. 278Overpayment of Rs 295,000

Central Civil Division-I. Karachi reduced the size of manholes as 4' to 6' depth from 5' to 7' in the revised estimate without reducing the already paid rates.

Non reduction of rate resulted in overpayment of Rs 295,000 to the contractor.

Audit pointed out the irregularity during June 1998 and also brought it to the notice of higher authorities in November 1998 and April 1999. The department admitted the mistake occurred due to oversight and

got it approved in the substitution statement. But no documentary evidence of rectification was produced in support of their reply. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of overpayment and action against the responsible officials.

**Para 23** based on D.P. 303

Overpayment of Rs 293,000

Central Civil Division, Sargodha paid to contractor for supply and stacking of machine crushed stone, but deduction for voids @ 25% was not made required as per specification.

Non-deduction of voids resulted in overpayment of Rs 293,000 to the contractor.

Audit pointed out the excess payment during January 1999 and brought to the notice of the higher authorities in April 1999. The department replied that measurement of crushed stone was made after compaction hence no deduction was required. The reply was not tenable as deduction of voids was required to be made as per specification. The matter was also reported to the administrative secretary in July 1999 but no reply was received

**Action required**

Audit advises for early recovery of overpayment and action against the responsible officials.

**Para 24** based on D.P. 301Overpayment of Rs 283,200

Central Civil Division, Sargodha paid higher rates of certain item to the contractor than provided in estimate and also executed the extra quantities of another item of the work.

Deviation from the BOQ quantities and rates resulted in overpayment of Rs283,200 to the contractor.

Audit pointed out the excess payment during January 1999 and brought to the notice of the higher authorities in April 1999. The department replied that change in quantities was as per site requirements. The reply was not tenable being an abnormal increase i.e. from 1 span culvert to 14 over the estimate was not justified. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises recovery of excess payment and disciplinary action against the person(s) at fault.

**Para 25** based on D.P. 202Overpayment of Rs 238,100

Central Civil Division, Muzzafargarh rescinded a contract agreement under clause 3(c) but the amount to the original contractor was paid in excess due to excessive measurement of certain items.

Excessive measurement resulted in overpayment of Rs 238,100 to the contractor.

Audit pointed out the excess payment during January 1999 and brought to the notice of the higher authorities in April 1999. The department admitted the overpayment and promised to recover it from the security deposit of the contractor. This was impracticable because security deposit of the contractor was far less than the recoverable amount. The matter was also reported to the administrative secretary in July 1999 but no further reply was received.

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

<p>Audit advises recovery of overpayment from person(s) at fault besides disciplinary action.</p>
---

**Para 26** based on D.P. 281

Overpayment of R.s 180,600

Central Civil Division-IV, Islamabad made recovery of cement used in excess of bonafide use at issue rates instead of prevailing market rates which were higher, and required as per codal rules.

Recovery of cost of material at lesser rates resulted in overpayment of Rs 180,600.

Audit pointed out the overpayment during February 1999 and also reported to the higher authorities in April 1999. The department replied that the cement issued and- used on work would be summarised after completion of the work and recovery, if any, would be made at market rates. The reply was not tenable as it was interim and evasive. The matter was also reported to the administrative secretary in July 1999 but no further reply was received.



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

<p>Audit advises early recovery of overpayment besides disciplinary action against the person(s) at fault.</p>
--

**Para 27** based on D.P. 256

Overpayment of 170,000

Central Civil Division-VI, Khuzdar did not utilized the available earth at site and extra earth was brought from outside for filling purpose.

Non utilization for available earth at site resulted in overpayment of Rs 170,000

Audit pointed out the excess payment during February 1999 and also brought to the notice of the higher authorities in March 1999. The department replied that the reply would be given after scrutiny of the record. No progress was, however, reported. The matter was also reported to the administrative secretary in July 1999 but no further reply was received.

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

<p>Audit advises for early recovery from the contractor besides disciplinary action against the person(s) at fault.</p>
---

**Para 28** based on D.P. 108

Overpayment of Rs 169,920

Central Electrical & Mechanical Division, Peshawar allowed premium @ 118% on non-scheduled items of work in contravention of rules.

Allowing of premium on non-scheduled item resulted in overpayment of Rs 169,920.

Audit pointed out the overpayment during January 1997 and also brought to the notice of the higher authorities in June 1997. The department replied that there were certain items based on Pak. PWD Schedule of Rates 1982 for E & M works, as such the contractor quoted his rates on the rates of all items incorporated in the NIT. The reply was not tenable as the rates of non-scheduled items were analysed on market rates. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 29 based on D.P. 360**

**Overpayment of Rs 168,746**

Project Civil Division-I, Islamabad made an excess payment to a contractor due to execution of extra superfluous item of providing and laying 1:2:4.R.C.C. work 3” thick on first floor.

Payment for superfluous item resulted in overpayment of Rs 168,700.

Audit pointed out the loss during September 1997 and also reported to the higher authorities in January 1998 and June 1998. The department replied that the item was executed for proper drainage of rain water. The reply was not tenable because proper level on roof was required to be maintained at the time of laying roof slabs. The matter was

also reported to the administrative secretary in July 1999 but no further reply was received.

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

**Para 30** based on D.P. 256

Overpayment of Rs 153 092

Central Civil Division-VI, Khuzdar applied incorrect rates of certain items and made payment to a contractor accordingly.

Application of incorrect rate resulted in overpayment of Rs 153,092.

Audit pointed out the excess payment during February 1999 and also brought to the notice of the higher authorities through advance para in March 1999. The department replied that the reply would be given after scrutiny of the record. No progress was, however, reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

**Para 31** based on D.P. 3

Overpayment of Rs.142,133

Estate Office, Islamabad made payment to owner of hired houses beyond the rental ceiling of allottees. Further a payment was also made

twicely to another owner for six month.

Non-observance of rental ceiling and negligence resulted in excess payment of Rs 95,333 and double payment of Rs 46,800.

Audit pointed out the irregularity during September 1996. No reply was furnished by the department. 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) at fault.

**Para 32** based on D.P. 283

Overpayment of Rs 135,100

Central Civil Division-I, Karachi made a payment of Rs 135,100 to a contractor for disposal of surplus excavated stuff, whereas under clause No.7 of the agreement, it was responsibility of the contractor to clear the site.

Non-observance of contract agreement resulted in overpayment of Rs 135,100.

Audit pointed out the overpayment during April 1998 and also reported to the higher authorities in November 1998 and April 1999. The department replied that disposal of surplus stuff was an extra item and site requirement. The reply was not tenable because clearance of site was contractual obligation and separate payment was not required. The matter was also reported-to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para33** based on D.P. 177

Overpayment of Rs 129,756

Central Civil Division-I, Pak.P.W.D Islamabad enhanced the rate of an item of work from Rs 69.77 per hundred sft to Rs 409.34 per hundred sft without any justification. Audit suspected that the work was not actually done or the payment was made twice, first to the original contractor and then to the contractor executing the balance work.

The expenditure of Rs 129,756 was thus considered doubtful and resulted in overpayment.

Audit pointed out the irregularity during March 1999 and also brought to the notice of the higher authorities in April 1999 The department replied that the paint work done by the first contractor had deteriorated and initially one coat was applied but desired results were not achieved. As such two coats were applied later on and rates were revised. The contention of the department was not found correct. Had the surface been so deteriorated then two coats would have been provided. Further it proved that the work of original contractor was defective. The rates allowed to the contractor were also on higher side as scrapping, rubbing was not to be done on the new surface. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for recovery of the expenditure besides action against the person(s) responsible.

**Para 34** based on D.P. 296Overpayment, of Rs .123,700

In Central Civil Division Sargodha rates of some items were paid higher than the agreed rates and items executed in excess of BOQ/NIT.

Payment of higher rates/ excessive quantities resulted in overpayment of Rs 123,700 to the contractor.

Audit pointed out the overpayment during January 1999 and also brought to the notice of the higher authorities in April 1999. The department replied that extra rates of earth was paid for lead as per site requirement and thus quantities were increased. The reply was not tenable as the rates once agreed may not be changed under Financial Rules and no sanction of excessive quantities was shown to audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 35** based on D.P. 203Unauthenticated-payment of Rs 108,600

Central Civil Division. Muzzafargarh was allowed lead upto one mile instead of 100 feet, during execution of earth work to a contractor, provided in the NIT.

Violation of provision of NIT resulted overpayment of Rs 108,600.

Audit pointed out the irregularity during January 1999 and also brought to the notice of higher authorities in April 1999. The department replied that the estimate of the work was prepared after visiting the site of the work and respective lead was included in the estimate before awarding the work. The reply was not tenable because a huge quantity of earth was available at 100 feet and one mile lead was allowed to give undue benefit to the contractor. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

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

**Para 36** based on D.P. 192

Overpayment of Rs. 107,600

Central Civil Division, Faisalabad paid to a contractor in excess due to excessive rate of an extra item of a work.

Payment at higher rates resulted in overpayment of Rs 107,600.

Audit pointed out the overpayment during December 1998 and also brought to the notice of the higher authorities in April 1999. The department replied that extra item was under approval and being paid at reduced rates and full payment would be made on-the basis of rate approved by the competent authority. The reply was not tenable as the rate included 5% income tax and 3% contractor's profit which had already been sent to the competent authority for approval and reduced rate was being paid pending approval. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.</p>
--

**Para 37** based on D.P. 271

Overpayment of Rs 106,300

Central Civil Division-I, Lahore did not realise correct quantity of dismantled bricks from contractor available at site.

Non accountal of bricks resulted in overpayment of Rs 106,300.

Audit pointed out the overpayment during January 1999 and also reported to the notice of the higher authorities in April 1999. The department replied that after consultation of record, audit would be intimated the correct position No further progress was reported. 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 recovery of overpayment and disciplinary action against the person(s) at fault.</p>
--

**Para 38** based on D.P. 1

Overpayment due to irregular enhancement of .rent, ofRs 105,020

Estate Office Rawalpindi enhanced the rent of a hired house with retrospective effect instead of actual date of entitlement.



The irregular enhancement of rent resulted in overpayment of Rs 105,020.

Audit pointed out the overpayment during December 1998. The department admitted the irregularity by stating that owner was being requested to refund the overpaid amount. No action towards recovery was however, reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises an early recovery from the owner.

**Para 39 based on D.P. 275**

Overpayment of Rs 101,000

Central Civil Division-I, Karachi did not make deduction on account of stamp duty from the contractors.

Non-deduction of stamp duty resulted in overpayment of Rs 101,000.

Audit pointed out the overpayment during local audit inspection in January 1999 and also reported to the higher authorities in April 1999. The department replied that the deduction would be made. No progress towards deductions/recovery was-reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises early recovery from contractors or person(s) at fault besides disciplinary action.

**Para 40** based on D.P. 160Overpayment of Rs 93,900

In Central Civil Division, Sukkur security deposit of a contractor was released in excess of his deposit.

Excess release of security deposit resulted in overpayment of Rs 93,900.

Audit pointed out the overpayment during February 1999 and reported to the higher authorities in April 1999. The reply furnished by the department was evasive. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 41** based on D.P. 94Overpayment of Rs 90,292

Central Civil Division-I, Peshawar made a payment on account of providing and laying glass patties in floors (panel strips).. Rate of the item was already included in the item of laying floor. No separate payment was admissible

Separate payment for an item already included in composite rate resulted in overpayment of Rs 90,242.

Audit pointed out the overpayment during February 1998 and also reported to the notice of the higher authorities in May 1998. The

department replied that the said item was required to be paid separately. The reply was not tenable as the rate of providing and laying floor includes the cost of glass patties. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 42** based on D.P. 320

Overpayment of R.s 98,124

Central Civil Division-VIII Quetta quantities for bricks work and steel fabrication measured excessively.

Excess measurement for the work caused additional payment of Rs 88,124 to the contractor.

Audit pointed out the excess payment during February 1999 and also reported to the notice of the higher authorities in April 1999. The department replied that the plinth level was fixed 2-6” as per site requirement. The reply was not tenable as calculation of height from excavation to 2” toping proved that 1-6” excess brick work in foundation was measured and paid. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 43 based on D.P. 307**Overpayment of Rs 87,800

Central Civil Division, Sargodha made a payment to the contractor in excess by changing the specification, rates and quantities through measurements of a work.

Change in specification, quantities and rates resulted in overpayment of Rs 87,800 to the contractor.

Audit pointed out the overpayment during January 1999 and reported to the higher authorities in April 1999. The department replied that specification and quantities were changed as per site requirement and substituted items were under approval. The reply was not tenable as change in already paid pipe and already constructed manholes was impossible. Further under rules and agreed clauses the payment of substituted items should be made after approval. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 44 based on D.P. 295**Overpayment of Rs 87,600

In Central Civil Division, Sargodha already measured A class RCC pipe was substituted with B class pipe with higher rates and excessive quantities of certain items were executed.

Change in specification and execution of quantities over the BOQ

resulted in overpayment of Rs 87,600 to the contractor.

Audit pointed out the overpayment during January 1999 and also reported to the higher authorities in April 1999. The department replied that substitution was done with the approval of the competent authority and quantities executed as per site requirement. The reply was not tenable as items already measured could not be substituted with other items. The change from lower to high quantity was apparently made only to benefit the contractor. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 45** based on D.P. 279

Overpayment of Rs 85,782

Central Civil Division-V, Karachi substituted an item of work in the 2<sup>nd</sup> running bill while it was paid in 1<sup>st</sup> running bill which was not feasible.

Doubtful substitution of an item resulted in overpayment of Rs 85,782.

Audit pointed out the overpayment during May-June 1998 and also reported to the higher authorities during November 1998 and April 1999. The department replied that the item was substituted in the 1<sup>st</sup> running bill and was paid partly and the rate was increased in the subsequent bills. The reply was not tenable because the measurements were actually made for the mild steel but at the time of the preparation of the abstract of cost the nomenclature of the item was tampered. 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 recovery of overpayment besides disciplinary action against the person(s) at fault.</p>
--

**Para 46** based on D.P. 147

Overpayment of Rs.82,628

Store and Workshop Division Islamabad measured certain items of work i.e. electric wiring/light points in excess of standard provision/execution in the same kind of accommodation.

Difference in execution of quantities of the item of work of same nature in similar buildings resulted in loss of Rs 382,618

Audit pointed out the overpayment during January 1999 and also reported to the higher authorities in March 1999. The department replied that the work was measured and paid as per actual. The reply was not tenable as flats were of Cal-IV and No of points and wiring were equally provided for each block. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early recovery of overpayment and disciplinary action against person(s) at fault.</p>
--

**Para 47** based on D.P. 139

Overpayment of Rs 74,100

Central Civil Division-I, Lahore incurred and expenditure on disposal of surplus excavated stuff/rubbish whereas it was the contractors responsibility.

Payment made irregularly resulted in overpayment of Rs 74,100.

Audit pointed out the overpayment during March 1998 and also reported to the higher authorities in April 1999. No reply was received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 48** based on D.P. 22

Overpayment of Rs.77.586

Estate Office Rawalpindi made a payment to an owner beyond period of lease agreement without renewing it. Payments to two owners were made at higher rates than admissible ignoring the degradation of category of houses.

Allowing higher rates and payment beyond the agreed period resulted in overpayment of Rs 73,586.

Audit pointed out the loss during June 1998. The department admitted the irregularity and stated that demand bills had been issued to the owners. No progress towards recovery was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 49** based on D.P. 385Undue payment of Rs 71,240

Central Electrical & Mechanical Division, Peshawar made a payment to a contractor on account of “Providing & fixing of 56” sweep ceiling fans” without execution of the item of wiring and steel bar, fan clamps, etc.

Doubtful execution of an item without execution of its corresponding/complementary items resulted overpayment of Rs 71,200

Audit pointed out the overpayment during February 1998 and also reported to the higher authorities in May 1998 and June 1998. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises investigation and fixing of responsibility besides effecting recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 50** based on D.P. 175

## Overpayment of Rs 69,000

Central Civil Division, Islamabad included an item of work (scraping & cleaning of old surface) in the agreement superfluously.

Payment for superfluous item resulted in overpayment of Rs.69, 000.

Audit pointed out the overpayment during March 1999 and also reported to the higher authorities in April 1999. The department replied



that the item was included in the agreement with the approval of the competent authority. The reply was not tenable because the rates of oil bound distemping were inclusive of scrapping and cleaning the old surface. Hence inclusion of separate item was superfluous. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 51** based on D.P. 304

Overpayment of Rs 68,600

In Central Civil Division, Sargodha earth was laid on full width of the metaled road which included the berms, whereas the earth on berms was again separately measured and paid.

