



SPECIAL AUDIT REPORT

ON

THE ACCOUNTS OF

ESTATE OFFICE, ISLAMABAD

MINISTRY OF HOUSING AND WORKS

GOVERNMENT OF PAKISTAN

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

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Abbreviations and Acronyms

AAR	Accommodation Allocation Rules
AGPR	Accountant General Pakistan Revenues
APO	Abandoned Property Organization
BPS	Basic Pay Scale
CF&AO	Chief Finance & Accounts Officer
CDA	Capital Development Authority
EO	Estate Office
FBR	Federal Board of Revenue
FIA	Federal Investigation Agency
FY	Financial Year
FR	Fundamental Rule
FGS	Federal Government Servants
GFR	General Financial Rule
GWL	General Waiting List
HBA	House Building Advance
ICT	Islamabad Capital Territory
NOC	No Objection Certificate
NAB	National Accountability Bureau
NOC	No Objection Certificate

OGDCL	Oil & Gas Development Company Limited
PIA	Pakistan International Airline
PIMS	Pakistan Institute of Medical Sciences
PIPS	Pakistan Institute for Parliamentary Services
PS	Private Secretary
SAR	Special Audit Report

PREFACE

The Auditor General conducts audit subject to Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Special Audit of Estate Office Islamabad was carried out accordingly.

The Directorate General Audit Works (Federal), Islamabad conducted Special Audit of the Estate Office Islamabad during 2015-16 for the period 2010-2015 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the activities of the Estate Office, Islamabad. In addition, Audit also assessed, on a test check basis, whether the management complied with applicable laws, rules, and regulations. The Special Audit Report indicates specific actions that, if taken, will help the management to realize the objectives of the Authority.

Audit observations included in this report have been finalized in the light of discussion in DAC meeting.

The Special Audit Report is submitted to the President in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 for causing it to be laid before both houses of Majlis-e-Shoora (Parliament).

Islamabad
Dated: 23rd February, 2017

Sd/-
(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit Works (Federal), Islamabad carried out special audit of the Estate Office Islamabad during the year 2015-16.

Estate Office is an attached department of the Ministry of Housing & Works. It was originally established in 1947 at Karachi. Subsequently, Headquarters was transferred at Islamabad and regional offices established at Karachi, Peshawar, Quetta and Lahore. The primary objective for the establishment of the department was to regulate allotment of the housing units to the officers and staff of the Federal Government posted at the capital.

Main Functions

It is the duty of the Estate Office to allot government owned accommodations at Islamabad, and provincial headquarters i.e. Karachi, Lahore, Peshawar and Quetta to the Federal Government Servants of the Ministries, Divisions and their attached departments. The maintenance of General Waiting List in accordance with the provision of Accommodation Allocation Rules, 2002 is also responsibility of Estate Office.

In addition, the Estate Office is responsible for the following:

- i. Provision of office accommodation to Federal Ministries / Divisions/Departments etc.
- ii. Allotment of Government Owned residential accommodation to Federal Government Servants.
- iii. Cancellation of Government owned residential accommodation from retired/expired and transferred Government Servants.
- iv. Vacation of Government owned accommodation.
- v. Cross check the misuse of government owned accommodation.

- vi. Maintenance/updation of General Waiting Lists.
- vii. Defend the cases in the court of Law.
- viii. Recovery of rent from the departments having accommodation on their pool.
- ix. Recovery of rent from the allottees and coordination with AGPR for this purpose.
- x. Issuance of “No Demand Certificates” to Federal Government Employees.
- xi. Proposals for construction of new accommodation (office / residential).
- xii. Disaster management.

Audit Objectives

During a presentation on Audit Plan for the year 2015-16 on 13th November, 2015 issue of irregular allotments of Government Accommodations by Estate Office disregard to General Waiting List and directions of Supreme Court of Pakistan was highlighted and Auditor General of Pakistan directed to conduct Special Audit of Estate Office.

Accordingly special audit was conducted with the objective to examine the cases of allotments during last five years with reference to relevant rules and regulations.

Audit Scope and Methodology

Audit scope included examination of cases of allotments during last five years i.e. from 2010 to 2015.

Audit methodology included data collection, determination of objectives and audit criteria, analysis/consultation of record, discussion with staff, etc.

Audit impact

The viewpoint of Audit on various issues has been acknowledged by DAC and administrative department which is a healthy sign for the financial and regulatory discipline in the audited organization. Following are the instances:

- i. Estate Officer informed the DAC that on recommendations of Audit an updated GWL has been placed on website (www.estate-office.gov.pk); proper authentic record of GWL is also being maintained in hard form; IT controls for change/updation & access to record has been enforced. Nobody can interfere in record maintained by Programmer of Estate Office.
- ii. On pointation of Audit regarding misuse of Rule 4(3) of Accommodation Allocation Rules (AAR) 2002, DAC directed that a formal policy, identifying specified posts and designated houses under Rule 4(3) of Accommodation Allocation Rules, be devised and got approved from the Prime Minister. Estate Officer may initiate a summary in this regard for further processing by Ministry of Housing & Works.
- iii. For strict enforcement of Rule 17 of AAR, 2002 and Allotment Policy 2009, DAC directed Estate Officer to prepare complete list of officers/officials who retained government accommodation while proceeding abroad on posting with place and date of posting and matter be referred to Ministry concerned for obtaining a certificate that no benefit is being received by the occupant from Mission abroad. In case the occupant is in receipt of any House Rent Allowance or facility of accommodation having value more than ceiling rent, it may be recovered from the occupant.
- iv. DAC directed Estate Office to devise a mechanism whereby ownership of any personal house in Islamabad could be verified through CDA or any other Housing Authority/

- Foundation/Society so as to countercheck the authenticity of affidavit given by proposed allottee.
- v. DAC directed the Estate Officer to pursue recovery, process eviction of unauthorized occupants of non-entitled departments as per rules.
 - vi. Estate Officer informed DAC that case has been initiated / referred to Ministry of Housing and Works for decision about discriminatory treatment and validity of action whereby the government accommodations allotted to employees of President, Prime Minister's Secretariats, National Assembly and Senate Secretariats were declared as Rent-free and deduction of 5% normal rent has been stopped from their emoluments.
 - vii. DAC directed Chief Finance & Accounts Officer, Ministry of Housing & Works to coordinate with AGPR for provision of statement of deduction of 5% rent from the salary of government servants in occupation of government owned accommodations for updation of Estate Office record, which has been discontinued by AGPR.