Excess measurement of earth work resulted in overpayment of Rs 68,600 to the contractor.

Audit pointed out the overpayment during January 1999 and also reported to the higher authorities in April 1999. The department replied that the earth was laid as per as per requirements. The reply was not tenable as no cross sections were provided to audit for verification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 52** based on D.P. 238Overpayment, of R.s 65,740

In Central Civil Division-I, Shikarpur, security deposits of various contractors were refunded more than actual balance.

Excess release of security deposit resulted in overpayment of Rs 65,740

Audit pointed out the overpayment during February 1999 and also brought to the notice of higher authorities in March and April 1999. The department admitted the excess payment In his reply but no further progress was reported. The matter was also reported to the administrative secretary in April & July 1999 but no reply was received.

**Action required**

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

**Para 53** based on D.P. 170Overpayment of Rs 63,000

Project Civil Division, Islamabad included items of work in the agreement superfluously.

Inclusion of superfluous item of work resulted in overpayment of Rs 63,000.

Audit pointed out the loss during March 1999 and also reported to the higher authorities in April 1999. The department replied that the item was included in the agreement with the approval of the competent authority. The reply was not tenable because the rates of oil bound distempering includes the rates of scrapping and cleaning the old surface.

The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 54** based on D.P. 252

Overpayment of Rs 60,500

Central Civil Division-I, Karachi made payment to a contractor for removal of rubbish and stuff in contravention of terms and conditions of the agreement.

Non-observance of contract agreement resulted in overpayment of Rs 60,500.

Audit pointed out the overpayment during January 1999 and also reported to the higher authorities in March and April 1999. The department replied that there was a huge quantity of stuff in the underground water tank of 7500 eft gallons and therefore, the item of removing the rubbish was taken in separate agreement which was technically sanctioned by the competent authority. The reply was not tenable because removal of rubbish was the responsibility of the contractor as per terms and conditions of the agreement, thus the additional payment was unjustified. The matter was also reported to the administrative secretary in July 1999 but no .reply was received.

**Action required**

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

**Para 55** based on D.P. 273

Overpayment, of Rs 59,600

Central Civil Division-I, Lahore obtained brick from dismantling which were neither used nor their cost was recovered from the contractor.

Non recovery of the cost of bricks resulted in overpayment of Rs 59,600.

Audit pointed out the excess payment during January 1999 and also brought to the notice of the higher authorities in April 1999.

The department promised to send a suitable reply after consultation of record but no further progress was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises recovery of overpayment and disciplinary action against the person(s) at fault.

**Para 56** based on D.P. 148(B)

Overpayment of Rs 40,700

Central Civil Division, Larkana due to incorrect calculations made payment for a quantity of 3442.68 eft instead of 263.eft brick work in straight or curved walls 9" to 13 ½ thick.

Incorrect calculation resulted in overpayment of Rs 40,700.

Audit pointed out the overpayment during January 1999 and also reported to the higher authorities in March 1999 and April 1999. No progress towards recovery/adjustment was reported. The matter was also

reported to the administrative secretary in July 1999 but no reply was received.

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

**CHAPTER - 4**  
**NEGLIGENCE RS 16.247 MILLION**

**Para 57** based on Draft Para 217 for the year 1998-99

Loss of Rs. 14,210,200

In Central Electrical & Mechanical Division, Islamabad reading of sub-gas meters installed at certain colonies differed from reading of gas meter installed for main supply. Payment of gas charges to SNGPL was made for larger units at higher rates whereas the recovery was effected on lesser rates and for less quantity.

Due to difference in reading of gas meters and applying lesser rates the government was put to a loss of Rs 14,210,200.

Audit pointed out the loss during January 1999 and also reported to the higher authorities in March 1999. In reply the department admitted the loss but no concrete steps were found taken to stop the recurring loss. Moreover the gas charges were being recovered at flat rate which was applicable for three months but remained in force till audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises to recover the loss from person(s) responsible and necessary action to save the government from further loss.

**Para 58 based on D.P. 11**Loss of Rs. 603,560

In Estate Office Peshawar certain government owned accommodations remained vacant despite the fact that a large number of entitled federal government servants were on the general waiting list for allotment of houses.

Non-allotment of vacant houses resulted in a loss of Rs 603,560.

Audit pointed out the loss during December 1998. In reply it was stated that final reply would be given after examining the relevant files. No further reply was received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early investigation besides disciplinary action against the person(s).

**Para 59 based on D.P. 27**Non-recovery of Rs 596,700 due to unauthorized retention of double government accommodation.

In a Estate Office Islamabad certain allottees retained double government owned accommodations during their posting abroad which rendered them liable to pay the standard rent amounting to Rs 596,700 as provided under Rule 19(1) of Pakistan Allocation Rules 1993.

Non-recovery of rent caused a loss of Rs 596,700.

Audit pointed out the loss during March 1998. However, no reply was received from the department despite expiry of one year and issuance

of repeated reminders. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises recovery from person(s) responsible besides taking disciplinary action.

**Para 60** based on D.P. 187

Loss of Rs 517,700

In Project Electrical & Mechanical Division Islamabad, unserviceable heavy T&P items were lying un-disposed and loosing their value.

Due to non-auctioning the T&P items, government sustained a loss of Rs 537,700.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that some of the survey reports were awaiting approval of the competent authority. The reply was not tenable because delay in finalizing the proceedings caused a loss to the government. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises recovery from person(s) responsible besides taking disciplinary action.

**Para 61** based on D.P. 31

Loss of Rs 299,756

Estate Office Peshawar did not recover the rent of shops/houses allotted to various persons.

Non recovery of due rent resulted in loss of Rs 299,756 to the public exchequer.

Audit pointed out the loss during September 1997 and June 1998. Department admitted the irregularity. No further progress was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

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

## **CHAPTER - 5**

### **Violation of rules**

**(Rs. 90.990 Millions)**

**Para 62** based on D.P. 183 for the year 1998-99

Irregular award of work amounting to Rs 17,527,800

In Central Civil Division-IV, Islamabad awarded a work to a contractor without calling tenders.

Non-observance of rules resulted in irregular award of work amounting to Rs 17,527,800

Audit pointed out the irregularity during February 1999 and was brought to the notice of the higher authorities in April 1999. The department replied that the work was awarded to the contractor without



calling fresh tenders to avoid higher rates. The reply was not tenable because award of work without calling of tenders was a serious irregularity. The matter was also reported to the administrative secretary in July 1999. No reply was received.

Action required

Audit advises investigation with a view to fix responsibility and initiate proper action against the person(s) responsible.

**Para 63 based on D.P. 179**

Irregular award of work amounting to Rs 14,776,000

In Central Civil Division-IV, Islamabad awarded a work to a firm by way of pooling in tendering process as the firm was not prequalified for the work.

Non-observance of financial propriety resulted in irregular award of work to the contractor valuing Rs 14,776,000.

Audit pointed out the irregularity during February 1999 and also brought to the notice of the higher authorities in April 1999. The department replied that the firm was allowed to participate in tendering process by the Chief Engineer (North) to get most competitive rates. The reply was not tenable because the firm was not pre-qualified and was directly invited for participation in tenders. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises investigation with a view to fix responsibility and take proper action against the person(s) responsible.

**Para 64** based on D.P. 159

Irregular payment of Rs.90,034,145.

Central Civil Division, Sargodha was still maintaining /operating one PLA. system which was replaced with Four FLA systems w.e.f. 1-7-97 in all the formations of Pak PWD, in contravention of government instructions.

Non-implementation of instructions resulted in irregular payment of Rs 9,034,145.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department admitted that AGPR had not issued the authority for opening 4 PLAs. The reply was not tenable because a period of two years had elapsed but the case was not vigorously pursued. The matter was also reported to administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for regularization of the payment by the competent authority and early opening of 4 PLAs. System.

**Para 65** based on D.P. 243

Misappropriation of public money worth Rs.7,000,000

Project Civil Division-11, Islamabad 'received a grant of Rs 7,000,000 from the Director Peoples Programme (Ministry of Local Government Lahore). Further another grant of Rs 7,000,000 was received for same project. The Divisional Officer deposited the second grant into PLA-1 (The Divisional Offices functional head), instead of refunding to the concerned department.

Improper handling of the government money resulted in misappropriation of Rs 7,000,000.

Audit pointed out the irregularity during January 1909 and also reported to the higher authorities in April 1999. The department replied that the Divisional Officer and the Divisional Accounts Officer were suspended and departmental proceeding were under way. I he matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

Audit advises for early finalisation of departmental proceedings.
---

**Para 66** based on D.P. 285

Non remittance of Rs.4,285,700

Central Civil Division-III Karachi did not remit a heavy receipt to relevant heads/department as per coda rules and kept irregularly in personal accounts to get benefit/interest up to June 1997.

Violation of rules resulted in non-remittance of public revenue Rs 4.285,700 and loss to government.

Audit pointed out the irregularity during April 1998 and also reported to the higher authorities in August 1998 and April 1999. The department replied that due to minus balance the division was not in position to remit the amount.

The reply was not tenable as the receipt was expended in contravention of financial rules. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early remittance and proper action against person(s) at fault.</p>
---

**Para 67** based on D.P. 36

Loss of Rs 4,027,929

Estate Office, Islamabad provided residential accommodation to employees of various departments on standard rent but Estate Office failed to recover it from allottees.

Non-recovery of standard rent resulted in loss of Rs 4,027,929 to government.

Audit pointed out the recovery during May 1996. No reply was, however, received. 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 recovery besides disciplinary action against the responsible persons.</p>
--

**Para 68** based on D.P. 199

Irregular payment of Rs .3, 784,000

Central Electrical & Mechanical Division-1, Karachi purchases made by splitting the work order. The purchases were required to be made on economical rates and such huge supply was also not arranged direct from the manufacturer.

Splitting of work orders resulted in irregular payment of Rs 3,784,000.

Audit pointed out the irregularity and brought to the notice of the higher authorities in April 1999. The department replied that works were awarded after calling of tenders. Manufacturers insist on advance payment. Hence material was not purchased from them. The reply was not tenable because most work orders were issued in a month. Had the whole work been awarded through a tender to a single contractor, most competitive rates could have been achieved. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises for investigation in the matter with appropriate action and regularization.

**Para 69** based on D.P. 128

Non-debiting the cost of material value. Rs 3,491,000

Project Civil Division-II, Islamabad gave advances for the cost of materials to the contractors, but the material was not debited to their accounts.

Non debiting of material resulted in loss of Rs 3,491,000 to the Government.

Audit pointed the irregularity during November 1994 and was also brought to the notice of the higher authorities in March 1995. No reply was however, received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises for immediate recovery of the advances of Rs 3,491,000 from the contractors.

**Para 70** based on D.P. 141Irregular expenditure. Rs 2,796,700

Pakistan Public Works Divisions incurred expenditure on POL and charged to different heads instead of its proper head of Accounts.

Charging of expenditure to the irrelevant head resulted in misclassification of expenditure of Rs 2,796,700.

Audit pointed out the irregularity during January 1999 and reported to the higher authorities in April 1999. No satisfactory reply was received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises for regularization of the expenditure and disciplinary action against the person responsible.

**Para 71** based on D.P. 240

## Non-finalization of account worth. Rs 2,590.702

Project Civil Division-11 Islamabad could not finalize accounts of various works since 1982. Further security deposit was utilized by the division somewhere else as no balance of security, deposit was available in the PLA-I

Due to non-finalization of accounts, security deposits amount of Rs 2,590,703 was misutilised

Audit pointed out the irregularity during December 1998 and brought to the notice of the higher authorities in April 1999. The department replied that certain works were going on and their

deposits were lying and others were not yet finalized due to want of funds. The reply was nor tenable as considerable long period had passed and there was no justification for non-finalization of the accounts. Moreover utilization of security deposits of contractors was not explained. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Para 72 based on D.P. 162

**Action required**

Audit advises for finalization of the works and disciplinary action against the defaulters for utilization of security deposits.

Irregular expenditure of Rs. 2,566,061

Central Civil Division, Sukkur increased quantities of certain items of work abnormally and paid to the contractor without approval from the competent authority.

Payment of excess quantities without approval resulted in irregular expenditure of Rs 2,566,061 to the contractor.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999, the department stated in reply that quantities were increased due to site requirement and as per structural design. The reply was not tenable as the increased quantities were paid without approval of the competent authority and justification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

for regularization of the excess quantities paid from the competent authority or recovery effected.

**Para 73** based on D.P. 284

Splitting of work into work order worth Rs 2,517,000

Central Civil Division-III, Karachi purchased computers during 1996-97 through splitting of work orders between 4 Nos. contractors only to avoid healthy competition.

The splitting resulted in irregular expenditure of Rs 2,517,000

Audit pointed out the irregularity during April 1998 and also brought to the notice of higher authorities in August 1998 and April 1999. The department stated that the tenders were called scheme- wise and according to administrative approval. The reply was not tenable. The supply was taken from a single contractor on the same dates. Had the purchase been made in bulk through tender most competitive rates could have been obtained. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for investigation in the matter with appropriate action and regularization.

**Para 74** based on D.P. 32

Loss due to non-recovery of standard rent amounting to Rs 2,228,771

Estate Office Peshawar cancelled allotment of government owned accommodation on the grounds of subletting as per rule 14- 17 of Pakistan Allocation Rules 1993 but these quarters remained under unauthorized occupation. The occupants were required to be charged standard rent as provided under rules ibid.



Non-charging of standard rent from unauthorized occupants resulted in loss of Rs 2,228,771.

Audit pointed out the irregularity during December 1998 and also brought to the notice of the higher authorities in April 1999. The department replied that the funds for Peoples Works Programme were correctly credited to PLA-I account and payment thus made accordingly. The reply was not tenable because the expenditure was charged to PLA-I instead of PLA-4. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure.

**Para 75 based on D.P. 222**

Irregular payment, of Rs 2,176,700

Project Civil Division-II, Islamabad incurred an amount on extra and substituted items without obtaining approval of the competent authority.

Violation of financial rules resulted in irregular expenditure of Rs 2,176,700.

Audit pointed out the irregularity during October 1993 and also brought to the notice of the higher authorities in November 1997. The department replied that the cases were submitted to the competent authority for approval. No progress towards approval was reported despite a lapse of 6 years. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for regularization of the expenditure and action against the person(s) responsible for incurring of the expenditure without approval.

**Para 76** based on D.P. 37

Loss due to non-charring of standard rent amounting to Rs 2,067,659

In Estate Office Islamabad certain government owned accommodations remained under unauthorized occupation of government servants in violation of Rule 16 of Pakistan Allocation Rules 1993. The unauthorized allottees were liable to be charged standard rent as required under Rule 19(1). But the Estate Office failed to recover the standard rent.

Non-recovery of standard rent resulted' in loss of Rs 2,067,659.

Audit pointed out the recovery during March 1998. No reply was, however, received. The matter was also reported to the administrative

**Action required**

Audit advises early recovery besides taking disciplinary action against the responsible persons.

secretary in July 1999 but no reply was received.

**Para 77** based on D.P. 242

Irregular expenditure of Rs.1,471,769

In Project Civil Division-11, Islamabad an amount of Rs 1,471,796 was paid to a contractor from PLA-I, which was only meant for budget grant and not for deposit work,' instead of from PLA-4, the actual sub head. The amount of Rs 14,000,000 received and credited to PLA-4, was ceased due to 4 PLA" System in Pak. PWD, thus the payment was made from PLA-I.

The payment made from wrong sub-head resulted in irregular expenditure of Rs 1,471,796.

Audit pointed out the irregularity during December 1998 and also brought to the notice of the higher authorities in April 1999. The department replied that the funds for Peoples Works Programme were correctly credited to PLA-I account and payment thus made accordingly. The reply was not tenable because the expenditure was charged to PLA-I instead of PLA-4. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

Audit advises for regularization of the expenditure.
--

**Para 78 based on D P. 14**

Loss due to irregular enhancement of rent. Rs 1,028,700

Housing and Works Ministry/Division hired an office accommodation at a rent of Rs 5 per Sit. Which was enhanced to Rs 7.50 per sft with retrospective effect prior to the expiry of lease period in relaxation of rules as a special case.

Irregular enhancement of rent resulted in loss of Rs 1,028,700.