Key Audit Findings

- i. Record relating to approvals of allotments by Ministry of Housing & Works was not produced to Audit.
- ii. Allotments were made to non-designated post holders i.e. officers/officials of lower rank like Deputy Secretary, PS to Minister, etc. under the cover of Rule 4(3) pertaining to designated houses. There was no list of designated houses as well as specified posts eligible for designated houses. As such Rule 4(3) is being misinterpreted and applied by misusing the authority without any benchmark of specified posts and designated houses.

- iii. Allotments were made under the cover of Rule 12 (change of accommodation) to such allottees who were not in physical occupation of any accommodation previously allotted under rule 29 (A) i.e. relaxation of rules.
- iv. Estate Office allowed retention of Government Accommodations to officers/officials posted abroad but no mechanism was in place to ensure that recovery of rent is made at rate being received abroad as per Allotment Policy.
- v. Inquiry reports of fire incidence were not finalized for punitive action by the department against the culprits to avoid such incidence and corrupt practices in Estate Office.
- vi. Allotments were made to officers below the rank of Federal Secretaries (BPS-22) under Rule 6(7) who were not eligible for priority allotment.
- vii. Allotments were made on “subject to vacation basis” without availability of accommodation outside the General Waiting List leading to multiple court cases.
- viii. Government accommodations were allotted to employees of non-entitled departments.
- ix. Employees of Islamabad Police have been occupying 102 government accommodations in Islamabad but no action was initiated for eviction.
- x. Government accommodations could not be got vacated from 668 trespassers /unauthorized / illegal occupation / allottees as per direction of the Apex Court.
- xi. Estate Office did not pursue 23 cases of fake allotment actively and also could not recover rent equivalent to two rental ceilings.
- xii. Government owned residential buildings of various classes or categories allotted to the employees of President, Prime Minister’s Secretariats, National Assembly and Senate Secretariats were declared as Rent-free and deduction of 5% normal rent has been stopped from their emoluments since,

1999, 2006 & 2008 respectively. This creates discrimination between the Federal Government Servants and causing recurring loss.

Recommendations

- i. Action may be taken against persons responsible for non-production of record.
- ii. A formal policy identifying specified posts and designated houses be devised and got approved from the Prime Minister.
- iii. Internal controls be strengthened to ensure allotments strictly in accordance with General Waiting List and Accommodation Allocation Rules.
- iv. Customized/computerized software be introduced with proper IT controls.
- v. Rules regarding allotment to employees of non-entitled departments be observed in letter and spirit.
- vi. Internal controls be strengthened to ensure full recovery of dues/rent from the occupants of government accommodations.
- vii. Measures be taken at appropriate level to ensure eviction of unauthorized occupants of government accommodations.
- viii. Devise suitable mechanism for speedy trial/disposal of cases pending in courts.
- ix. DAC's directives be implemented in letter and spirit.

AUDIT PARAS

Non-Production of Record

1.1 Non-production of record

Section-14(2) & (3) of Auditor General's Ordinance 2001 states that the officer in-charge of any office or Department shall afford all facilities and provide record for Audit Inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

The Special Audit of Estate Office was started in January 2016. Audit noted that 4,257 allotments were made under various rules/categories as detailed in **Annexure-A**. The Estate Officer was requested to produce record relating to approval of allotment of residential accommodations. Ministry of Housing and Works was also requested to produce approval files of allotments under rule 4(3), 6(7), 15 and 15(2) of Accommodation Allocation Rules vide letter No. DGAWF/Sp. Audit/ Estate Office/2015-16 dated 16.02.2016 and 29.02.2016.

Matter was also taken up with the Secretary Housing & Works vide letter No. DGAW(F)/PM&E/Sp. Audit/ Estate Office/2015-16/1765 dated 25.02.2016 followed by a reminder on 10.03.2016 but requisite record was not produced to Audit for scrutiny.

Audit holds that non-production of record tantamount to hindering the auditorial function of the Auditor General of Pakistan. The Public Accounts Committee in its various meetings also viewed seriously the issue of non-production of record by the audited organizations.

It is worth mentioning that the Senior Joint Secretary and Deputy Secretary were personally approached/met by the inspecting officer for production of record but to no avail.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that certain record relating to approval of allotments by Ministry of Housing & Works was burnt in fire incidents in 2007 and 2014. The Chair informed the DAC that a Committee has been constituted to determine ways and means for recasting the burnt record. Audit was not satisfied with the explanation and emphasized that record/files containing approval of the allotments (Note Portion), retained in the Ministry of Housing & Works was requisitioned which was not produced despite seeking intervention of Secretary Housing & Works.

The Committee pended the Para with direction to ensure production of record as required by Audit.

Compliance of DAC's directive was not made till the finalization of this report.

Audit stresses early production of the requisite record for audit scrutiny.

(Para 02)

Irregularity and Non-Compliance

1.2 Injudicious use of rule 4(3) of AAR-2002 while allotting designated houses and manipulated change of accommodation under rule 12 to avoid GWL

1.2.1 Rule 4(3) of AAR-2002 provides that the Ministry of Housing and Works will provide designated houses for specified posts which shall be allotted to the designated officers on an undertaking that they will vacate the house within three months of their transfer from the post and hand over the possession of the house through Enquiry Office concerned

irrespective of the fact that alternate accommodation has been allotted to them or otherwise.

Audit noted that as per prevailing practice, Ministry of Housing & Works accords approval and Estate Officer issues formal allotment letters of houses of different categories under Rule 4(3) of AAR-2002.

Audit observed that:

- i. No prescribed list of designated houses was available with Estate Office as required under Rule 4(3). Ninety-one (91) allotments were made under Rule 4(3) to officers in BPS-17 to 21 of various departments like District/High Courts, ICT Police, FBR, ICT Administration, Ministry of Housing & Works and other Ministries/Divisions, without specifying the posts and houses designated by Ministry of Housing & Works.
- ii. In eight cases allotments of designated houses were made subject to vacation and simultaneously replaced by another allotment orders issued under rule 12 of AAR 2002 i.e. change of accommodation to the same allottee.
- iii. A House No. 542-F, G-6/4, Islamabad was allotted to an Editor. The allotment of house was irregular and the ceiling rent of Rs 2.271 million was not recovered since 11.06.2008. After a period of 7 years, the same accommodation was allotted on 19.11.2015 to his wife appointed as Deputy Director on 26.04.2011 under rule 4(3).