Audit pointed out the loss during August 1997. The department replied that the owner had applied on March 12; 1997 for enhancement of rent @ R.7.50 P. Sft and Finance Division enhanced the rent in relaxation of rules w.e.f. February 1, 1995 and March 1, 1995 respectively. The reply was not tenable.i.e. as the lease agreement signed with the owner of both floors were valid up to January 31, 1998 and February 28, 1998 respectively, therefore enhancement/ during currency/validity of lease

agreement with retrospective effect from 1995 was irregular/unjustified despite the fact that the owner applied for enhancement during middle of the validity of lease period. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for investigation besides early recovery from the person(s) at fault.

**Para 79 based on D.P. 306**

Excess expenditure of Rs 861,400

Central Civil Division, Sargodha incurred an expenditure in excess of release and in contravention of the rules.

Violation of rules resulted to excess expenditure of Rs 861,400.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in the same period. The department replied that excess occurred due to less release than allocation. The higher authorities were approached for arrangement of funds. The reply was not tenable as there was a clear violation of rules. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regulation of the excess expenditure from the competent authority besides disciplinary action against the person(s) at fault.

**Para 80** based on D.P. 103Execution of substandard work Rs 771,800

Central Civil Division-III, Peshawar failed to execute a work as per standard and specification of Pak. PWD and defects were not got removed before release of security deposit to the contractor. The work was executed in Kharian by a division situated at Peshawar out of its jurisdiction.

Execution of defective work worth Rs 771,800 rendered it below specification standard.

Audit pointed out the irregularity during February 1998 and also brought to the notice of higher authorities in April 1998. The department replied that the work was executed as per instruction of the competent authority and funds were released to that division by Director Budget & Accounts, Pak. P. W. D. The reply was not tenable. Defects occurred due to poor supervision at such a far off place and these were not got removed. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises investigation with a view to fixing responsibility and proper action against the person(s) responsible

**Para 81** based on D.P. 26Unauthorized payment of Rs 683,028

Housing and Works Division hired a commercial building for use as office accommodation. The rent of the building was enhanced' from Rs 94,865 per month to Rs 142,297.50 per month in contravention of the prevalent rules.

Irregular enhancement of rent caused a loss of Rs 683,028 to government.

Audit pointed out the irregular payment in August 1997. The department replied on June 28, 1999 that the enhancement of Rs 7.50 per sft in rent was allowed to the owner against the demand of Rs 10.00 per sft by the owner, in relaxation of rules by the Finance Division. Reply was not found plausible because rate for enhancement were allowed by relaxing the rules, violating the instructions conveyed vide letter No.F.5(18)R-14/81 dated 11<sup>th</sup> November 1982 wherein there was no such provision in the rules as confirmed vide PM Secretariat UO No.442/DS(SS)/II/97 dated 29<sup>th</sup> April. 1997. Similarly relaxation was made only for certain selective owners which was against the spirit of equity and justice. Matter was also reported to the administrative secretary in July 1999. No reply was received.

Action required  
Audit advises for investigation, making loss good from person(s) responsible besides taking disciplinary action

**Para 82** based on D.P. 289

Irregular payment of Rs 636 300

C.C. Division (old) Quetta made final payment to a contractor from the head PLA-4 instead of its proper head of account.

Payment from improper head resulted in irregular expenditure of Rs 636,300 and misuse of securities and income tax balances.

Audit pointed out the irregularity during February 1999 and was also brought to the notice of the higher authorities in March 1999. The department replied that they were bound to make payment to the contractors forthwith in compliance with orders of the court and hence the contractor was paid from the head PLA-IV as other PLAs of the division had already ceased. Reply was not found acceptable because the

facts of the court case were not disclosed to audit. Moreover the expenditure was unauthorized. Matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises for regularization of the payment from competent authority and disciplinary action against the persons responsible.

**Para 83** based on D.P. 249

Excess payment of Rs 622,700

C.C. Division-I Karachi incurred an expenditure in excess over technically sanctioned estimates of a work.

Incurrence of expenditure over the technically sanctioned estimates, resulted in excess expenditure of Rs 622,700.

Audit pointed out the excess expenditure during local audit inspection in January 1999 and through Advance Para in March 1999 and April 1999. The department failed to furnish any reply which substantiated the audit contention. Matter was also reported to the administrative secretary in July 1999. No reply was received.

Action required  
Audit advises an action against the person(s) responsible besides regularization of the expenditure so incurred.

**Para 84** based on D.P. 44

Non Charging of standard rent worth Rs. 597,231

In Estate Office Islamabad certain government owned accommodations were under occupation of some unauthorized federal

government servants beyond their entitled limits which rendered them to be charged standard rent at penal rate under Rule 16 and 19(1) of Pakistan Allocation Rules 1993. The standard rent was not charged/recovered.

Non-recovery of due rent caused a revenue loss of Rs 597.231 besides depriving the rightful and deserving government employees from official accommodation.

Audit pointed out the loss in December 1998. No reply was furnished. Matter was also reported to the administrative secretary in July 1999. No reply was received.

Action required  
Audit advises an early recovery besides taking disciplinary action against the persons responsible.

**Para 85** based on D.P. 268

Irregular retention of income tax amounting to Rs.485, 368.

The C.E/M-I division Islamabad did not remit the recoveries of Income Tax in time.

Violation of rules resulted in irregular retention, of public money Rs 485.368.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999. The department replied



that the income tax deduction was already deposited into ITO. The reply was not tenable because as per Income Tax Ordinance, the income tax was to be deposited within a period of 7 days, but all payments to the ITO were made after 7 days. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises for early remittance of recoveries besides action against person(s) at fault.

**Para 86** based on D.P. 169

Non-remittance of government receipt amounting to Rs 472,900

Project Civil Division-I Islamabad failed to remit government receipts to the quarter concerned and these held irregularly.

Withholding of government receipts resulted in non-remittance of Rs 472,900.

Audit pointed out the irregularity during March 1999 and also reported to the higher authorities in April 1999. The department replied that all the amounts had since been remitted to the quarters concerned. The reply was not tenable as no record in support of reply was produced to audit. The matter was also reported to -the administrative secretary in July 1999 but no reply, was received.

Action required  
Audit advises for early remittance of the amount held irregularly besides disciplinary action against the person(s) at fault.

**Para 87** based on D.P. 157Non forfeiture of earnest money Rs. 337,084

Central Electrical & Mechanical Division-II, Lahore did not forfeit actual amount of earnest money of a contractor who failed to start a work.

Forfeiture of less earnest money resulted in a loss of Rs 337,084.

Audit pointed out the loss during January 1999 and also reported to the higher authorities in February 1999. The department replied that the earnest money was deducted up to minimum limit as per standing instructions of Chief Engineer. The reply was not tenable as no such instructions were shown to audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 88** based on D.P. 19Excess payment of Rs 329,445

Estate Office Lahore hired a house in residential area for use as office accommodation for a government department but rates for the payment of rent were allowed by irregular assessment of the house as commercial building contrary to the instructions of the Works Division.

Violation of instructions of the government and allowing higher rate of rent resulted in loss of Rs 329,445.

Audit pointed out the excess payment during December 1998. The department replied that the grounds for allowing higher rates were not available in the Estate Office and sanction by the Ministry of Housing and Works was not challengeable by audit. The reply was not tenable as the rules for hiring framed by the said Ministry were not implemented in the instant case. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

**Para 89** based on D.P. 154

Unauthorized payment of Rs. 303,300

Central Civil Division, Larkana paid extra/substituted items without approval of the competent authority in violation of order/instructions contained in acceptance letter.

Allowing of payment for extra/substituted items without approval resulted in unauthorized payment of Rs 303,300

Audit pointed out the irregularity during local audit inspection in January 1999 and also brought to the notice of higher authorities in March 1999. The department replied that the work was in progress and extra/substituted items were under approval. The reply was not tenable because payment was unauthorised. The matter was also brought to the notice of the administrative secretary in April 1999 but no reply was received.

Action required  
Audit advises for early regularization or recovery from the contractor besides disciplinary action against the person at fault.

**Para 90** based on D.P. 13

Loss due to violation of rule Rs 285,053

Estate Office Lahore hired a house for use as rest house for Federal Shariat Court Judges at the rate of Rs 4.50 per sft for a covered area of 4693 sft against the rate of Rs 2.50 per sft. recommended by the assessment board.

Due to allowing higher rate the government was put to loss of Rs 285,053.

Audit pointed out the loss during December 1998. The department replied that the government money was saved by payment of less rent in lieu of previous house and the assessment board recommended the house as commercial. The reply was not tenable being evasive and not based on facts as the Works Division could not change the recommendation of the assessment board. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for an investigation besides recovery of loss from the beneficiary.

**Para 91** based on D.P. 40

Loss due to unauthorized occupation worth Rs 261,279

Estate Office Lahore a government accommodation remained under unauthorized occupation of an officer for about two years which rendered him to be charged standard rent under Rule 19(1) of the

Pakistan Allocation Rules 1993. Standard rent was not recovered.

Unauthorized occupation of house caused a loss of Rs 261,279 to the government.

Audit pointed out the loss during November 1997. No reply was received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early recovery besides disciplinary action against the persons responsible.

**Para 92** based on D.P. 297

Irregular expenditure of Rs 239,300

In Central Civil Division, Sargodha a work was executed without technical sanction of estimate, drawing/design and comparative statements.

The irregular award of work resulted in irregular expenditure of Rs 239,300.

Audit pointed out the irregularity during January 1999 and also brought to the notice of higher authorities in April 1999. The department replied that the quantities were increased as per site requirements and extra rate of earth was paid for lead which was not admitted as N.I.T items could neither exceed nor paid at higher rates, without approval of competent authority. The reply was not tenable. The matter was also reported to the administrative secretary .in July 1999 but no reply was received

**Action required**

Audit advises for an early recovery of over payment from the contractor and regularisation of the irregular expenditure.

**Para 93** based on D.P. 15

Loss due to irregular allotment of house Rs 167,427

Estate Office Lahore hired a house and allotted to an officer under rule 10(1) of Pakistan Allocation Rules 1993 on self-hiring basis at the station other than his posting and without obtaining legal documents for ownership.

Non-observance of rules resulted in loss of Rs 167,427 to the government exchequer.

Audit pointed out the irregularity during August 1997. No reply was furnished. 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 besides disciplinary action against the person(s) at fault.

**Para 94** based on D.P. 42

Non-charging of standard rent Rs 129,340

Estate Office Islamabad failed to charge standard rent from federal government servants having occupation of double government accommodation as provided under Rule 19(1) of Pakistan Allocation Rules 1993.

Non-recovery of due rent caused revenue loss "of Rs 129,340 to government.

Audit pointed out the loss during January. 1997. The reply was not furnished by the department. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises an early recovery besides disciplinary action against the persons responsible.</p>
---

**Para 95** based on D.P. 194

Loss of Rs 174,600

Central Civil Division, Bahawalpur failed to forfeit security deposits of the contractors, lying unclaimed since last three years and did not credit these to government revenue.

Violation of rules resulted in loss of Rs 124,600 to government exchequer.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999 and April 1999. The department replied that notices were being sent to the contractors to claim refund of their securities. The reply was not tenable as after lapse of a period of 3 years the unclaimed deposits should have been forfeited and credited to the government revenue. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early forfeiture of securities and their remittance to revenue and proper action against person(s) at fault.</p>
---

**Para 96** based on 39

Loss of Rs.117, 824 due to unauthorized occupation of house.

In Estate Office Islamabad a hired house remained under the occupation of an ex-allottee unauthorisedly. The occupant did not pay the difference of rent.

Unauthorised occupation of the house not only deprived the deserving employees of official accommodation but also caused loss of Rs 117,824.

Audit pointed out the loss during November 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 persons responsible.

**Para 97 based on D.P. 266**

**Irregular expenditure of Rs.110, 180**

Central Electrical & Mechanical Division-I of Pak PWD Islamabad utilized development funds for running and maintenance of vehicles.

Utilization of development funds for repair and maintenance of vehicles resulted in irregular expenditure of Rs 110,180.

Audit pointed out the irregularity during January 1999 and also brought to the notice of the higher authorities in March 1999. The department replied that due to paucity of funds in 1997-98, the expenditure was charged to different projects." The reply was not tenable because funds allocated for development purposes could not be utilised for other purposes. The matter was' also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery and fixing of responsibility for incurring unauthorised payments.



**Para 98** based on D.P. 290

Less recovery of income tax Rs 84,400

Central Civil Division (old), Quetta deducted income tax @ 3-1/2% instead of 5% of the total value of work done from a contractor.

Non-deduction of the income tax at lesser rate resulted in less recovery of Rs 84,400.

Audit pointed out the irregularity during February 1999 and also brought to the notice of the higher authorities in April 1999. The department replied that the income tax was deducted as per agreement which was not plausible as the rates of income tax had already been revised since July 1995. The matter was also reported to the administrative secretary in July 1999. No reply was received.

Action required

Audit stress for an early recovery of remaining amount of income tax from the contractor or the person(s) responsible.

## **CHAPTER - 6**

### **VIOLATION OF FINANCIAL PROPRIETY** **(Rs 81.023 Million)**

**Para 99** based on Draft Para 211 for the year 1998-99

Recurring loss of Rs 25,107,396

In Central Civil Division-III, Islamabad recruited a large number of work charge staff un-necessarily beyond actual requirement.

Violation of rules resulted in irregular expenditure and recurring loss of Rs 25,107,396.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that the services of work charge staff could not be terminated due to clear cut orders of the Prime Minister. The reply was not tenable because the government was unnecessarily burdened by maintaining staff beyond requirement. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises fixing of responsibility for excess recruitment and action against person (s) at fault

**Para 100** based on D.P. 189

Recurring loss of Rs 9,347,328

Project Electrical & Mechanical Division, Islamabad incurred heavy expenditure on the payment of salaries of work charge staff regularly and unnecessarily.

Due to unnecessary recruitment/retention of staff government was put to a loss of Rs 9,347,328 per annum.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that the work charge staff was being utilized for maintenance purpose and within the permissible limit. The reply was not tenable because work charge staff was appointed in excess of requirement and also hired for a

specific work. After completion of work their services should have been terminated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required  
Audit advises to minimise the work charge staff as per actual requirement and disciplinary action against the person(s) responsible i for unnecessary appointment.

**Para 101** based on D.P. 178

Recurring loss of Rs 9,165,700

In Central Civil Division-IV, Islamabad recruited a large number of work charge staff un-necessarily beyond actual requirement.

Recruitment/retention beyond requirement resulted in irregular expenditure and recurring loss of Rs 9,165,700.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The department replied that the case of minimising the surplus work charge staff was already under consideration of the higher authorities, but no documentary evidence was produced. The matter was also reported to the Administrative secretary in July' 1999 but no reply was received.

Action required

Audit advises to minimise the surplus staff besides action **against** the person(s) responsible for recruitment of work charge staff beyond requirements.

**Para 102** based on D.P. 244

Recurring loss of Rs 5,729,100

In Project Civil Division-II, Division Islamabad paid an amount on account of pay and allowances of work charge staff after completion of the works.

Retention of work-charged staff after completion of works resulted in a loss of Rs 5,729,100.

Audit pointed out the irregularity during December 1998 and also reported to the higher authorities in April 1999. The department replied that efforts were being made to reduce the excess work charge staff and the summary had been submitted to the competent authority. The reply was not tenable because the work charge staff was recruited beyond requirement and on completion of work their services were not terminated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for minimising the work charge staff and fix the responsibility of recruitment of staff beyond requirement.

**Para 103** based on D.P. 155

Unjustified expenditure of Rs 4,827,870

In Central Electrical & Mechanical Division-II, Lahore incurred a heavy expenditure for payment to idle work charge staff.

Due to unjustified expenditure Government suffered a loss of Rs 4,827,870 .

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in April 1999. The department replied that the funds were not available hence work charge staff could not be engaged in works. The justification given was not found acceptable because work charge staff was to be appointed for particular work and on completion of work their services should have been terminated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for early recovery of the amount paid to work-charged staff in violation of rules from the person(s) responsible.

**Para 104** based on D.P. 351

Unjustified payment of Rs 4,411,200

In Central Electrical & Mechanical Division-II, Islamabad work-charged staff employed for specific works on completion of these works to the repair/maintenance works which was irregular and unjustified.

Violation of rules resulted in loss of Rs 4,411,200 to the government.

Audit pointed out the irregularity during November 1997 and also reported to the higher authorities in April 1998. The department replied that the work charge staff was working only against the repair/maintenance works. The reply was not tenable as there was no provision in rules for employment of work-charged staff for repair and maintenance works. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for early recovery of the amount paid to work-charge staff in violation of rules from the person(s) responsible.

**Para 105** based on D.P. 263

Recurring loss of R.s 3,793,600

In Central Electrical & Mechanical Division-1, Islamabad incurred an expenditure on pay and allowances of work charge staff during 1997-98 without actual requirement.

Unnecessary recruitment and retention of work charge staff resulted in recurring loss of Rs 3,793,600 to the public exchequer.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999. The department replied that the work charge staff was engaged for maintenance of government owned buildings and no loss was sustained. The reply was not tenable as there was no purchases of material by the department and no maintenance was made through departmental labour and the works were got executed through contractors. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for making the loss good from the person(s) besides disciplinary action against the responsible for excess recruitment.

**Para 106** based on D.P. 176Loss of R.s.3,433,140

Project Civil Division-I, Islamabad incurred an expenditure of Rs 3,433,140 on pay and allowances of work charge staff recruited beyond requirement.

Excess recruitment of work charge staff resulted in loss of Rs 3,433,140.

Audit pointed out the irregularity during March 1999 and reported to the higher authorities in April 1999. The department replied that the work charge staff was engaged for the maintenance of government owned buildings and no loss was sustained. The reply was not tenable because no purchase of material was made by the department and no maintenance was done through departmental labour as the works were executed through contractors. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

Audit advises for recovery of loss from the person(s) at fault.
---

**Para 107** based on D.P. 392Unjustified payment of Rs 3,340,000

Central Civil Division-II, Peshawar made, a payment to work charge staff employed on different enquiry offices, for maintenance of buildings in the presence of regular staff.

Unnecessary employment of work-charged staff resulted in unjustified payment of Rs 3,340,000.

Audit pointed out the irregularity during February 1998 and reported to the higher authorities in April 1998 and June 1998. The department admitted that the work charge staff was surplus with that division and that the matter had been brought to the notice of higher authorities for necessary solution to the problem. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises investigation and fixing responsibility besides taking appropriate action to avoid such irregularities.

**Para 108** based on D.P. 163

Unjustified expenditure Rs 2,817,800

Central Electrical & Mechanical Division-II, Lahore incurred heavy expenditure on work charge staff during the year 1997-98. The surplus staff was required to be laid off.

Non-observance of financial propriety resulted in unjustified expenditure of Rs 2,812,800.

Audit pointed out the irregularity during January 1999 and reported to the higher authorities in February and April 1999. The department replied that payments was charged to various government buildings for their repair/maintenance which was not' admitted as the staff was employed beyond requirement and after completion of work. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for justification of the expenditure besides minimizing of the work charge staff to the actual requirement of the work.



**Para 109** based on D.P. 25Loss due to hiring excess arrear .worth .Rs.2,415,719

Estate Office Lahore hired commercial building for a government department having covered area of 17052 sft against the entitled area of 11330 sft.

Hiring of excess area resulted in loss of Rs 2,415,719 to government.

Audit pointed out the loss during August 1997. The department replied that the useable area was 13862 sft against the space entitlement of occupant office of 13670 sft. The reply was not tenable because the Works Division had directed the estate office to allot the excess area to some other needy office. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for investigation, making loss good from person(s) responsible besides taking disciplinary action.

**Para 110** based on D.P. 213Unjustified expenditure of Rs 1,190,000

Central Civil Division-III, Islamabad incurred an amount of Rs 1,190,000 during the year 1998-99 on maintenance of a rest house established in a private hired building which caused unnecessary burden on the public exchequer.

Violation of financial propriety rules resulted in unjustified expenditure of Rs 1,190,000.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that private accommodation was hired under approval of the ministry concerned to facilitate the government officers. The reply was not tenable because the expenditure on maintenance was much higher than receipt from the users hence a continuous loss and burden on public exchequer. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for justification/ regularization of the expenditure.

**Para 111** based on D.P. 20

Excess payment due to hiring excess area worth Rs 1,032,795

Estate Office Lahore hired a house for use as office accommodation having covered area of 10420 sft against the admissible covered area of 4200 sft according to sanctioned strength of the office.

Hiring of the office space beyond the entitlement resulted in excess payment of Rs 1,032,795.

Audit pointed out the excess payment during December 1998. The department replied that the owner could not leave any portion of his house vacant and agreed amount was paid to the owner. The reply was not tenable as at the time of hiring of house, the actual space and entitlement of the government office was not kept in view and extra space was hired un-necessarily. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises an investigation besides recovery of the amount from the source at fault.</p>
--

**Para 112** based on D.P. 184

Less recovery of material Rs 1,000,242

Central Civil Division-IV, Islamabad issued steel to a contractor in excess of requirement and recovered the same at lesser rate than actual prevailing market rates.

Less recovery of material resulted in loss of Rs 1,000,242 to the government.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The department replied that recovery was made at prevailing market rate. The reply was not tenable as in the same period steel for another work was purchased at much higher rate. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early recovery from contractor or person(s) responsible besides disciplinary action.</p>
---

**Para 113** based on D.P. 164

Un-authorized expenditure of Rs 714,500

Central Electrical & Mechanical Division-I, Lahore incurred expenditure on deposit works in excess over deposits during the year 1997-98.

Violation of financial rules resulted in unauthorised expenditure of Rs 714,500.

Audit pointed out the irregularity during January 1999 and reported to the higher authorities in February and April 1999. The department admitted the irregularity during their reply but the expenditure incurred over the deposits was not recovered from the client departments. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for an early recovery/regularization of the expenditure

**Para 114** based on D.P. 23

Loss of Rs 593,964

Estate Office Peshawar hired a building for 10789 sft for office accommodation against the admissible area of 1680 sft according to the sanctioned strength.

Hiring of excess area resulted in loss of Rs 593,964.

Audit pointed out the loss during-December 1996. The department replied that the matter was taken up with the user department as well as Pak. PWD. The reply was evasive. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 115** based on D.P. 16Loss due to-hiring of excess area worth Rs 449,140

In Estate Office Lahore a house was hired for office accommodation for a government department having a covered area of 4293 sft against the admissible area of 2156 sft (as per entitlement of office strength).

Hiring of the space beyond the entitlement resulted in a loss of Rs 449,140 to the government.

Audit pointed out the loss during December 1998. The department replied that the objection of excess covered area was considered by the Works Division and the sanction was accorded in public interest. No documentary evidence/record was supplied to ascertain the authenticity of reply. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for investigation besides early recovery from the source at fault.

**Para 116** based on D.P. 310Loss of Rs 287,300

In Central Electrical & Mechanical Division-II, Karachi a work was rescinded under clause 3 (a) instead of 3(c) of the contract agreement. The remaining work was executed through another contractor at higher rates than the tendered rates of original contractor.

Incorrect application of clause of contract resulted in a loss of Rs 287,300 to government.

Audit pointed out the irregularity during July 1998 and also reported to the higher authorities in October 1998 and April 1999. The department replied that the work executed by the original contractor was not as per specifications and hence the same was executed from another contractor after rejecting it under clause 3(a) of agreement. The reply was not tenable as the work was rescinded under clause 3(a) only to save the original contractor from risk and cost. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early recovery from the contractor or person(s) responsible.</p>
---

**Para 117** based on D.P. 247

Loss-of R.s 265,299

Project Civil Division-II, Islamabad called for tenders for a work, seven bidders participated therein. Initially the offer of the lowest bidder was not accepted and negotiations were held with the bidders a contractor offered 5% lesser rate than the first lowest bidder but the work was let out the same lowest bidder setting aside the offer of lesser rates.

Violation of financial propriety and award of work at higher rates resulted in a loss of Rs 265,299.

Audit pointed out the irregularity during December 1998 and reported to the higher authorities in April 1999. The department replied that the bid of the contractor who had offered lower rates did not accompany the call deposit, therefore, his bid was rejected. The reply was not tenable because if he had not submitted his call deposits, he would not have been allowed to participate in the negotiations. Moreover, the

call deposit could be got deposited at the later stage. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**  
Audit advises for making the loss good from the person(s) at fault.

**Para 118** based on D.P. 219

Infructuous expenditure Rs 236,700

Central Electrical & Mechanical Division-II, Islamabad used G.I pipe in excess of requirement, due to unrealistic drawing prepared by the division.

Use of pipe in excess resulted in loss of Rs 236,700 to the government.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999. The department replied that the G.I pipe was laid down as per plan approved by the SNGPL and the estimate was technically sanctioned on its basis. The reply was not tenable because the plan was prepared by the department itself and not by any authorised representative of SNGPL. The S.N.G.P.L representative only signed the plan without observing the rules of financial propriety. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**  
Audit advises for early recovery from the person(s) at fault.

**Para 119** based on D.P. 21Excess payment of Rs.231,374

The Ministry of Housing and Works hired a Rest House for a Government Department having a covered area of 4693 sft against a demand of 3000 sft.

Hiring of excess space resulted in excess payment of Rs 231,374

Audit pointed out the excess payment during December 1998. In reply the department un-necessarily put up comparison with the previous house for justification. The reply was not tenable as one house of category-I having a covered area of 2500 to 3000 Sft was sufficient for the purpose and according to the demand of the user department. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an investigation in to the matter besides recovery of the amount from the person(s) at fault.

**Para 120** based on D.P. 233Loss of Rs 210,000

Federal lodges I&II Karachi allowed a person to run a canteen in government premises without any return and observation of procedures.

Running of canteen without any charges/returns government put to loss of Rs 210,000.



Audit pointed out the irregularity during June 1998 and reported to the higher authorities in October 1998 and April 1999. An interim reply was given by the department. No further progress was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 121** based on D.P. 17

Loss of Rs 149,688

Estate Office Lahore hired a house for use as office accommodation @ Rs 22,981 per month for covered area of 10420 sft. Later on the rent was enhanced by the Works Division from Rs 22,981 to Rs 29,875 contrary to the recommendations of the Estate Office for enhancement up-to the amount of Rs 25,719.

The erroneous/defective sanction of the Works Division led to a loss of Rs 149,688 to government.

Audit pointed out the loss during December 1998. The department admitted the recovery and ensured for rectification/revision and recovery of loss/excess payment. No further action was, however, reported. The matter was also reported to the administrative secretary in July 1999 .but no reply was received.

**Action required**

Audit advises for an early action toward recovery besides rectification/revision of the sanction as well as disciplinary action against the person(s) responsible.

**Para 122** based on D.P. 309Loss of Rs 121,500

Central Electrical & Mechanical Division-11, Karachi rejected the lowest tender received for a balance work and tenders were reinvited. Again the work was allotted to the lowest bidder after negotiations at higher rates than already received.

Non-award of work at first instance resulted in a loss of Rs 121,500 to government.

Audit pointed out the irregularity during July 1998 and also reported to the higher authorities in October 1998 and April 1999. The department replied that rates were accepted by the Superintending Engineer. The reply was not tenable because the rates at lower side were not accepted at the first instance which resulted in loss of Rs 121,500. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery and appropriate action against the person at fault.

**Para 123** based on D.P. 106Less recovery-of income-tax.worth Rs 85,400

Central Electrical & Mechanical Division-, Peshawar deducted income tax from payments for work done @ 3% instead of revised rate of 5 %.

Recovery of income tax at lesser rates put the government to a revenue loss of Rs 85,400.

Audit pointed out the irregularity during January 1997 and also reported to the higher authorities in June 1997. The department replied that letter for enhancement of rates of income tax was received in 11/95. The reply was not tenable because the revised rates were applicable w.e.f.1.7.95. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

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

**Para 124** based on D.P. 225

Loss of Rs 72,000

Store and Workshop division, Islamabad incurred an expenditure of Rs 72,000 on providing 2 air-conditioners and cooking range in a hired house. As per rules it was the responsibility of owner and not of the government to provide these accessories according to the entitlement of the officer.

Violation of rules resulted in irregular expenditure of Rs 72,000.

Audit pointed out the irregularity during December 1995 and reported to the higher authorities in August 1996. In reply the department admitted that these items had been provided on the orders of the concerned ministry and that these would be taken back when the house would be vacated. The reply was\* not tenable as provision of these items was not the responsibility of the government. The matter was also

Action required

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

reported to the administrative secretary in July 1999 but no reply was received.

**Para 125** based on D.P. 230

Recurring loss in lacs

Federal lodges I&II Karachi granted licence of a government property including utilities at negligible rate instead of awarding through open competition to the highest bidder.

Violation of rules resulted in a recurring loss of lacs of rupees to government.

Audit pointed out the irregularity during June 1998 and reported to the higher authorities in October 1998 and April 1999. The department replied that the matter had been being forwarded to the competent authority for consideration. No further progress was, however, intimated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for early auction of the licences through open bid and making the loss good from the person(s) responsible.

## CHAPTER - 7

### RECOVERABLES

(RS 18.015 MILLION)

**Para 126** based on Draft Para 231 for the year 1998-99

Non-recovery of rent of Rs 4,858,700

Federal Lodges I&II Karachi failed to recover a large amount of rent from various occupants of the Federal Lodge.

Due to non-recovery of rent the government was put to a loss of Rs 4,858,700.

Audit pointed out the non-recovery during June 1998 and also reported to the higher authorities in October 1998 and April 1999. The department replied that efforts were being made for recovery. No progress towards recovery was, however, reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of outstanding amount from the defaulters.

**Para 127 based on D.P. 125**

Non-recovery of cost of material, worth Rs 2,187,700

Project Civil Division-II, Islamabad (Special Education Works Division) paid an advance to various suppliers for supply of steel and cement which they failed to supply.

Due to Non-recovery of the advance payment caused a loss of Rs 2,187,652.

Audit pointed out the irregularity during December 1993 and also reported to the higher authorities in November 1997. No satisfactory reply was furnished by the department. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of the advance payment from the suppliers or person(s) at fault.

**Para 128** based on D.P. 180Less recovery of material worth Rs 1,736,800

Central Civil Division-IV, Islamabad issued a large quantity of cement to a contractor but recovered lesser than issued quantity.

Less recovery of material resulted in loss of Rs 1,736,800 to the Government.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The department replied that recovery of balanced quantity of material would be made from the subsequent bills of the contractor but no progress was shown to audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery.

**Para 129** based on D.P. 132Loss of Rs 1,667,500

Project Civil Division-11, Islamabad allowed advance payment to various cement factories for supply of cement but the factories failed to supply the cement.

Due to non-receipt of cement the government was put to loss of Rs 1,667,500.

Audit pointed out the irregularity during November 1994 and also reported to the higher authorities in March 1995. The department replied that the record was being reconciled and final action would be taken accordingly. No progress/final action was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for making good the loss from the person(s)/recovery from the factories.

**Para 130** based on D.P. 261

Non-recovery of rent worth Rs 1,317,100

In Central Civil Division-I, Quetta heavy amount of room rent charges of Federal Lodges was lying recoverable from various allottees/occupants since long.

Non recovery of rent amounting to Rs 1,317,100 resulted in a heavy loss to the government.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that efforts were being made to recover the outstanding dues. No progress towards recovery was intimated to Audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for immediate to recovery of the heavy amount of rent charges from the person(s) concerned.

**Para 131** based on D.P. 5

Loss of Rs 1,245,860

Estate Office Peshawar did not deduct the income tax from the owners of the hired houses.

Non-deduction of income tax and lack of financial control resulted in loss of Rs 1,245,860 to the public exchequer.

Audit pointed out non-recovery of income tax during November 1995 and October 1997. It was replied that recovery of income tax on the payment beyond one lac during a year had been made. The reply was not tenable because as per rules income tax should have been deducted on the total payment without any exemption. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early recovery of income tax besides disciplinary action against the persons responsible.

**Para 132** based on D.P. 43

Non-recovery of Rs 1,120,134

Estate Office Islamabad did not recover standard rent from allottees of non-entitled departments and unauthorised occupants of government accommodation.

Non-recovery of due rent caused a revenue loss of Rs 1,120,134 besides depriving the rightful and deserving government employees from official accommodation.

Audit pointed out the loss during November 1997. Reply was not furnished by the department despite issuance of repeated reminders. 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 persons responsible.



**Para 133** based on D.P. 30Loss of Rs 712,100 due to non-recovery of standard rent

In Estate Office Rawalpindi the government owned accommodations were provided to the employees of certain non-entitled departments on the basis of standard rent. A huge amount was not recovered from these employees.

Non-recovery of the rent resulted in a loss of Rs 712,100 to the government.