Audit holds that allotment of designated houses is being made without any clear policy regarding specified posts and designated houses. Rule 4(3) is being used injudiciously in avoidance of GWL as the allottee does not stand on GWL. Subsequent allotment under Rule 12 (Change of accommodation) is also a manipulation as the allottee does not hold physical possession of previously allotted house.

The matter was discussed in DAC meeting held on 13th July, 2016, wherein Audit pointed out that allotments were made to non-designated

posts i.e. officers/officials of lower rank like Deputy Secretary, PS to Minister, etc. under the cover of Rule 4(3) pertaining to designated houses. There was no list of designated houses as well as specified posts eligible for designated houses. As such Rule 4(3) is being misinterpreted and applied by misusing the authority without any benchmark of specified posts and designated houses. Estate Officer explained that Rule 4(3) is being exercised for allotments as per provision and there is no violation of fundamental rules. Record allotments have been made on GWL in recent past and only a few have been made under rule 4(3). However, certain amendments in rules are under process. The Chair informed the Committee that Rule 4(3) is being applied by giving due consideration to judiciary, ICT, Police and employees of Ministry of Housing & Works. Audit was not satisfied and was of the view that there should be formal policy identifying specified posts and designated houses.

After detailed discussion, DAC directed that a formal policy be devised as pointed out by Audit and got approved from the Prime Minister. Estate Officer may initiate a summary in this regard for further processing by Ministry of Housing & Works.

DAC further directed that all such cases pointed out by Audit may also be placed before the competent authority along with the summary of formal policy for appropriate directions/regularization.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance to the DAC's directive.

(Paras 03, 07, 15, 17, 25A)

1.2.2 Rule 12 of AAR-2002 provides that change from one accommodation to the other or exchange of accommodation between two allottees for same category of accommodation may be permitted by the Ministry of Housing and Works subject to production of a certificate from their employers to the effect that they are not expected to be retired or transferred during the next one year and other required documents as prescribed by Ministry of Housing and Works from time to time.

Rule 29(A) of AAR, 2002 states that the Federal Government may relax any rule governing allotment of accommodation to eligible Federal Government Servants in public interest for deserving and hardship cases and on compassionate grounds for reasons to be recorded in writing for such relaxation.

Audit noted that Estate Office Islamabad allotted 461 Government accommodations to different Government employees under Rule 12 of AAR 2002 (Change of accommodation) after approval of the competent authority.

Audit observed that these allottees were not in physical occupation of any accommodation previously allotted under rule 29 (A) i.e. relaxation of rules. Thus their allotments were to be cancelled in the light of Supreme Court's Orders. But Estate Office manipulated the allotments and again allotted available houses under the cover of Rule 12 i.e. change of accommodation (through no accommodation physically existed in their name to change).

Thus these allottees were unduly favored violating the GWL whereby some other senior officers were eligible for allotment of those houses.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that allotments under Rule 29-A to allottees who were not in physical possession were cancelled as per directions of Ministry of Housing & Works on 15.4.2013. Allotments under rule 12 were made to those who were in physical possession of government accommodations. In one case Estate Officer explained that the house in question was allotted to one Mr. Jawad Paul, Chief Commissioner, ICT, Islamabad on 15.05.2013 as per approval of Ministry of Housing & Works subject to vacation of his existing Government house No. 8-B, (APO), St. 7, F-8/3, Islamabad. He occupied the newly allotted house on 24.12.2013, through concerned CDA Enquiry Office, F-6/3, Islamabad.

DAC directed the department to get the stance verified from Audit.

In compliance to DAC's directive only copy of Register of Allotment in case of Mr. Jawad Paul, Chief Commissioner, ICT, Islamabad was produced and no record in support of his previous allotment was produced. No record in respect of remaining 460 cases was produced to verify whether the allotments were cancelled.

Audit recommends early compliance to the DAC's directive.

(Paras 6, 20)

1.3 Irregular allotment of Government accommodations to employees of non-entitled department

Rule 3(1) of AAR, 2002 provides that all married FGSs in the Ministries or Divisions and their Attached Departments except those maintaining their own pool of accommodation or funds for hiring of houses, shall be eligible for accommodation from the Estate Office.

Rule 25(4)(a) provides that in case of unauthorized retention beyond legally allotted period, rent equivalent to one rental ceiling of the category of his entitlement or the category of the house under occupation, whichever is more, shall be charged for each month for the entire period of unauthorized occupation.

Rule 25(4)(b) provides that in case of trespassing or unauthorized occupation, rent equivalent to two rental ceiling of the category of his entitlement or the category of the house occupied whichever is more, shall be charged for each month for entire period of unauthorized occupation.

Rule 21 provides that where an allottee is in arrears of rent for four consecutive months, the allotment of accommodation shall be liable to cancellation and accommodations shall be vacated thereafter.

Rule 4 (2) of AAR, 2002 provides that if funds are provided by the Government to an eligible department for constructing its own residential

colony or accommodation, its employees shall cease to be eligible until that colony or accommodation is surrendered to the pool of the Estate Office.

Rule-24 provides that the Government may, at any stage cancel the allotment made in violation of the rule in favour of Federal Government Servant including those made to the employees of non-entitled departments.

1.3.1 Audit noted that Estate Office Islamabad has made allotment of 177 houses to employees of PIMS out of these 124 accommodations of various classes were purely Government owned accommodations and 53 were of PIMS own colony. Audit holds that allotment of government houses to PIMS employees which has its own residential colony, was irregular on the ground that PIMS has not surrendered its residential colony to the part of Estate Office.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that at the time of allotment of all enlisted quarters, the PIMS was entitled department and the allotments were issued in compliance of the competent authority on the basis of GWL. Now PIMS declared as non-entitled department for allotment of Estate Office Pool. Audit was not satisfied with the explanation and stressed for cancellation of all allotments made to employees of non-entitled department.

Audit recommends that the process of issuance of allotment to the employees of PIMS for Government Accommodations may be discontinued and already allowed houses be got vacated from ineligible employees for further allotment to genuine needier.

(Para 29)

1.3.2 Audit noted that Estate Office allotted 438 Government residential accommodations of various classes and categories from March 2010 to March 2013 to employees of various non-entitled departments before and after court decision dated October 2011 to March 2013.

The allotment of 438 Government residential accommodations to non-entitled department is violation of rules and infringed upon the rights of employees of entitled departments who were born on the General Waiting List since long.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that they were legal allottees under rule 29-A which was intact before court orders. Audit was not satisfied with the explanation and stressed for cancellation of all allotments made to employees of non-entitled departments even made in relaxation of rules under Rule 29-A.

Audit recommends that all allotment to the employees of non-entitled departments be reviewed in the light of Court's orders and cancel such allotments made in violation of rules.

(Para 27)

1.3.3 Audit noted that Government accommodations were allotted to the Federal Government Servants above their entitlement and also allotted to non-entitled departments. The entitlement of Government accommodation according to specification, scale, built up area was provided in the AAR, 2002 but the allottees of entitled/non-entitled departments occupied the houses **one or two category above the entitlement**. These allotments were not reviewed as per direction of the Apex Court to streamline the allotment procedure according to GWL. The officers of BPS-17 to 19 are enjoying the facility of accommodation prescribed for BPS-21 & 22. On the other hand entitled officers are compelled to reside in lower category or living in the private hired houses and ultimately Government has to pay the ceiling rent to the owner of private houses. Non-observance of fundamental rules and non-implementation of judgment of the Apex Court in letter & spirit caused loss to the Government exchequer.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that the allotments were issued as per

orders / approval of the competent authority i.e. Ministry of Housing & Works. Rule 29-A of AAR 2002 was exercised before the judgment of apex court, however now, this rule is not exercised and the houses are allotted from GWL under AAR-2002.

DAC directed the department to effect recovery for allotments above the entitlement as per rules.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance of DAC's directive.

(Para 40)

1.3.4 Audit noted that House No.11, Category-I, I-8/1, Islamabad, was allotted to Mirza Tariq Mahmood, Manager in OGDCL, non-entitled department in relaxation of Rule 29A whereas relaxation of rules under 29A was only applicable to eligible Federal Government Servants. It appears that no internal controls are in place to forestall the issuance of illegal allotment to the employee of non-entitled department whereas the 18,500 FGS were on the General Waiting List awaiting their turn for 20-25 years.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that allotment was made on payment of ceiling rent. DAC directed the department to recover rent according to category of house as admissible in OGDCL and get verified from Audit.

In compliance to DAC's directive the department provided detail of recovery of Rs 1.654 million up to 31.12.2015. However, no action towards withdrawal of allotment was intimated.

Audit recommends early recovery of balance amount besides fixation of responsibility.

(Para 42)

1.3.5 As per Ministry of Housing & Works notification No. F20(6)/2014-Policy dated 3rd August, 2015 in pursuance of Law, Justice and Human Rights Divisions, advice vide u.o. No.360/2015-Law-I dated 22nd June, 2015, the employees who opt to remain Civil Servants even after the change of status of department as an autonomous body shall be eligible for allotment of Government accommodation from the Estate Office.

Ministry of Housing and Works, Government of Pakistan letter No.F.2(i)/86-Policy(Vol-IV) dated 28th October, 2015 stipulates that the Estate Office may, for now, continue with the allotment made to the employees of NAB, FIA, NADRA, Ombudsman, PIPS, etc., on payment of rent as admissible under the rules.

According to Rule 15(1) of AAR, 2002 the Government of Pakistan (1) In case of death of allottee, (a) the family of the allottee shall be entitled to retain the accommodation under their occupation for a period not exceeding one year on payment of normal rent; and (b) his serving widow or serving legitimate children may be allotted the said accommodation provided he is eligible for the accommodation or becomes eligible for the said accommodation within one year of the event.

As per proviso to Rule 15(2)(B) the serving spouse or children living with FGS may be allotted the same accommodation, if he is eligible and otherwise entitled for accommodation within six months of the retirement of the FGS. If the accommodation allotted is higher than the entitlement of the spouse or children, he may apply in writing for the allotment of accommodation in accordance with his eligibility, in lieu of the occupied for allotment of accommodation of higher category.

Audit noted that Estate Office allotted the Government accommodation under rule 15(1) and 15(2)(b) to employees of NAB, FIA, Ombudsman and NADRA with the approval of competent authority.

Audit observed that Government accommodations were allotted to employees of non-entitled departments after quoting irrelevant advice/decision of Law, Justice Human Rights Division regarding option

of civil servant after change of status of their department. This practice has been exercised to provide undue benefit and also depriving employees on GWL, which is also against the orders of the Apex Court.

Audit is of the view that Ministry of Housing & Works is not empowered to make policy decision regarding allotment of houses to employees of NAB etc. on payment of rent, without approval of the Government.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that most of the allotments were made in relaxation of rules under Rule 29-A which was intact before Supreme Court Orders in March 2013 or change of accommodation under rule 12 or under rule 4(3) of AAR 2002. Only nine allotments were made under rule 15(1), (15)(2) of AAR 2002 to the employees of NAB, FIA etc. The allotments in these cases were cancelled. The department further explained that employees of NADRA who opted as civil servant are eligible for allotment of government accommodations. The Committee was also informed that when cancellation is initiated the allottees go in litigation. Audit was not satisfied with the explanation and stressed for cancellation of all allotments made to employees of non-entitled departments even made in relaxation of rules under Rule 29-A. DAC directed Estate Officer to share the outcome of cancelled allotments with Audit besides efforts made to cancel the remaining accommodations and recovery of ceiling rent.

Compliance to DAC's directive to share the outcome of cancelled allotments with Audit besides efforts made to cancel the remaining accommodations and recovery of ceiling rent was not made till the finalization of this report.

Audit recommends that allotments be cancelled and ceiling rent be recovered at rate admissible to the employees of such departments.

(Para 05)

1.3.6 Mr. Fazal Karim, allottee of house No 520-B, G-6/1-2 was retired from service on his superannuation and accommodation was allotted to her daughter under Rule 15(2) on 01.10.2014. Allottee produced fake commitment letter of Pakistan Telecommunication Company Limited (PTCL). But recovery of Rs. 1.140 million of ceiling rent of unauthorized period was not made.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that the house was allotted to Ms. Sitwat Karim, Data Entry Operator, Federal Treasury Office under rule 15(2)b of AAR 2002 on 14.09.2014. Rent Section has already taken up the matter with PTCL. DAC directed the department to pursue recovery, process eviction of unauthorized occupant of non-entitled department as per rules.