Audit pointed out the loss during June 1998. The department admitted the irregularity and stated that demand bills had been issued to the occupant. No progress towards recovery was reported. 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 persons responsible.

**Para 134** based on D.P. 29Loss of Rs 627,197

Estate Office, Lahore allotted different shops in residential colonies/shopping centers to various persons at different rates of rent but rent of these shops was recoverable since long.

Due to non-receipt of revenue, government was put to a loss of Rs. 627,197.

Audit pointed out the loss during December 1998. The department replied that the notices were being served to the defaulters. No

progress towards recovery/action against defaulters was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for strenuous efforts for recovery of government revenue.

**Para 135** based on D.P. 12

Non-recovery of Rs 396,131

Estate Office Peshawar cancelled allotment of certain houses due to subletting. The Estate Office failed to get vacated the houses and recover the standard rent.

Unauthorized occupation of official accommodation resulted in a revenue loss of Rs 396,631.

Audit pointed out the loss during 1993-94 and 1996-97. The department admitted the recovery. No progress towards recovery was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early recovery besides taking disciplinary action against the persons responsible.

**Para 136** based on D.P. 6

Loss of Rs 265,423 due to non-deduction of income tax

Estate Office, Lahore failed to deduct income tax from the payments made to the owners of the hired houses as provided under the section 50(7) B of Income Tax Ordinance 1979.

Non deduction of income tax resulted in loss of Rs 265,423.

Audit pointed out non recovery during May 1996. 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 responsible persons.

**Para 137** based on D.P. 218

Non-recovery of Rs 256,700

Central Electrical & Mechanical Division-II, Islamabad failed to recover Sui-gas charges from the allottees of government accommodation.

Non recovery of sui-gas charges resulted in to loss of Rs 256,700.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March 1999. No satisfactory reply was furnished by the department. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 138** based on D.P. 7Loss of Rs 207,809 due to non-recovery of income tax

The Estate Office Islamabad did not deduct the income tax from the payments of various owners of building as provided under Rule 50(7-b) of Income Tax Ordinance 1979.

Non-deduction of due income tax resulted in loss of revenue amounting to Rs 207,809.

Audit pointed out the loss during November- 1997. Despite issuance of repeated reminders no reply was received. 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 139** based on. D.P. 33Loss of Rs 106,080 due to non-recovery of difference of rent.

Estate -Office, Islamabad difference of rental ceiling was-not recovered from various allottees of the hired house.

Non-recovery of difference of rental ceiling from allottees resulted in loss of Rs 106,080

Audit pointed out non recovery during September 1996. .It was replied that bills had been issued to the concerned departments but despite expiry of 2 years, no progress was intimated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

Audit advises an early recovery from the person(s) responsible.
---

**Para 140** based on D.P. 161Loss of Rs.140,026

Central Civil Division, Sukkur deducted less Income Tax from a contractor from payments made to him on account of work done.

Less deduction of IncomeTax resulted in loss ofRs 140,026 to government.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The Department stated that reply would be furnished after verification of record, be matter was also reported to the administrative secretary in July 1999 but no reply was received.

Audit required
----------------

Audit advises for early recovery of income tax and proper action against the person at fault.
---

**Para 141** based on D.P. 35Loss of Rs.129,900

Estate Office Islamabad, certain allottees-of hired houses were transferred out side Islamabad. The houses were not got vacated within the permissible, period of six months and assessed rent was also not recovered.

The unauthorised occupation of houses and non-payment of standard rent resulted in non-recovery of Rs 129,900.

Audit pointed out non-recovery during April 1996 and also reported to the higher authorities in January 1997. The Department stated that notices had been issued for recovery. The matter was also reported to the higher authorities. No progress towards recovery was however, reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises immediate recovery from the defaulters.

**Para 142** based on D.P. 45

Loss of Rs 128,833

In Estate Office Rawalpindi rent was outstanding against certain federal government servants due to various reasons since long.

Non-recovery of due rent resulted in loss of Rs 128,883 because the chances for recovery would become slim with the passage of time.

Audit pointed out the loss during February 1998. The department admitted the recovery and promised early recovery. However, no progress towards recovery was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 143** based on D.P. 232Unauthorized allotment of room causing loss worth

Federal Lodges I&II, Karachi made allotment of rooms to unauthorised persons by mis-interpretation of the government orders and dues were also not recovered from them.

Unauthorized allotment and non recovery of dues resulted in loss of Rs 126,300.

Audit pointed out the irregularity during June 1,998 and also reported to the higher authorities in October 1998 and April 1999. The department replied that the efforts were being 'made for recovery. No progress towards recovery was, however, intimated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for action against person(s) at fault and early recovery from the unauthorized allottees or person(s) responsible.

**Para 144** based on D.P. 34Loss of Rs 107,956

In Estate Office Islamabad hired certain houses beyond the ceiling of allottees. The allottees were responsible for payment, of difference of rent, but formation failed to recover amount of difference.

Non recovery of the difference of rental ceiling from .allottees resulted in loss ofRs 107,956.

Audit pointed out non recovery during April 1996. The Department replied that notices had been issued for recovery, but despite expiry of 3 years nothing was reported towards recovery. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early recovery from the persons responsible.

**Para 145** based on D.P. 9

Loss of Rs 102,537 due to non-deduction of income tax

Estate Office, Islamabad failed to deduct income tax from payments made to various owners of hired houses as provided under Section 50(7-b) of Income Tax Ordinance 1979.

Non-deduction of income tax resulted in loss of Rs 102,537.

Audit pointed out the loss during April 1996. No reply was furnished by the department. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Audit required**

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

**Para 146** based on D.P. 234

Short recovery of Rs 100,300

Federal Lodges I&II made the recovery of room rent for a lesser period than actual period of occupation.



Due to less recovery of rent, the Government was put to a loss of Rs 100,300.

Audit pointed out the short recovery during June 1998 and also reported to the higher authorities in October 1998 and April 1999. The department replied that the revised bills for recovery were being sent to the ex-occupants. No progress towards recovery was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery from the ex-occupants, or person(s) responsible.

**Para 147** based on D.P. 10

Less recovery of income tax worth Rs 98,144

Estate Office, Islamabad deducted income tax @5% instead of 7-1/2% as required vide letter No.C.No. 1-167(1)ITP/96 dated 16.7.1996 from payments made to the owner.

Non-deduction of income tax at revised rate resulted in less recovery of Rs 98,144.

Audit pointed out the loss during December 1998. No reply was furnished by the department. The matter was also reported to the administrative secretary<sup>1</sup> in July 1999 but no reply was received.

**Action required**

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

**Para 148** based on D.P. 18Loss of Rs 88,375 due to non-recovery of rent

In Estate Office, Rawalpindi certain officers/officials, who were allotted hired houses, were retired, terminated from service or assumed the charge in non-entitled department. The owners were paid rent even after their retirement/termination/transfer to non-entitled offices.

Continuation of payment of rent even after retirement/termination/transfer of certain officers/officials resulted in loss of Rs 88,375.

Audit pointed out the loss during June 1998. The department admitted the irregularity and stated that demand bills had been issued to the owners. No further action was reported. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early action towards recovery for the outstanding amount of rent.

**Para 149** based on D.P. 208Non-recovery of outstanding dues worth Rs 85,000.

In Central Civil Division-III, Islamabad rent of the Federal Lodges was outstanding against various residents' of these Lodges.

Non-recovery of rent and incurring of expenditure on a private building resulted in loss of Rs 85,000.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in March 1999. The department replied that serious efforts to recover the outstanding dues were being made. No progress towards recovery was intimated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of outstanding rent and disciplinary action against the responsible.

**Para 150** based on D.P. 8

Non-recovery of income, tax, worth Rs 76,610

Estate Office, Islamabad failed to deduct Income tax amounting to Rs 76,610 from the payment to owners of the hired houses as provided under Section 50(7-b) of Income Tax Ordinance 1979.

Non-deduction of income tax resulted in loss of Rs 76,610 to government.

Audit pointed out the loss during January 1997. Reply was not furnished by the department despite expiry of two years. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises an early recovery besides taking disciplinary action against the persons responsible.

**Para 151** based on D.P. 229Loss of Rs.163,500

Federal Lodge-1 & II charged room rent at lesser rates from the occupants.

Charging of less rates of room rent, resulted in loss of Rs 163,500 to government.

Audit pointed out the irregularity during June 1998 and also reported to the higher authorities in October 1998-and April 1999. The department replied that revised bills for recoveries were being prepared. No progress towards recovery, however, was intimated. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 152** based on D.P. 152Non recovery of Rs. 62,600

The Central Civil Division, Larkana did not recover the amount of stamp duty and professional tax imposed, by the Government of Sindh.

Non-affixing of stamps in the contract agreement and non-deduction of professional tax resulted in non-recovery of Rs 62,563(43,063 + 19,500).

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March and April 1999. The department admitted the short recovery but no progress was intimated.

The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery of government dues and fixation of responsibility besides "disciplinary action against the person(s) responsible.

**Para 153** based on D.P. 305

Non -recovery of hire charges.

Central Civil Division, Sargodha was maintaining 3 road rollers but recovery on account of hire charges was not forthcoming.

Non-utilization of machinery/'non-recovery of hire charges resulted in loss of lacs of rupees.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities. No satisfactory reply was furnished by the department. The matter was also reported, to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

## CHAPTER - 8

### OTHERS

(Rs 31.492 Millions)

**Para 154** based on Draft Para 153 for the year 1998-99

Excess payment of Rs 7,094,200

Central Civil Division, Larkana measured/paid for quantities of various items than provided in the technically sanctioned estimates/agreement.

Execution of excess quantities resulted in excess payment of Rs 7,094,200.

Audit pointed out the excess payment during January 1999. The department replied that quantities were increased due to revision in section of foundation. The reply was not tenable because the cost of the project was increased extra ordinarily and no record 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 regularisation of the excess quantity or recovery from the contractor besides disciplinary action against the person(s) at fault.

**Para 155** based on D.P. 196

Excessive expenditure of Rs.4,760,400

Project Civil Division-I, Karachi incurred an expenditure on work-charge establishment in excess of limits, fixed by the government.

Violation of rules resulted in to irregular expenditure of Rs 4,760,400.

Audit pointed out the irregularity during December 1998 and also reported to the higher authorities in April 1999. The department replied that excess expenditure was incurred on the salaries of work charge staff which was inevitable. The reply was not tenable as there was a clear violation of rules. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularization of the excess expenditure from the competent authority besides disciplinary action against the person(s) at fault.

**Para 156** based on D.P. 312

Excess expenditure of -Rs. 4,482,100

Central Civil Division-I, Karachi incurred an expenditure in excess of allocation and administrative approval.

Excess expenditure resulted in irregular expenditure of Rs 4,482,100.

Audit pointed out the irregularity during April 1998 and also reported to the higher authorities in November 1998 and April 1999. The department replied that the scope of the work was enhanced on the request of client department. The reply was not tenable as the same was not supported with documentary evidence. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for early investigation and regularisation of the expenditure so incurred.</p>
---

**Para 157** based on D.P. 250

Irregular acceptance worth Rs 2,937,000.

The Central Civil Division-1, Karachi accepted tenders at much higher rates than administrative approval by the authority.

Acceptance of tenders with high rates resulted in irregular acceptance worth Rs 2,937,000.

Audit pointed out the irregularity during January 1999 and also reported to the authority in March and April 1999. The department promised to furnish reply after it was received from the Assistant Executive Engineer concerned. No further reply was received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit stressed an action against the person(s) at fault.</p>
---

**Para 158** based on D.P. 114

Excess expenditure of Rs 1,657,061

Central Electrical & Mechanical Division, Peshawar incurred an expenditure in excess of budget allocation.

Violation of rules resulted in excess expenditure of Rs 1,657,000.



Audit pointed out the irregularity during January 1997 and also reported to the higher authorities in June 1997. The department replied that excess expenditure was incurred due to payment of salaries of work charged staff. The reply was not tenable as work charge staff was recruited and kept beyond requirements. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises condonation of excess expenditure and reduction of extra work charge staff.

**Para 159** based on D.P. 214 for the year 1998-99

Loss of Rs 1,632,298

Central Civil Division-III, Islamabad was maintaining a rest house in a privately hired building in Islamabad, but receipts on account of rent charges were much lower than expenditure incurred on its repair and maintenance.

Difference in expenditure on maintenance of a rest house and receipt resulted in to loss of Rs 1,632,298.

Audit pointed out the loss during February 1999 and also reported to the higher authorities in March 1999. The department replied that the lodge was hired under approval of the Ministry to facilitate the government officers. The reply was not tenable because a number of government owned lodges were already being maintained for the purpose. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises early abandonment of the rest house to save the government from further loss or increase in the rent charges and its realisation.

**Para 160 based on D.P. 182**Loss of Rs 1,360,900

Central Civil Division-IV, Islamabad purchased certain material after completion of work at higher rates and recovery was made at lesser rates.

Due to recovery at lesser rates, the government was put to a loss of Rs 1,360,900.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The department replied that the work could not be completed in time due to enhancement of the quantum of work and no material was being purchased at higher rates. The reply was not accepted as it was not supported by documentary evidence. Moreover, no extension in time limit was allowed to the contractor. The matter was also reported to the administrative secretary in July 1999 but not reply was received.

**Action required**

Audit advises early recovery from the contractor besides disciplinary action against the responsible.

**Para 161** based on D.P. 384

Unauthorised payment of Rs. 1,313,434

Central Electrical & Mechanical Division. Peshawar carried out external electrification i.e. erection of HT. LT poles, transformer, etc. through private contractor without consultation and approval of WAPDA specialist for this work.

Execution of work through private contractor resulted in irregular payment of Rs 1,313,400.

Audit pointed out the irregularity during February 1998 and reported to the higher authorities in May 1998 and June 1998. The department, in reply, promised to submit detailed reply. No such reply was received. In fact WAPDA was responsible for providing external electrification according to their design and specification. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

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

<p>Audit advises for investigation in the matter with appropriate action and regularisation.</p>
--

**Para 162** based on D.P. 274

Loss of Rs. 1,282,500

Central Civil Division-III, Karachi executed quantities of a work more than provided in the BOQ.

Execution of excessive quantities resulted in a loss of Rs 1,282,500 to government.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in March and April 1999. The department replied that excess quantities would be got approved on finalization of the accounts. Justification for violation of codal rules was, however, not given. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early recovery/regularization of excessive quantities and proper action against the person(s) at fault.

**Para 163** based on D.P. 96

Excess expenditure of Rs 1,093,687

Central Civil Division-III, Peshawar incurred an expenditure in excess of allocation under the head repair of buildings.

Violation of financial rules resulted in irregular expenditure of Rs 1,093,700 over allocation

Audit pointed out the irregularity during February 1998 and also reported to the higher authorities in May 1998. The department replied that the excess was due to non-allocation of funds in the head of pay of work charge staff and payment of salaries was inevitable. The reply was not tenable as the work charge staff was employed more than requirement. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early regularization of the excess expenditure and action against the person(s) responsible.

**Para 164** based on D.P. 98Excess expenditure of Rs 765,110

Central Electrical & Mechanical Division, Islamabad incurred an expenditure on work charge staff in excess of limits prescribed by the Government.

Violation of rules resulted in to irregular expenditure of Rs 765,100.

Audit pointed out the irregularity during March 1997 and also reported to the higher authorities in July 1997 and October 1997. The department replied that excess expenditure was incurred on the salaries of work charge staff which was inevitable. The reply was not tenable as there was a clear violation of rules. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularisation of the excess expenditure from the competent authority besides disciplinary action against the person(s) at fault.

**Para 165** based on D.P. 311 for the year 1998-99Wasteful expenditure of Rs 751,398

Central Electrical & Mechanical Division-11, Karachi purchased tubular poles street lights but the same were not fixed due to unknown reasons.

Non utilization/installation of equipment resulted in wasteful expenditure of Rs 751,398.

Audit pointed out the irregularity during July 1998 and also reported to the higher authorities in October 1998 and April 1999.

The department replied that the work related to peoples programmewhich was suspended by the government and the poles were kept incustody of SDM Hala. The reply was not tenable as no documentary evidence was provided to audit in support of the reply and accountal of material was also 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 for an investigation in the matter for fixing the responsibility and recovery of cost of fixtures.

**Para 166 based on D.P. 165**

Doubtful payment of Rs 495,000.

Central Electrical & Mechanical Division. Lahore made a heavy payment to WAPDA on account of electricity charges, but particulars/details of the electricity bills were missing and it was not recorded in any Measurement Book which could substantiate the payment.