Compliance to DAC's directive was not made.

Audit recommends early compliance to DAC's directive.

(Para 25B)

1.3.7 House No. 569/C Street No.102, G-6/1-4, Islamabad was allotted to Mr. Amir Hamza who occupied it on 21.09.1981. After the death of allottee the said accommodation was occupied by his son Mr. Ameer Abdul Rehman Khan who was working in non-entitled department i.e. Pakistan Broadcasting Corporation. An amount of Rs 1.754 million was recoverable from the occupant.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that after death of the allottee, the Wafaqi Mohtasib Secretariat in his findings dated 22.03.1999 recommended not to displace the family from the accommodation and for its allotment to his son on his appointment. Presently, the house is under occupation of Mr. Amir Abdul Rehman, Stenographer, Pakistan Broadcasting Corporation (PBC), Islamabad. The matter has also been taken up by Ministry of Housing & Works with Ministry of Law & Justice vide their U.O dated 05.11.2014 in connection with the findings of Wafaqi

Mohtasib Secretariat besides this office has taken up the matter with PBC to recover outstanding amount of rent. DAC directed the department to pursue recovery, process eviction of unauthorized occupant of non-entitled departments as per rules.

Compliance to DAC's directive was not made.

Audit recommends early compliance to DAC's directive.

(Para 25C)

1.4 Un-authorized retention of Government accommodation and allotment beyond entitlement to family

According to Rule 15(2) of AAR, 2002, an allottee, on his retirement or expiry of contract period shall be entitled to retain the accommodation under his occupation for a period not exceeding six months, on payment of normal rent and this facility will be available to FGS once only.

According to Rule 12 of AAR, 2002 change from one accommodation to the other or exchange of accommodation between two allottees for same category of accommodation may be permitted by the Ministry of Housing and Works subject to production of a certificate from their employers to the effect that they are not expected to be retired or transferred during the next one year and other required documents as prescribed by Ministry of Housing and Works from time to time.

1.4.1 Audit noted that allottee House No.238-E, G-6/2 Islamabad under Rule 12 of AAR 2002 did not vacate the accommodation after retirement on expiry of grace period on 05.07.2009. His son applied for allotment under Rule 15(2) of AAR 2002 and filed a suit in the court and court ordered that the accommodation be vacated after expiry of grace period and allottee's son is not eligible for this category house.

Thereafter, this accommodation was allotted to other Government servant of Ministry of Social Welfare and Special Education, Islamabad.

The new allottee also filed civil suit for protection against allotment on 30.07.2012. The suit has been decreed in her favour on 09.02.2015.

On the other hand the son of retired government servant (i.e. old allottee) appointed in BPS-16 in Ministry of Kashmir Affair and Gilgit-Baltistan w.e.f. 12.02.2015. The Ministry of Housing and Works approved his allotment of quarter No. 238-E, G-6/2 Islamabad under Rule 15(2) of AAR 2002 on 08.09.2015.

Audit holds that the accommodation was retained unauthorizedly from 05.07.2009 to 08.09.2015 and ceiling rent amounting to Rs 1.031 million was not recovered from un-authorized occupant.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that due to court case by the serving son of the occupant, occupation could not be handed over to the new allottee. Case has been referred to Ministry of Housing & Works for deciding allotment to the serving son of the unauthorized occupant in category of his entitlement. Recovery notice had also been issued to the unauthorized occupant. DAC directed the department to get the facts verified from Audit.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance to DAC's directive.

(Para 19)

1.4.2 Audit noted during scrutiny of case file regarding allotment of House No. 25/6 –F, F-6/4 that the accommodation was allotted to Ms Asma Riaz under Rule 15(2) on 27.06.2012, having category above her entitlement and the house was occupied on 29.06.2012. Another allotment was made to Ms Asma Riaz under Rule 12 dated 28.01.2015 for another house No. 375-E, G-6/4 and possession was not handed over. House No. 25/6 –F, F-6/4 was further allotted to Mr. M. Naseer ud Din, Civil Judge (BS-18) under Rule 4(3) on 16.11.2015 subject to vacation.

Audit holds that allotment of house in above category was unauthorized.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that House No. 25/6-F, F-6/4 was originally allotted to Ms. Asma Riaz, TGT (B-16) on 27.06.2012 on payment of 5% of pay (maximum rent of BPS-18). Thereafter, she got change of House No. 375-E, G-6/4 on 27.01.2015 subject to vacation of earlier house. Change for higher category to lower category is allowed. Thereafter, House No. 25/6-F was allotted to Mr. Iqbal Ahmad Azhar, Associate Professor, from General Waiting List on 11.08.2015, however, he refused to accept this allotment. The house in question was further allotted to Mr. Muhammad Naseer ud Din, Civil Judge, Islamabad on 16.11.2015 in pursuance of Ministry of Housing and Works letter dated 12.10.2015 under rule 4(3) of AAR-2002 on subject to vacation basis. Subject to vacation allotments are issued to avoid trespassing of vacant houses. It is usually noted that when the houses are vacated and no one is legal allottee to take possession, the houses are trespassed by illegal persons and thereafter went into litigation.

DAC directed the department to get the facts verified from Audit within a week.

Documentary evidence regarding current possession of house No.25/6-F, F-6/4 Islamabad originally allotted to Ms. Asma Riaz and house No.375-E, G-6/4 was not got verified from Audit till finalization of this report.

Audit recommends that above category allotment may be cancelled and record got verified from Audit.

(Para 23)

1.4.3 Audit noted that Estate Office Islamabad allotted Government accommodation No.19/5-F (New 6/5) F-6/4, Islamabad to a female Government servant under rule 15(2)(b) on 16.12.2015. The said house

was allotted to Mr. Zahid Mehmood who retired from service on 29.03.2013 and his grace period expired on 28.09.2013.