Improper maintenance of record resulted in doubtful payment of Rs 49,500.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in April 1999. The department replied that the cheque/payment was cleared by the treasury and deposited in the bank as well as receipt of the bank was available. The reply was not tenable because complete record was not produced for verification. The

matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises investigation and disciplinary action against the person(s) responsible.

**Para 167** based on D P. 148(A)

Excess payment of Rs 356,091

Store and Workshop Division, Islamabad executed certain items of work in excess quantities.

Execution of excess quantities of items of work resulted in loss of Rs 356,091

Audit pointed out the excess payment during January 1999 and also reported to the higher authorities in March 1999. The department replied that increase in quantities was inevitable and within the permissible limit of excess over technically sanctioned estimate. The reply was not tenable because no documentary proof in support of reply was produced. Further permissible limit over technical sanction estimates was 4.5% instead of 15%. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises early recovery of excess payment from the responsible person(s).

**Para 168** based on D.P. 221Non-remittance of security deposit worth Rs 313,000

In Project Civil Division-II, Islamabad the securities deposit of the contractors, lying unclaimed for more than 3 years were not credited to lapsed deposit.

Non-remittances of lapsed deposits to public exchequer was a serious financial irregularity.

Audit pointed out the irregularity during November 1993 and also reported to the higher authorities in November 1997. The department replied that amount would be deposited in due course of time. The reply was not tenable because after elapsing of 4 years amount should have already been credited to revenue. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularisation of the public revenue besides disciplinary action against the person(s) at fault.

**Para 169** based on D.P. 291Unauthorized expenditure of Rs. 303,600

Central Civil Division (Old), Quetta incurred a heavy expenditure on maintenance of four Nos. vehicles which did not exist on the record. The expenditure was irregular as there was a single vehicle being maintained by the Executive Engineer concerned.

Expenditure on nonexistent vehicles resulted in unauthorized expenditure of Rs 303,600.



Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The department replied that expenditure on 4 Nos. vehicles were incurred when these were in operation and one of those was in the charge of Chief Engineer. The reply was not tenable because the disposal of idle vehicles were not shown to audit, and the maintenance of the vehicle operated by the Chief Engineer from the contingency of development work was irregular. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularisation of the expenditure from competent authority besides disciplinary action against the persons responsible.

**Para 170** based on D.P. 111

Excess payment of Rs 277,692

Central Electrical & Mechanical Division, Quetta an item of work viz. “providing and fixing” of 76 fluorescent tube lights TCS-240 were measured and paid in excess of provision in the PC-I and technically sanctioned estimates.

Payment of work beyond BOQ provision resulted in excess payment of Rs 277,700.

Audit pointed out the excess payment during January 1997 and also reported to the higher authorities in June 1997. The department replied that the revised estimate would be submitted for approval. No progress towards approval of the revised estimate and PC-I was shown to Audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises recovery of excess payment and disciplinary action against the person(s) at fault.

**Para 171** based on D.P. 287

Irregular expenditure of Rs 270,600

Central Civil Division-III, Karachi made excess expenditure over allocation of funds in contravention of the financial rules.

Incurrence of expenditure over allocation resulted in irregular expenditure of Rs 270,600.

Audit pointed out the irregularity during April 1998 and also reported to the higher authorities in August 1998 and April 1999. The department replied that excess was unavoidable as the works were carried out as per site requirements and as per instructions of the client department. The reply was not tenable because the excess expenditure was made without consultation of Finance Division. The source of excess expenditure was also not intimated to Audit. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Audit advises for regularization of the expenditure and action against the responsible officials.

**Para 172** based on D.P. 292

Excess payment, of Rs 181,700

Central Civil Division (Old), Quetta made payment to a

contractor for an item of work in excess of the estimated and designed quantity.

Excess payment for an item of work resulted in loss of Rs 181,700

Audit pointed out the excess payment during February 1999 and also reported to the higher authorities in March 1999. The department replied that quantity of steel was provided by the Director General Pak. PWD. The reply was not tenable as designed quantity should never exceed. The structural design was also not produced for examination. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

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

**Para 173** based on D.P. 258

Excess expenditure of Rs 58,000

Central Civil Division-VI, Khuzdar incurred an excess expenditure on a deposit work.

The government was thus overburdened to the tune of Rs 58,000.

Audit pointed out the irregularity during February 1999 and also reported to the higher authorities in April 1999. The Department stated that the reply would be given after scrutiny of the record. No reply was however, received. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for early investigation and regularization of the expenditure incurred.

**Para 174** based on D.P. 235Irregular expenditure of Rs 54,500

Central Electrical & Mechanical Division-I, Islamabad incurred an expenditure of Rs 54,500 was incurred on repair and maintenance of vehicles and charged to different original works.

Charging of expenditure to original works resulted in irregular expenditure of Rs 54,500.

Audit pointed out the irregularity and reported to the higher authorities in August 1995. The department replied that there was meagre amount in the repair/maintenance head, it was difficult to maintain the vehicles. The irregularity was admitted by the department but not regularised. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

**Action required**

Audit advises for regularisation of the expenditure and disciplinary action against the defaulters.

**Para 175** based on D.P. 156Excess expenditure of Rs 52,000

Central Electrical & Mechanical Division-II, Lahore incurred expenditure in excess over budget allocation.

Violation of rules resulted in irregular expenditure of Rs 52,000.

Audit pointed out the irregularity during January 1999 and also reported to the higher authorities in April 1999. The department replied that excess expenditure was incurred for payment of salaries to the work

charged drivers and was met out of saving of other heads of accounts. The reply was not tenable as re-appropriation was made without the sanction of the competent authority. The matter was also reported to the administrative secretary in July 1999 but no reply was received.

Action required

Audit advises for regularisation of the excess expenditure from the competent authority.



**SECTION -III****FINANCIAL POSITION OF AUDIT REPORT AND MEFDAC**

Name of Audit Office: Director General Audit (Works), Lahore.  
 Name of Department/Ministry: Pakistan Public Works Department  
 (Ministry of Housing & Works)  
 Audit Report for the year: 1998-99.

Annex	Particular/results of discussion	No. of Para	Amount Involved (Million Rupees)
A	Observations issued during audit	602	483.510
B	Paras settled after discussion with the head of office	41	26.797
B-1	Settled after verification of record.	40	26.797
B-2	Settled after regularisation	-	-
B-3	Settled after recovery made	1	0.097
	Total paras reported in AIR as	561	456.713
	a) Ordinary paras	116	27.685
	b) Advance paras	445	429.028
	Balance of advance paras carried forward for DAC		
C	Paras settled after DAC/ in office		
C-1	Settled after verification of record		
C-2	Settled after regularization		
C-3	Settled after recovery made		
	Balance	445	429.028
D	Para settled under court decision	-	-
B+C+D	Total paras settled	41	26.797
E	Paras pending for verification of record	192	166.410
F	Paras pending for regularization	214	256.593
G	Paras pending for recovery	39	6.025
H	Para pending for court decision	-	-
E+F+G+H	Total paras pending	445	429.028
I	Pending being clear cut embezzlement Cases (already included in E to H above)		
J	Paras pretend in audit report	135	237.176
B-3+C-3+G	Recoveries at the instance of audit (made or ordered)	31	3.080

- **Previous year**
- 48 Draft Paras based on 54 A.Ps.
- 87 Draft Paras based on 89 A.Ps for 1998-99





**ANNEXURE-A**

# **PAC DIRECTIVES**

**(ACTIONABLE POINTS)**

Actionable points arising from discussion of the meeting of Sub-Committee-I of Public Accounts Committee, held on 6<sup>th</sup> May, 2015 for examination of Appropriation Accounts/Audit Reports/Special Audit Reports for the years 1998-99 of Ministry of Housing & Works as below:-

**DIRECTOR GENERAL AUDIT WORKS (FEDERAL),  
ISLAMABAD**

3. i) **PARA 38 , PAGE 36-37, AR 1998-99**  
**OVERPAYMENT DUE TO IRREGULAR**  
**ENHANCEMENT OF RENT OF RS.0.105 MILLION**

Audit pointed out that estate Office, Rawalpindi enhanced the rent of a hired house with retrospective effect instead of actual date of entitlement.

The irregular enhancement of rent resulted in overpayment of Rs.105,020/-. Further Audit also inform that the Para no. 78, 81, 136, 138, 144, 145, 147, 148, and 150 are of similar nature regarding the over payment and are clubbed together.

PAO stated that during the incident of Lal Masjid, the record have been burnt out and the Estate Office unable to trace out the record so far. However, efforts are still in progress to complete the record from the record of other allied departments.

ii) **PARA 78 , PAGE 63-64, AR 1998-99**  
**LOSS DUE TO IRREGULAR ENHANCEMENT OF RENT**  
**RS. 1.029 MILLION**

Audit pointed out that Housing and Works Ministry/Division hired an Office accommodation at a rent of Rs.5 per Sft. This was enhanced to Rs.7.50 per sft with retrospective effect prior to the expiry of lease period in relaxation of rules as a special case.

Irregular enhancement of rent resulted in loss of Rs.1,028,700.

- iii) **PARA 81, PAGE 65-66, AR 1998-99**  
**UNAUTHORIZED PAYMENT OF RS.0.683 MILLION**  
Audit pointed out Housing and Works Division hired a commercial building for use as Office Accommodation. The rent of the building was enhanced from Rs.94,865/- Per month to Rs.142,297.50 per month in contravention of the prevalent rules.  
  
Irregular enhancement of rent caused a loss of Rs.683,028/- to Government.
- iv) **PARA 136, PAGE 102-103, AR 1998-99**  
**LOSS OF RS.0.265 MILLION DUE TO NON-DEDUCTION OF INCOME TAX**  
Audit pointed out Estate Office Lahore failed to deduct income tax from the payments made to the owners of the hired houses as provided under the section 50(7) B of Income Tax Ordinance 1979.
- v) **PARA 138, PAGE 104, AR 1998-99**  
**LOSS OF RS.0.208 MILLION DUE TO NON-RECOVERY OF INCOME TAX**  
Audit pointed out The Estate Office Islamabad did not deduct the income tax from the payments of various owners of building as provided under Rule 50(7-b) of Income Tax Ordinance 1979.  
  
Non deduction of due income tax resulted in loss of revenue amounting to Rs.207,809
- vi) **PARA 144, PAGE 107-108, AR 1998-99**  
**LOSS OF RS.0.108 MILLION**  
Audit pointed out In Estate Office Islamabad hired certain houses beyond the ceiling of allottees. The allottees were responsible for payment of difference of rent, but formation failed to recover amount of difference.  
  
Non recovery of the difference of rental ceiling from allottees resulted in loss of Rs.107,956.
- vii) **PARA 145, PAGE 108, AR 1998-99**  
**LOSS OF RS.0.103 MILLION DUE TO NON-DEDUCTION OF INCOME TAX**  
Audit pointed out Estate Office Islamabad failed to deduct income tax from payments made to various owners of hired houses as provided under Section 50(7-b) of Income Tax Ordinance 1979.

Non deduction of income tax resulted in loss of Rs.102,537.

viii) **PARA 147, PAGE 109, AR 1998-99**  
**LESS RECOVERY OF INCOME TAX WORTH RS.0.098 MILLION**

Audit pointed out Estate office Islamabad deducted income tax @ 5% instead of 7-1/2% as required vide letter No.C.No.1-167(1)ITP/96 dated 16/07/1996 from payments made to the owner.

Non deduction of income tax at revised rate resulted in less recovery of Rs.98,144.

ix) **PARA 148, PAGE 110, AR 1998-99**  
**LOSS OF RS.0.088 MILLION DUE TO NON-RECOVERY OF RENT**

Audit pointed out in Estate Office, Rawalpindi, certain officers/officials, who were allotted hired houses, were retired, terminated from service or assumed the charge in non-entitled department. The owners were paid rent even after their retirement/termination/transfer to non-entitled offices. Continuation of payment of rent even after retirement/termination/transfer of certain officers/officials resulted in loss of Rs.88,375.

x) **PARA 150, PAGE 111, AR 1998-99**  
**NON RECOVERY OF INCOME OF INCOME TAX WORTH RS.0.077 MILLION**

Audit pointed out Estate Office, Islamabad failed to deduct Income Tax amounting to Rs.76,610/- from the payment to owners of the hired houses as provided under Section 50(7-b) of Income Tax Ordinance 1979.

Non deduction of income tax resulted in loss of Rs.76,610/- to Government.

**PAC DIRECTIVE**

The Sub-Committee recommended the above mentioned ten (10) Paras for settlement subject to verification of record within one (01) month under intimation to Audit and PAC.

4. i) **PARA 57, PAGE 49- AR 1998-99**  
**LOSS OF RS.14.210 MILLION**

Audit pointed out in Central Electrical & Mechanical Division, Islamabad reading of sub-gas meters installed at certain colonies differed from reading of gas meter installed for main supply. Payments of gas charges to SNGPL were made for larger units at higher rates whereas the recovery was effected on lesser rates and for less quantity. Due to difference in reading of gas meters and applying lesser rates the government was put to a loss of Rs.14,210,200.

PAO stated that the Wafaqi Mohtasib has ordered that the gas distribution system and installation should have been handed over to SNGPL and gas consumption charges paid by the allottees individually on the basis of meter reading, consequently payment to Rs. 2,873,700/- was made to SNGPL in June 1999 for laying of pipe line for quarter wise gas supply but no further action by the department (SNGPL) has been shown in black & white. The matter was still being pursued with SNGPL for implementation of order of Wafaqi Mohtasib.

PAO further briefed that DAC recommended that the write-off case in this regard be moved to Finance Division to settle the issue which the Ministry has already moved to the Finance Division and correspondence still in progress.

ii) **PARA 137, PAGE 103- AR 1998-99**  
**NON RECOVERY OF RS.0.257 MILLION**

Audit pointed out that central E/M Division-II, Islamabad failed to recover Sui-Gas charges from the allottees of government accommodation.

Non-recovery of Sui-gas charges resulted into loss of Rs.256,700.

**PAC DIRECTIVE**

The Sub-Committee recommended the above mentioned two (02) Paras for settlement subject to write off the amount from the Finance Division under intimation to Audit and PAC.

5. **PARA 65 , PAGE 55-56 - AR 1998-99**  
**MISS APPROPRIATION OF PUBLIC MONEY WORTH**  
**RS.7.000 MILLION**

Audit pointed out that project Civil Division-II, Islamabad received a grant of Rs.7,000,000/- from the Director People's Works Program, (Ministry of Local Government Lahore). Further another grant of Rs.7,000,000/- was received for same project. The Divisional Officer deposited the second grant into PLA-I (the divisional offices functional head), instead of refunding to the concerned department. Improper handling of the Government money resulted in mis-appropriation of Rs.7,000,000.

PAO stated that basically it was the People Works Program and the amount in question was spent on the salary of the work charged employees and the other liabilities. He further stated that, the issue of the work charged employees have already been taken up with Finance Division for the creation of post but the case is still pending there. On question, PAO briefed that Pak.PWD has about 7000 work charge employees recruited by the then Xen- of the different divisions upto 2008 and their appointments were not made by adopting the proper procedures.

**PAC DIRECTIVE**

The Sub-Committee pended the Para subject to verification of the record. The Committee also directed the PAO to inquire the matter through a inquiry committee and fix responsibility under intimation to PAC and Audit within two (02) weeks.

6. i) **PARA 70 , PAGE 58 - AR 1998-99**  
**IRREGULAR EXPENDITURE OF RS. 2.797 MILLION**

Audit pointed out that Pak PWD's Divisions incurred expenditure on POL and charged to different heads instead of its proper head of Accounts. Charging of expenditure to the irrelevant head resulted in misclassification of expenditure of Rs.2,796,700/-. Audit also informed that the Para 97 is also clubbed with the instant Para due to similar nature.

PAO stated that 2% of contingency funds were approved by the Federal Development Committee to spent on POL, copy of the approval of FDC can be provided to the Audit.

ii) **PARA 97, PAGE 76- AR 1998-99**

**IRREGULAR EXPENDITURE OF RS.0.110 MILLION**

Audit pointed out that Central E/M Division-I of Pak PWD Islamabad utilized development funds for running and maintenance of vehicles.

Utilization of development funds for repair and maintenance of vehicles resulted in irregular expenditure of Rs.110,180/-

**PAC DIRECTIVE**

The Sub-Committee recommended the above mentioned two (02) Paras for settlement subject to verification of record under intimation to PAC.

7. i) **PARA 99, PAGE 103- AR 1998-99**

**RECURRING LOSS OF RS.25.107 MILLION**

Audit pointed out that in Central Civil Division No.III, Islamabad recruited a large number of work charge staff un-necessarily beyond actual requirement. Violations of rules resulted in irregular expenditure and recurring loss of Rs.25,107,396/- audit also stated that Para 100 to 108, 155, 156, 158, 163, 164 and 175 are of similar nature and clubbed together with the instant Para.

PAO stated that the amount in question was spent on the salary of the work charged employees and on the other liabilities. He further stated that, the issue of the work charge employees has already been taken-up with Finance Division for the creation of posts, as they are enjoying all facilities of regular employees i.e pension, medical facilities etc. On question, PAO briefed that Pak.PWD has about 7000 work charged employees recruited by the then X-en of the different divisions upto 2008 and their appointments were not made in accordance of proper procedures. Further Pak-PWD received about 71 million annually for maintenance which spent on the salary of said employees.

PAO proposed that the complete list of employees will be submitted to PAC for onward submission to Cabinet Division with appropriate direction. Further requested to give sufficient time to scrutinize the record in this context.

ii) **PARA 100, PAGE 78-79- AR 1998-99**

**RECURRING LOSS OF RS.9.347 MILLION**

Audit pointed out that project E/M.Division, Islamabad incurred heavy expenditure on the payment of salaries of work charge staff regularly and unnecessarily.

Due to unnecessary recruitment/retention of staff government was put to a loss of Rs.9,347,328/-per annum.

iii) **PARA 101, PAGE 79- AR 1998-99**

**RECURRING LOSS ON WORK CHARGE STAFF OF RS.9.166 MILLION**

Audit pointed out that in Central Civil Division No.IV, Islamabad recruited a large number of work charge staff un-necessarily beyond actual requirement. Recruitment/retention beyond requirement resulted in irregular expenditure and recurring loss of Rs.9,165,700/-

iv) **PARA 102, PAGE 80- AR 1998-99**

**RECURRING LOSS ON WORK CHARGE STAFF OF RS.5.729 MILLION**

Audit pointed out that in Project Civil Division No.II, Islamabad paid an amount on account of pay and allowances of work charge staff after completion of the works. Retention of work-charged staff after completion of works resulted in a loss of Rs.5,729,100/-

v) **PARA 103, PAGE 80-81 -AR 1998-99**

**UN-JUSTIFIED EXPENDITURE ON WORK CHARGE STAFF OF RS.4.828 MILLION**

Audit pointed out that Central Electrical & Mechanical Division No.II, Lahore incurred a heavy expenditure for payment to idle work charge staff. Due to unjustified expenditure Government suffered a loss of Rs.4,827,870.

vi) **PARA 104, PAGE 80-81 -AR 1998-99**

**UN-JUSTIFIED PAYMENT ON WORK CHARGE STAFF OF RS.4.411 MILLION**

Audit pointed out that in Central Electrical & Mechanical Division No.II, Islamabad work-charged staff employed for



specific works on completion of these works to the repair/maintenance works which was irregular and unjustified. Violation of rules resulted in loss of Rs.4,411,200 to the Government.

vii) **PARA 105, PAGE 82 -AR 1998-99**  
**RECURRING LOSS ON WORK CHARGE STAFF OF RS.3.794 MILLION**

Audit pointed out that in Central Electrical & Mechanical Division No.I, Islamabad incurred an expenditure on pay and allowances of work charge staff during 1997-98 without actual requirement. Un-necessary recruitment and retention of work charge staff resulted in recurring loss of Rs.3,793,600/- to the public exchequer.

viii) **PARA 106, PAGE 83 -AR 1998-99**  
**LOSS ON WORK CHARGE STAFF OF RS.3.433 MILLION**

Audit pointed out that Project Civil Division No.I, Islamabad incurred an-expenditure of Rs.3,433,140/- on pay and allowances of work charge staff recruited beyond requirement. Excess recruitment of work charge staff resulted in loss of Rs.3,433,140/-

ix) **PARA 107, PAGE 83-84 -AR 1998-99**  
**UN-JUSTIFIED PAYMENT ON WORK CHARGE STAFF OF RS.3.340 MILLION**

Audit pointed out that Central Civil Division No.II, Peshawar made a payment to work charge staff employed on different enquiry offices, for maintenance of buildings in the presence of regular staff.

Un-necessary employment of work charged staff resulted in unjustified payment of Rs.3,340,000/-

x) **PARA 108, PAGE 84 -AR 1998-99**  
**UN-JUSTIFIED EXPENDITURE ON WORK CHARGE STAFF OF RS.2.813 MILLION**

Audit pointed out that Central Electrical & Mechanical Division No.II, Lahore incurred heavy expenditure on work charge staff during 1997-98. The surplus staff was required to be laid off. Non-observance of financial propriety resulted in unjustified expenditure of Rs.2,812,800/-

- xi) **PARA 155, PAGE 114-115- AR 1998-99**  
**EXCESSIVE EXPENDITURE OF RS. 4.760 MILLION**  
Audit pointed out that PCD-I Karachi incurred an expenditure on work-charge established in excess of limits, fixed by the government.
- Violation of rules resulted in to irregular expenditure of Rs.4,760,400/-.
- xii) **PARA 156, PAGE 115-116- AR 1998-99**  
**EXCESS EXPENDITURE OF RS.4.482 MILLION**  
Audit pointed out that CCD-1 Karachi incurred expenditure in excess of allocation and administrative approval.
- Excess expenditure resulted in irregular expenditure of Rs.4,482,100.
- xiii) **PARA 158, PAGE 116-117- AR 1998-99**  
**EXCESS EXPENDITURE OF RS.1.657 MILLION**  
Audit pointed out that Central E/M Division Peshawar incurred expenditure in excess of budget allocation.
- Violation of rules resulted in excess expenditure of Rs.1,657,000.
- xiv) **PARA 163, PAGE 120- AR 1998-99**  
**EXCESS EXPENDITURE ON WORK CHARGE STAFF OF RS.1.094 MILLION**  
Audit pointed out that CCD-III Peshawar incurred expenditure in excess of allocation under the head repair of buildings.
- Violation of financial rules resulted in irregular expenditure of Rs.1,093,700/- over allocation.
- xv) **PARA 164, PAGE 121- AR 1998-99**  
**EXCESS EXPENDITURE ON WORK CHARGE STAFF OF RS.0.765 MILLION**  
Audit pointed out that the Central Electrical & Mechanical Division, Islamabad incurred an expenditure on work charge staff in excess of limits prescribed by the Government.
- Violation of rules resulted in to irregular expenditure of

Rs.765,100.

xvi) **PARA 175, PAGE 128-129- AR 1998-99**

**EXCESS EXPENDITURE OF RS.0.052 MILLION**

Audit pointed out that C. E/M Division-II, Lahore incurred expenditure from in excess over budget allocation.

Violation of rules resulted in irregular expenditure of Rs.52,000.

**PAC DIRECTIVE**

The Sub-Committee pended the above mentioned sixteen (16) Paras and directed the PAO to take-up the case of work charged employees with Cabinet Division within one (01) month after preparing the complete list under intimation to PAC.

8. i) **PARA 126, PAGE 96-97- AR 1998-99**

**NON RECOVERY OF RENT OF RS.4.859 MILLION**

Audit pointed out that Federal Lodges I & II Karachi failed to recover a large amount of rent from various occupants of the Federal Lodge.

Due to non-recovery of rent the government was put to a loss of Rs.4,858,700/- Audit also informed that Para 130 is also clubbed with instant Para due to similar nature.

PAO stated that the list of defaulters has already been furnished to National Assembly, Senate Secretariat and the department concerned repeatedly but it was not avail. PAO also informed that the said list was published in the newspaper at the time of general election and the recovery was made from those who were contesting the election but the rest of the recovery is not still cleared.

ii) **PARA 130, PAGE 96-99- AR 1998-99**

**NON RECOVER OF RENT WORTH RS.1.317 MILLION**

Audit pointed out in CCD-I Quetta heavy amount of room rent charges of Federal Lodges was lying recoverable from various allottees/occupants since long.

Non recovery of rent amounting to Rs.1,317,100/- resulted in a heavy loss to the Government .

### **PAC DIRECTIVE**

The Sub-Committee pended the above mentioned two (02) Paras and directed the PAO to prepare the list of defaulters and sent it to the concerned department for recovery within one (01) month under intimation to Audit and PAC.

9. i. **PARA 03, PAGE 11-12- AR 1998-99**  
**MISAPPROPRIATION OF RS.1.178 MILLION**
- ii. **PARA 07, PAGE 15- AR 1998-99**  
**MISAPPROPRIATION OF MATERIAL WORTH RS.0.701**  
**MILLION**
- iii. **PARA 18 E.O, PAGE 23- AR 1998-99**  
**OVER PAYMENT OF RS.1.584 MILLION**
- iv. **PARA 28, PAGE 29-30- AR 1998-99**  
**OVERPAYMENT OF RS. 0.170 MILLION**
- v. **PARA 31, PAGE 31-32- AR 1998-99**  
**OVERPAYMENT OF RS.0. 142 MILLION**
- vi. **PARA 43, PAGE 40- AR 1998-99**  
**OVERPAYMENT OF RS.0.088 MILLION**
- vii. **PARA 44, PAGE 40-41- AR 1998-99**  
**OVERPAYMENT OF RS.0.088 MILLION**
- viii. **PARA 51, PAGE 45- AR 1998-99**  
**OVERPAYMENT OF RS.0.069 MILLION**
- ix. **PARA 53, PAGE 46-47- AR 1998-99**  
**OVERPAYMENT OF RS.0.063 MILLION**
- x. **PARA 58 E.O, PAGE 50- AR 1998-99**  
**LOSS OF RS.0.604 MILLION**
- xi. **PARA 59 E.O, PAGE 50-51- AR 1998-99**  
**NON RECOVERY OF RS.0.597 MILLION DUE TO**  
**UNAUTHORIZED RETENTION OF DOUBLE**  
**GOVERNMENT ACCOMMODATION.**
- xii. **PARA 61 E.O, PAGE 52- AR 1998-99**  
**LOSS OF RS.0.300 MILLION**
- xiii. **PARA 66, PAGE 55-56- AR 1998-99**  
**NON REMITTANCE OF RS.4.286 MILLION**
- xiv. **PARA 67 E.O, PAGE 56- AR 1998-99**  
**LOSS OF RS.4.028 MILLION**
- xv. **PARA 72, PAGE 59- AR 1998-99**  
**IRREGULAR EXPENDITURE OF RS.2.566 MILLION**
- xvi. **PARA 74 E.O, PAGE 60-61- AR 1998-99**  
**LOSS DUE TO NON-RECOVERY OF STANDARD RENT**  
**AMOUNTING TO RS.2.229 MILLION**

- xvii. PARA 75 , PAGE 61- AR 1998-99  
IRREGULAR PAYMENT OF RS. 2.177 MILLION
- xxviii. PARA 76 E.O , PAGE 62- AR 1998-99  
LOSS DUE TO NON-CHARGING OF STANDARD RENT  
AMOUNTING TO RS.2.068 MILLION
- xix. PARA 79 , PAGE 64- AR 1998-99  
EXCESS EXPENDITURE OF RS. 0.861 MILLION
- xx. PARA 82 , PAGE 66-67- AR 1998-99  
IRREGULAR PAYMENT OF RS.0.636 MILLION
- xxi. PARA 84 E.O, PAGE 66-67- AR 1998-99  
NON-CHARGING OF STANDARD RENT WORTH  
RS.0.597 MILLION
- xxii. PARA 87, PAGE 70- AR 1998-99  
NON-FORFEITURE OF EARNEST MONEY RS. 0.337  
MILLION
- xxiii. PARA 91 E.O, PAGE 72-73- AR 1998-99  
LOSS DUE TO UNAUTHORIZED OCCUPATION WORTH  
RS.0.261 MILLION
- xxiv. PARA 93 E.O, PAGE 74- AR 1998-99  
LOSS DUE TO IRREGULAR ALLOTMENT OF HOUSE  
RS.0.167 MILLION
- xxv. PARA 94 E.O, PAGE 74-75- AR 1998-99  
NON-CHARGING OF STANDARD RENT RS.0.129  
MILLION
- xxvi. PARA 96 E.O, PAGE 75-76- AR 1998-99  
LOSS OF RS.0.118 MILLION DUE TO UNAUTHORIZED  
OCCUPATION OF HOUSE
- xxvii. PARA 109 E.O, PAGE 85- AR 1998-99  
LOSS DUE TO HIRING EXCESS AREAS WORTH  
RS.2.416 MILLION
- xxviii. PARA 111 E.O, PAGE 86-87- AR 1998-99  
EXCESS PAYMENT DUE TO HIRING EXCESS AREA  
WORTH RS.1.033 MILLION
- xxix. PARA 113, PAGE 87-88- AR 1998-99  
UNAUTHORIZED EXPENDITURE OF RS.0.715 MILLION
- xxx. PARA 114 E.O, PAGE 88- AR 1998-99  
LOSS OF RS.0.594 MILLION
- xxxi. PARA 115 E.O, PAGE 89- AR 1998-99  
LOSS DUE TO HIRING OF EXCESS AREA WORTH  
RS.0.449 MILLION

- xxxii. PARA 118, PAGE 91- AR 1998-99  
IN-FRUCTUOUS EXPENDITURE RS.0.237  
MILLION
- xxxiii. PARA 121 E.O, PAGE 93- AR 1998-99  
LOSS OF RS.0.150 MILLION
- xxxiv. PARA 123, PAGE 94-95- AR 1998-99  
LESS RECOVERY OF INCOME TAX WORTH RS.0.085  
MILLION
- xxxv. PARA 127, PAGE 97- AR 1998-99  
NON RECOVERY OF COST OF MATERIAL WORTH RS.  
2.188 MILLION
- xxxvi. PARA 131 E.O, PAGE 99-100- AR 1998-99  
LOSS OF RS.1.246 MILLION
- xxxvii. PARA 132 E.O, PAGE 100- AR 1998-99  
NON RECOVERY OF RS.1.120 MILLION
- xxxviii. PARA 133 E.O, PAGE 101- AR 1998-99  
LOSS OF RS.0.712 MILLION DUE TO NON-RECOVERY  
OF STANDARD RENT.
- xxxix. PARA 134 E.O, PAGE 101-102- AR 1998-99  
LOSS OF RS.0.627 MILLION
- xl. PARA 135 E.O, PAGE 102- AR 1998-99  
NON RECOVERY OF RS.0.396 MILLION
- xli. PARA 139 E.O, PAGE 104-105- AR 1998-99  
LOSS OF RS.0.106 MILLION DUE TO NON-RECOVERY  
OF DIFFERENCE OF RENT
- xlii. PARA 141 E.O, PAGE 105-106- AR 1998-99  
LOSS OF RS.0.130 MILLION
- xliii. PARA 142 E.O, PAGE 106- AR 1998-99  
LOSS OF RS.0.129 MILLION
- xliv. PARA 146, PAGE 108-109- AR 1998-99  
SHORT RECOVERY OF RS.0.100 MILLION
- xlv. PARA 149, PAGE 110-111- AR 1998-99  
NON-RECOVERY OF OUTSTANDING DUES  
WORTH RS.0.085 MILLION
- xlvi. PARA 151, PAGE 112- AR 1998-99  
LOSS OF RS.0.064 MILLION
- xlvii. PARA 152, PAGE 112-113- AR 1998-99  
NON-RECOVERY OF RS.0.063 MILLION
- xlviii. PARA 153, PAGE 113- AR 1998-99  
NON-RECOVERY OF HIRE CHARGES
- xlix. PARA 154, PAGE 114- AR 1998-99

- EXCESS PAYMENT OF RS.7.094 MILLION**
- i. **PARA 157, PAGE 116- AR 1998-99**  
**IRREGULAR ACCEPTANCE OF TENDER WORTH**  
**RS.2.937 MILLION**
- ii. **PARA 169, PAGE 124-125- AR 1998-99**  
**UNJUSTIFIED EXPENDITURE OF RS.0.304 MILLION**
- iii. **PARA 171, PAGE 126- AR 1998-99**  
**IRREGULAR EXPENDITURE OF RS.0.271 MILLION**
- liii. **PARA 173, PAGE 127- AR 1998-99**  
**EXPENDITURE OF RS.0.058 MILLION**

**PAC DIRECTIVE**

The Sub-Committee recommended the above mentioned fifty three (53) Paras subject to verification of record under intimation to PAC.