Audit observed that allotment orders of original allottee Mr. Zahid Mehmood is not available in the office record. The original file bearing No.92 Cat-II, I-8/1 is also missing in the Ministry. The daughter of retired Government servant filed a suit in court of law. The court dismissed appeal on 30.09.2014 with the remarks that “accommodation (House No.92, Cat-II, I/8/1) is category-II higher than her entitlement, therefore the applicant cannot claim the benefit of rule 15(2)(b) of AAR 2002” Wafaqi Mohtasib (Ombudsman) also submitted their finding on 29.12.2014 that the complainant is working in BPS-17, whereas, House No.92, Cat-II, I-8/1 which she is seeking was allotted in her favour under Rule 15 (2) of AAR is one category above her entitlement. The Agency is required to allot her accommodation as per her entitlement, so that, she may vacate the presently occupied accommodation. Audit further observed following irregularities:-

- i. Estate Office could neither get vacated the house No. 92 Cat-II, I-8/1, nor made recovery of un-authorized retention period from 28.09.2013 to date.
- ii. Allotment of house No.19/5-F (New 6/5-F) F 6/4 approved and issued on 16.12.2015 without production of marriage certificate as per rules and as per direction of the Ministry of Housing and Works.
- iii. The allottee occupied the house No.19/5-F (New 6/5-F) F 6/4, Islamabad on 30.12.2015 without vacation of previous accommodation i.e. house No.92, Cat-II, I-8/1, Islamabad. This indicated that two Government accommodations were retained at a time.
- iv. In view of above it appears that department is waiting for her further promotion to become entitled to the Cat-II Government house.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that the allotment of F-Type accommodation was made in pursuance of directions of Federal Ombudsman which she occupied on 21.12.2015 and other accommodation was vacated by her father on 11.01.2016. House rent recovery of Rs 856,532 was made. DAC directed the department to get the record verified from Audit.

In compliance to DAC's directive the department provided detail of recovery of Rs 856,532 but paid challan duly verified by treasury was not provided. Moreover, Non-Marriage Certificate of the daughter was also not provided.

Audit recommends early compliance of DAC's directive and provision of complete record to Audit for verification.

(Para 08)

1.5 Favouritism in allotment process and non-observance of Fundamental Rules

The Supreme Court of Pakistan in CRP No.174/2012 directed the Ministry/department on 7th March, 2013, to review all the allotments which have been made after passing the judgment dated 19th October, 2011 in CP No.1498/2011 and in future all the allotment will be made strictly on the basis of General Waiting List and relaxation of Rules under Rule 29-A of the AAR-2002 will not often be exercised and ensure that same is implemented in letter and spirit, and if any allotment has been made in violation of the directions earlier made in the above judgment, must be re-considered and dealt with in connection with the observations noted hereinabove immediately.

Fundamental Rule 45-A (IV) provides that when Government supplies an officer with a residence owned by Government, the scale of accommodation supplied shall not, except at the officer's own request, exceed that which is appropriate to the status of the occupant and Audit Instructions under FR 45-A provides that a Government Servant who, at

his own request, is supplied with a residence owned or leased by the Federal Government, of a class higher than entitlement for which he is eligible, when a house of his class is available for him, should be charged with full standard rent fixed for the residence.

Audit noted that:

- i. Estate Office, Islamabad allotted the House No. 10/8-F (New-14/2-F), Sector F-6/4, Islamabad to Mr. Farid ud Din Khan, Senior Auditor (FBR), which was one category above his prescribed entitlement under Rule 29(A). The house was occupied on 15.06.2011.
- ii. After that allottee applied for change of government accommodation and Ministry of Housing & Works allowed to change first available house of Cat-III/F type under rule 12 of AAR-2002 and Estate Office issued allotment of House No. 681-F, Street No. 08, G-6/4 in favour of allottee on 03.03.2015 and then House No. 252-E, Street No. 60, G-6/4.
- iii. In June 2015, allottee requested for designated official accommodation and once again Ministry of Housing & Works allowed allotment of designated Government accommodation of House No. 252-E, Street No. 60, G-6/4 under rule 4(3) of AAR-2002 on 18.06.2015.
- iv. In August 2015, the employee requested for allotment of House No. 353-E, Street No. 75, G-6/4 because he did not occupy last allotted house and Estate Office issued allotment letter on 10.08.2015 and the accommodation was occupied on 17.8.2015. Moreover, the Ministry also mentioned Rule 7 of AAR-2002 regarding GWL in the letter dated 18.06.2015, whereas said allotment was not in accordance with GWL.

Six allotments, for one employee within six months, under different rules of AAR-2002 clearly indicates favoritism, disregard to fundamental rules and non-implementation of judgment of Apex Court in

letter & spirit which put a question mark on the performance of the Ministry and attached department.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Audit pointed out that in period of six months, six different allotments of government accommodations were issued in favour of one government servant under different rules which is a clear example of favouritism.

Estate Officer explained that in first allotment, the occupation was retained by the existing occupant and in certain cases allotments were withdrawn. Finally allotment was made under Rule 4(3) read with Rule 12 and occupation was taken over on 17.08.2015. DAC directed the Department to get the facts verified from Audit.

From the record produced to Audit, it was established that allottee took possession of the house on 15.06.2011 in first instance. It is a clear case of favouritism, whereby in period of six months, six different allotments of government accommodations were issued in favour of one government servant.

Audit recommends early compliance to DAC's directive.

(Para 18)

1.6 Non-compliance of the directions of the Apex Court regarding review of allotments made after the judgment of Apex Court

The Supreme Court of Pakistan (in CP No.1498/2011 dated 19.10.2011) directed the Administrative Ministry / Estate office that in future all the allotment will be made strictly on the basis of GWL and relaxation of Rules under Rule 29-A of the AAR -2002 will not often be exercised, except in the case of hardships and that too by recording justifiable reasons, after hearing the likely affected employees on the GWL. The above direction of apex court was not implemented and the Honourable Supreme Court again directed on 7th March, 2013 in CRP No.

174 of 2012 that violation of above direction/observation passed by the court, which generates litigation between the parties, as a result whereof the civil servants, who otherwise, cannot afford litigation, have to suffer. Under circumstances, the Apex Court again directed the department, review all the allotments, which have been made after passing the previous judgment and ensure that same is implemented in letter and spirit, and if any allotment has been made in violation of the directions earlier made in the above judgment, must be re-considered and dealt with in connection with the observations noted hereinabove immediately.

Rule 4 of Rules of Business 1973 provides that the Secretary shall be the official head of the Division and shall be responsible for its efficient administration and discipline and for the proper conduct of business assigned to the Division under rule 3 (3) of Rules of Business, 1973.

Audit noted that allotments of 832 residential buildings of various categories were issued by Estate Office Islamabad according to GWL after the judgment of the Apex Court and only 51 accommodations have been shown as occupied by the genuine allottees which indicates that only 6.12 % accommodations were available physically and occupied by the allottees after the judgment of Honourable Supreme Court in Civil Petition No.1498/2011 dated 19.10.2011. Occupation status of balance residences could not be verified due to non production of allotments files.

The directions issued by the Ministry do not cover the implementation of judgment in letter & spirit because the main purpose of reviewing the all allotments made since 19.10.2011 was to streamline the allotments mechanism and ensuring allotment to the most senior Federal Government Servant on General Waiting List. Estate Office also issued allotment under rule 4(3), 6(7) & 12 of AAR besides court directions for GWL. Non-reviewing the allotments of occupied residential buildings resulted in non-implementation of court's orders and ultimate detrimental to the legal rights of allotment to the senior officials on merit.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that Ministry of Housing & Works has

issued direction regarding withdrawal of allotments made under the relaxation of rule 29-A of AAR 2002, where possessions were not made to the allottees till 15.04.2013 and all allotments are purely made on the General Waiting List. No allotment under Rule 29-A has been made after Supreme Court judgment. DAC directed the department to get the facts verified from Audit.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends prompt implementation of directions of Supreme Court of Pakistan and action against persons responsible for non-observance of the orders.

(Para 31)

1.7 Non-eviction of 770 Government Accommodations from trespassers/unauthorized/illegal occupants/allottees

The Supreme Court of Pakistan (in CRP No.174/2012) was informed that persons have trespassed the Government buildings and court directed the Administrative Ministry/ Estate Office Islamabad on 07.03.2013 to adhere to the relevant law on the subject namely, the Federal Government Lands and Buildings (Recovery of Possession) Ordinance, 1965 and if any litigation commence, the learned Civil Courts shall follow the direction to dispose off these cases on preferential basis and not allow a trespasser to continue with the litigation for unnecessary long period.

The business of Government distributed to the Housing and Works Division under Rule 3 (3), Rules of Business 1973 in the manner indicated in Schedule II at serial No 7, the Ministry is responsible to administer the Federal Government Lands and Buildings Ordinance, 1965 and to vacate building and recover possession of the same by evicting such person by using force.

Sections 5 & 6 of the Lands and Buildings Ordinance, 1965 provide that if the Government is satisfied after making an enquiry, a

person is an unauthorized occupants of any land or building, it may, (after giving an opportunity of hearing) by order in writing, direct such person to vacate the land or building and authorized officer on behalf of Government enter upon such land or building and recover possession of the same by evicting such person by using force.

Rule 25(2 & 3) of AAR, 2002 provides that the ejection of trespassers from Government accommodation shall be carried out by the concerned Estate Office, immediately without serving any notice and FIR shall be lodged against the trespasser and Estate Office shall arrange the disconnection of services and Rule 25(4) (b) provides that in case of trespassing or unauthorized occupation, rent equivalent to two rental ceilings shall be charged for each month for entire period of unauthorized occupation.

1.7.1 Audit noted that the direction of Supreme Court of Pakistan regarding trespassers / unauthorized / illegal occupation / allottees was not implemented and no action was initiated under Lands and Buildings Ordinance, 1965 despite lapse of a considerable period of four years. It seems that both Administrative Ministry and Estate office are reluctant to take action against the un-authorized occupant who trespassed the Government Buildings since long despite clear cut instructions of the Apex Court as well as the learned Civil Courts to the Ministry to dispose off these cases on preferential basis and not allow a trespasser to continue with the litigation for unnecessary long period. Neither the order of Apex Court implemented nor rent equivalent to two rental ceiling was charged from the trespassers/unauthorized/illegal occupation/allottees. This resulted into non-eviction of 668 government accommodations from trespassers/ unauthorized/illegal occupants and non-recovery of penal ceiling rent.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein DAC was informed that a Committee has been constituted for ejection of the occupants. Only sixteen houses could be got vacated so far and efforts are underway. DAC directed the department to submit

detailed reply explaining the functioning of Committee constituted by the Prime Minister and its outcome.

Audit recommends early eviction of un-authorized occupants for further allotment to eligible Government servants.

(Para 38)

1.7.2 Audit noted that employees of Islamabad Police have been occupying 102 government accommodations in Islamabad but no action was initiated under Lands and Buildings Ordinance, 1965 despite lapse of a considerable period. It seems that both Administrative Ministry and Estate Office are reluctant to take action against the employees of ICT Police who trespassed the Government Buildings since long despite clear cut instructions of the Apex Court to the Ministry as well as the learned Civil Courts to dispose off these cases on preferential basis and not to allow a trespasser to continue with the litigation for unnecessary long period. The Government Accommodations could not be got vacated from trespassers for further allotment to genuine applicants as per GWL. Neither the order of the Apex Court was implemented nor was rent equivalent to two rental ceilings amounting to Rs 128.145 million as per calculation of Estate Office up to May, 2015 recovered from the trespassers.

This resulted into non-eviction of trespassers from Government buildings, non-recovery of ceiling rent of Rs 128.145 million causing delay in allotments to genuine needier.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that Estate Office have no uniformed force to be used for ejection of trespassers of ICT Police. However, the case was being referred to Ministry to take up the case with Police Authority. DAC pended the Para with direction to take measures at appropriate level for eviction of unauthorized occupants.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommended early eviction of unauthorized occupation besides recovery of dues.

(Para 28)

1.8 Non-pursuance of cases reported to FIA and non-eviction of 23 Government Accommodations from fake allotment holders

Rule 25(2 & 3) of AAR, 2002 provides that the ejection of trespassers from Government accommodation shall be carried out by the concerned Estate Office, immediately without serving any notice and FIR shall be lodged against the trespasser and Estate Office shall arrange the disconnection of services. Further, Rule 25(4) (b) provides that in case of trespassing or unauthorized occupation, rent equivalent to two rental ceilings shall be charged for each month for entire period of unauthorized occupation.

According to business of Government distributed to the Housing and Works Division under Rule 3 (3) of Rules of Business, 1973 in the manner indicated in Schedule II at serial No 7, the Ministry is responsible to administer the Federal Government Lands and Buildings Ordinance, 1965 and to vacate building and recover possession of the same by evicting such person by using force.