Note: A correction has been proposed by Audit, as above 53 paras are recommended for pursuance at DAC level conveyed vide letter No. DGAWF/PAC-III/PPWD&EO/Audit Report/1998-99/1668 dated 10.02.2016.

- 8. **PARA 1, P.PWD, PAGE 11- AR 1998-99**
- i. **MISAPPROPRIATION OF RS. 3.369 MILLION**
- ii. **PARA 2, P.PWD, PAGE 12- AR 1998-99**  
**NON-ACCOUNTAL OF RS.1.531 MILLION**
- iii. **PARA 4, P.PWD, PAGE 13- AR 1998-99**  
**NON- ACCOUNTAL OF MATERIAL WORTH RS. 1.025**  
**MILLION**
- iv. **PARA 5, P.PWD, PAGE 14- AR 1998-99**  
**IRREGULAR EXPENDITURE OF RS.0.844 MILLION**
- v. **PARA 6, P.PWD, PAGE 14-15- AR 1998-99**  
**MISAPPROPRIATION OF MATERIAL WORTH RS. 0.843**  
**MILLION**
- vi. **PARA 8 P.PWD, PAGE 16- AR 1998-99**  
**MISAPPROPRIATION OF MATERIAL WORTH RS.0.622**  
**MILLION**
- vii. **PARA 9 P.PWD, PAGE 16-17- AR 1998-99**  
**MISAPPROPRIATION OF RS. 0.472 MILLION**
- viii. **PARA 10 P.PWD, PAGE 17- AR 1998-99**  
**MISAPPROPRIATION OF RS.0.449 MILLION**
- ix. **PARA 11 P.PWD, PAGE 18- AR 1998-99**  
**NON ACCOUNTAL OF MATERIAL OF RS. 0.340**  
**MILLION**

- x. **PARA 12 P.PWD, PAGE 18-19- AR 1998-99**  
**MISAPPROPRIATION OF RS.0.220 MILLION**
- xi. **PARA 13 P.PWD, PAGE 19 - AR 1998-99**  
**NON ACCOUNTAL OF RS.0.185 MILLION**
- xii. **PARA 14 P.PWD, PAGE 20 - AR 1998-99**  
**NON ACCOUNTAL OF MATERIAL WORTH RS.0.078**  
**MILLION**
- xiii. **PARA 15 P.PWD, PAGE 20-21- AR 1998-99**  
**MISAPPROPRIATION OF DISMANTLED MATERIAL**  
**AMOUNTING TO RS.0.055 MILLION**
- xiv. **PARA 16 P.PWD, PAGE 21-22- AR 1998-99**  
**LOSS TO GOVERNMENT WORTH RS.0.422 MILLION**
- xv. **PARA 17 P.PWD, PAGE 22 - AR 1998-99**  
**OVERPAYMENT OF RS. 5.775 MILLION**
- xvi. **PARA 19 P.PWD, PAGE 23-24 - AR 1998-99**  
**OVERPAYMENT OF RS. 0.605 MILLION**
- xvii. **PARA 20 P.PWD, PAGE 24 - AR 1998-99**  
**OVERPAYMENT OF RS.0. 560 MILLION**
- xviii. **PARA 21 P.PWD, PAGE 25 - AR 1998-99**  
**OVERPAYMENT OF RS. 0.319 MILLION**
- xix. **PARA 22 P.PWD, PAGE 25-26 - AR 1998-99**  
**OVERPAYMENT OF RS.0.295 MILLION**
- xx. **PARA 23 P.PWD, PAGE 26 - AR 1998-99**  
**OVERPAYMENT OF RS.0. 293 MILLION**
- xxi. **PARA 24 P.PWD, PAGE 27 - AR 1998-99**  
**OVERPAYMENT OF RS.0.283 MILLION**
- xxii. **PARA 25 P.PWD, PAGE 27-28 - AR 1998-99**  
**OVERPAYMENT OF RS.0.238 MILLION**
- xxiii. **PARA 26 P.PWD, PAGE 28-29 - AR 1998-99**  
**OVERPAYMENT OF RS.0181 MILLION**
- xxiv. **PARA 27 P.PWD, PAGE 29 - AR 1998-99**  
**OVERPAYMENT OF RS.0.L70 MILLION**
- xxv. **PARA 29 P.PWD, PAGE 30-31 - AR 1998-99**  
**OVERPAYMENT OF RS. 0.169 MILLION**
- xxvi. **PARA 30 P.PWD, PAGE 31 - AR 1998-99**  
**OVERPAYMENT OF RS.0. 153 MILLION**
- xxvii. **PARA 32 P.PWD, PAGE 32 - AR 1998-99**  
**OVERPAYMENT OF RS.0.135 MILLION**
- xxviii. **PARA 33 P.PWD, PAGE 33 - AR 1998-99**  
**OVERPAYMENT OF RS. 0.130 MILLION**
- xxix. **PARA 34 P.PWD, PAGE 34 - AR 1998-99**  
**OVERPAYMENT OF RS.0.124 MILLION**



- xxx. PARA 35 P.PWD, PAGE 35 - AR 1998-99  
UNAUTHENTICATED PAYMENT OF RS.0.109 MILLION
- xxxvi. PARA 36 P.PWD, PAGE 35-36 - AR 1998-99  
OVERPAYMENT OF RS.0.108 MILLION
- xxxvii. PARA 37 P.PWD, PAGE 36 - AR 1998-99  
OVERPAYMENT OF RS.0.106 MILLION
- xxxviii. PARA 39 P.PWD, PAGE 37 - AR 1998-99  
OVERPAYMENT OF RS.0.101 MILLION
- xxxix. PARA 40 P.PWD, PAGE 38 - AR 1998-99  
OVER PAYMENT OF RS.0.094 MILLION
- xl. PARA 41 P.PWD, PAGE 38-39 - AR 1998-99  
OVERPAYMENT OF RS.0.090 MILLION
- xli. PARA 42 P.PWD, PAGE 39 - AR 1998-99  
OVERPAYMENT OF RS.0.098 MILLION
- xlii. PARA 45 P.PWD, PAGE 41-42 - AR 1998-99  
OVERPAYMENT OF RS.0.085 MILLION
- xliiii. PARA 46 P.PWD, PAGE 42 - AR 1998-99  
OVERPAYMENT OF RS.0.083 MILLION
- xliiiii. PARA 47 P.PWD, PAGE 42-43 - AR 1998-99  
OVER-PAYMENT OF RS.0.074 MILLION
- xl. PARA 48 P.PWD, PAGE 43 - AR 1998-99  
OVERPAYMENT OF RS.0.074 MILLION
- xli. PARA 49 P.PWD, PAGE 44 - AR 1998-99  
UNDUE PAYMENT OF RS.0.071 MILLION
- xlii. PARA 50 P.PWD, PAGE 44-45 - AR 1998-99  
OVERPAYMENT OF RS. 0.069 MILLION
- xliiii. PARA 52 P.PWD, PAGE 46 - AR 1998-99  
OVERPAYMENT OF RS.0.066 MILLION
- xliv. PARA 54 P.PWD, PAGE 47 - AR 1998-99  
OVERPAYMENT OF RS. 0.061 MILLION
- xlv. PARA 55 P.PWD, PAGE 48 - AR 1998-99  
OVERPAYMENT OF RS.0.060 MILLION
- xlvi. PARA 56 P.PWD, PAGE 48-49 - AR 1998-99  
OVERPAYMENT OF RS.0.041 MILLION
- xlvii. PARA 60 P.PWD, PAGE 51 - AR 1998-99  
LOSS OF RS. 0.538 MILLION
- xlviii. PARA 62 P.PWD, PAGE 52-53 - AR 1998-99  
IRREGULAR AWARD OF WORK AMOUNTING TO  
RS.L7.528 MILLION
- xlix. PARA 63 P.PWD, PAGE 53 - AR 1998-99  
IRREGULAR AWARD OF WORK AMOUNTING TO  
RS.14.776 MILLION

- l. PARA 64 P.PWD, PAGE 54 - AR 1998-99  
IRREGULAR PAYMENT OF RS.9.034 MILLION
- li. PARA 68 P.PWD, PAGE 56-57 - AR 1998-99  
IRREGULAR PAYMENT OF RS. 3.784 MILLION
- lii. PARA 69 P.PWD, PAGE 57 - AR 1998-99  
NON DEBITING THE COST OF MATERIAL VALUE  
RS.3.491 MILLION
- liii. PARA 71 P.PWD, PAGE 58-59 - AR 1998-99  
NON-FINALIZATION OF ACCOUNT WORTH  
RS.2.591MILLION
- liv. PARA 73 P.PWD, PAGE 60 - AR 1998-99  
SPLITTING OF WORK INTO WORK ORDER WORTH RS.  
2.517 MILLION
- lv. PARA 77 P.PWD, PAGE 62-63 - AR 1998-99  
IRREGULAR EXPENDITURE OF RS. 1.472 MILLION
- lvi. PARA 80 P.PWD, PAGE 65 - AR 1998-99  
EXECUTION OF SUBSTANDARD WORK RS.0.772 MILLION
- lvii. PARA 83 P.PWD, PAGE 67 - AR 1998-99  
EXCESSIVE PAYMENT OF RS.0.623 MILLION
- lviii. PARA 85 P.PWD, PAGE 68-69 - AR 1998-99  
IRREGULAR RETENTION OF INCOME TAX AMOUNTING  
TO RS.0.485 MILLION
- lix. PARA 86 P.PWD, PAGE 69 - AR 1998-99  
NON-REMITTANCE OF GOVERNMENT RECEIPT  
AMOUNTING TO RS.0. 473 MILLION
- lx. PARA 88 E.O, PAGE 70-71 - AR 1998-99  
EXCESS PAYMENT OF RS.0.329 MILLION
- lxi. PARA 89 P.PWD, PAGE 71 - AR 1998-99  
UNAUTHORIZED PAYMENT OF RS.0.303 MILLION
- lxii. PARA 90 E.O, PAGE 72 - AR 1998-99  
LOSS DUE TO VIOLATION OF RULE RS.0.285 MILLION
- lxiii. PARA 92 P.PWD, PAGE 73 - AR 1998-99  
IRREGULAR EXPENDITURE OF RS.0.239 MILLION
- lxiv. PARA 95 P.PWD, PAGE 75 - AR 1998-99  
LOSS OF RS.0.125 MILLION
- lxv. PARA 98 P.PWD, PAGE 77 - AR 1998-99  
LESS RECOVERY OF INCOME TAX RS.0.084 MILLION
- lxvi. PARA 110 P.PWD, PAGE 85-86 - AR 1998-99  
UN-JUSTIFIED EXPENDITURE RS.1.190 MILLION
- lxvii. PARA 112 P.PWD, PAGE 87 - AR 1998-99  
LESS RECOVERY OF MATERIAL RS.L.000 MILLION

- lxviii. PARA 116 P.PWD, PAGE 89-90 - AR 1998-99  
LOSS OF RS.0.287 MILLION
- lxix. PARA 117 P.PWD, PAGE 90-91 - AR 1998-99  
LOSS OF RS.0.265 MILLION
- lxx. PARA 119 E.O, PAGE 92 - AR 1998-99  
EXCESS PAYMENT OF RS.0.231 MILLION
- lxxi. PARA 120 P.PWD, PAGE 92-93 - AR 1998-99  
LOSS OF RS.0.210 MILLION
- lxxii. PARA 122 P.PWD, PAGE 94 - AR 1998-99  
LOSS OF RS.0.122 MILLION
- lxxiii. PARA 124 P.PWD, PAGE 95 - AR 1998-99  
LOSS OF RS.0.072 MILLION
- lxxiv. PARA 125 P.PWD, PAGE 96 - AR 1998-99  
RECURRING LOSS IN LACS
- lxxv. PARA 128 P.PWD, PAGE 98 - AR 1998-99  
LESS RECOVERY OF MATERIAL WORTH RS.1.737  
MILLION
- lxxvi. PARA 129 P.PWD, PAGE 98-99 - AR 1998-99  
LOSS OF RS.L.668 MILLION
- lxxvii. PARA 140 P.PWD, PAGE 105 - AR 1998-99  
LOSS OF RS.0.140 MILLION
- lxxviii. PARA 143 P.PWD, PAGE 107 - AR 1998-99  
UNAUTHORIZED ALLOTMENT OF ROOM CAUSING LOSS  
WORTH RS.0.126 MILLION
- lxxix. PARA 159 P.PWD, PAGE 117-118 - AR 1998-99  
LOSS OF RS.1.632 MILLION
- lxxx. PARA 160 P.PWD, PAGE 118 - AR 1998-99  
LOSS OF RS.L.361 MILLION
- lxxxi. PARA 161 P.PWD, PAGE 119 - AR 1998-99  
UNAUTHORIZED PAYMENT OF RS.1.313 MILLION
- lxxxii. PARA 162 P.PWD, PAGE 119-120 - AR 1998-99  
LOSS OF RS.1.283 MILLION
- lxxxiii. PARA 165 P.PWD, PAGE 121-122 - AR 1998-99  
WASTEFUL EXPENDITURE OF RS.0.751 MILLION
- lxxxiv. PARA 166 P.PWD, PAGE 122-123 - AR 1998-99  
DOUBLE PAYMENT OF RS.0.495 MILLION
- lxxxv. PARA 167 P.PWD, PAGE 123 - AR 1998-99  
EXCESS PAYMENT OF RS.0.356 MILLION
- lxxxvi. PARA 168 P.PWD, PAGE 124 - AR 1998-99  
NON-REMITTANCE OF SECURITY DEPOSIT WORTH  
RS.0.313 MILLION

- lxxxvii. **PARA 170 P.PWD, PAGE 125-126 - AR 1998-99**  
**EXCESS PAYMENT OF RS.0.278 MILLION**
- lxxxviii. **PARA 172 P.PWD, PAGE 126-127 - AR 1998-99**  
**EXCESS PAYMENT OF RS.0.182 MILLION**
- lxxxix. **PARA 174 P.PWD, PAGE 128 - AR 1998-99**  
**IRREGULAR EXPENDITURE OF RS.0.055 MILLION**

**PAC DIRECTIVE**

The Sub-Committee recommended the above mentioned eighty nine (89) Paras for settlement on the recommendation of DAC.

**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.	PPWD & Estate Office	06.05.2015	175	89	86

**Annexure-C**

**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>
Pak PWD/Estate Office	AR 1998-99	06.05.2015	21	0.319	0.319
-do-	-do-	-do-	25	0.238	0.238
-do-	-do-	-do-	26	0.181	0.181
-do-	-do-	-do-	31 E.O	0.142	0.107
-do-	-do-	-do-	35	0.109	0.007
-do-	-do-	-do-	39	0.101	0.101
-do-	-do-	-do-	40	0.094	0.094
-do-	-do-	-do-	48 E.O	0.074	0.074
-do-	-do-	-do-	50	0.069	0.018
-do-	-do-	-do-	51	0.069	0.069
-do-	-do-	-do-	52	0.066	0.008
-do-	-do-	-do-	53	0.063	0.016
-do-	-do-	-do-	55	0.060	0.060
-do-	-do-	-do-	56	0.041	0.041
-do-	-do-	-do-	59 E.O	0.597	0.298
-do-	-do-	-do-	61 E.O	0.300	0.037
-do-	-do-	-do-	67 E.O	4.028	0.547
-do-	-do-	-do-	76 E.O	2.068	0.198
-do-	-do-	-do-	95	0.125	0.086
-do-	-do-	-do-	96	0.118	0.033
-do-	-do-	-do-	98	0.084	0.084
-do-	-do-	-do-	112	1.000	1.000
-do-	-do-	-do-	122	0.122	0.122
-do-	-do-	-do-	123	0.085	0.023
-do-	-do-	-do-	127	2.188	1.861
-do-	-do-	-do-	128	1.737	1.737

<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>
-do-	-do-	-do-	132 E.O	1.120	0.362
-do-	-do-	-do-	134 E.O	0.627	0.169
-do-	-do-	-do-	139 E.O	0.106	0.031
-do-	-do-	-do-	140	0.140	0.140
-do-	-do-	-do-	142 E.O	0.129	0.039
-do-	-do-	-do-	143	0.126	0.126
-do-	-do-	-do-	149	0.085	0.005
-do-	-do-	-do-	152	0.063	0.022
<b>Total</b>					<b>8.253</b>