Sections 5 & 6 of the Lands and Buildings Ordinance, 1965 provide that if the Government is satisfied after making an inquiry that, a person is an unauthorized occupant of any land or building, it may, (after giving an opportunity of hearing) by order in writing, direct such person to vacate the land or building and authorized officer on behalf of Government to enter upon such land or building and recover possession of the same by evicting such person by using force.

Audit noted that twenty-three (23) persons holding fake allotment letters were occupying government houses. Estate Office detected the cases of corruption / fake allotment and sent to FIA for registration of

FIRs but no action could be initiated under Lands and Buildings Ordinance, 1965 even a considerable period of two years has elapsed. It seems that both Administrative Ministry and Estate Office are reluctant to take action against the fake allotment holders who trespassed the Government Buildings since long.

Audit observed that department did not pursue the cases of fake allotment actively and also failed to recover rent equivalent to two rental ceilings.

This resulted into non-eviction of 23 government accommodations from fake allotment holders and non-recovery of penal ceiling rent.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein DAC was informed that a Committee has been constituted for ejection of the occupants. Only sixteen (16) houses could be got vacated so far and efforts are underway. DAC directed the department to submit detailed reply explaining the functioning of Committee constituted by the Prime Minister and its outcome.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends active pursuance of the cases with FIA for prompt eviction of government accommodation and action against the persons holding fake allotment letters.

(Para 21)

1.9 Misuse of Rule 6 (7) of Accommodation Allocation Rules, 2002

According to Para 6 (7) of AAR, 2002, Federal Secretaries (BPS-22) and Officers in BPS-22 will be given priority of allotment of accommodation in case they are not in occupation of Government accommodation elsewhere.

An examination of allotment of accommodations record of Estate Office Islamabad indicates that 24 allotments were made during last five years i.e. 2010-15 under above rule. Audit noted that five Officers, as detailed below, were not eligible for allotment under the said rule.

Sr. No.	Name of Allottee	Designation with BPS	Cat/ Year	House allotted
1	Dr. Mujeeb ur Rehman	DIG (BPS-20)	CAT-I 2012	48, St.nil, I-8/1
2	Raja Khurram Ali Khan	Additional District & Session Judge (BPS-20)	CAT-I 2014	50, St.nil, I-8/1
3	Aamer Farooq	Judge (BPS- 18)	H 2015	109, St.12, F-6/3
4	Raja Jawad Abbas Hassan	Registrar (BPS- 21)	I 2015	133, St.9, F-6/3
5	Shahid Yousaf	Director General (BPS-19)	CAT-II 2015	36, G-10/3

Audit observed that allotments to these Officers were made by misusing rule 6 (7) of AAR, 2002 because only Federal Secretaries (BPS-22) and Officers in BPS-22 were to be accommodated.

Audit holds that violation of rules occurred due to weak internal controls.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Audit contended that allotments were made to officers below the rank of Federal Secretaries (BPS-22) who were not eligible for priority allotment under Rule 6(7). Estate Officer explained that in one case, allotment was withdrawn and in another case no allotment orders were actually issued. While in all other cases allotments were made out of GWL. DAC directed the department to submit detailed case-wise reply and get the supporting record verified from Audit.

In compliance to DAC's directive the department provided allotment orders in respect of Raja Khuram Ali Khan (B-20) and Mr. Shahid Yousaf (B-19) which indicated that allotment was made under Rule 4(3) in first case and rule 6 in second case, whereas no document was provided in case of Dr. Mujeeb-ur-Rahman, Aamer Farooq, and Raja Jawad Abbas Hassan. Record confirmed the audit contention that the officers were below the rank of Federal Secretary and as such were not eligible for allotment under rule 6 of AAR.

Audit recommends to provide detailed case-wise reply and complete record in support of contention that allotments were made on the basis of GWL.

(Para 16)

1.10 Allotment of accommodation to the employees who have own residence ignoring the Fundamental Rules

Rule 3(5&6) of AAR, 2002 provides that a FGS who owns a house in his own name or in the name of his spouse or dependent children, at the station of his posting shall not be allowed Government accommodation. A FGS shall at the time of allotment submit an affidavit, that he does not own a house in his own name or in the name of any of his family members and if it is established that a FGS has a house in the name of any one of the above at the station of posting, his allotment shall be cancelled.

Rule 4 (1) of AAR, 2002 provides that the Estate Office shall not place its accommodation at the pool of any other department except the ISI and Ministry of Foreign Affairs and the houses already placed on the pool of Ministry of Foreign Affairs and the ISI shall be restricted to their present number.

As per business of Government distributed to the Housing and Works Division under Rule 3 (3) of Rules of Business, 1973, in the manner indicated in Schedule-II at item No. 7 the Ministry is responsible to administer the Federal Government Lands and Buildings Ordinance,

1965 and get the buildings vacated and recover possession of the same by evicting such person by using force as may be necessary.

Audit noted that physical inspection survey of Government owned accommodations at Islamabad was conducted by Estate Office. The physical survey report indicates that 1275 Government Residential Buildings of various classes and categories were placed at CDA pool since the establishment of the Authority. A period of 14 years has been elapsed after abolishment of accommodation pools but neither the allotments were cancelled under Rule 24 of AAR-2002 nor the residences were got vacated for further allotments to the eligible Government servants. The original allottees of Government accommodation were retired from CDA service and more than 90 % of CDA employees acquired plots from Authority inspite of having their own houses in Islamabad. Mostly employees succeeded to get the allotments for their serving children under Rule 15(1) b of AAR-2002. The Government accommodations could not be got vacated from ineligible employees for further allotment to eligible Government servants. The employees of CDA and other Ministries/Departments/ Divisions having own houses are enjoying the facilities of the nearest accommodation in the prime sectors after providing an affidavit that “he does not own a house in his own name or in the name of any of his family members”.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Audit contended that the employees of CDA and other Ministry / Department / Divisions having own houses are enjoying the facilities of the nearest accommodation in the prime sectors after providing an affidavit, that “he does not own a house in his own name or in the name of any of his family members”. There is no mechanism in place to check whether the allottee possesses his own house in Islamabad. Estate Officer explained that Estate Office made allotments under rule 15(1) and 15(2) after receiving affidavit and fulfillment of other formalities. There is no violation of rule on part of Estate Office. DAC directed the department to devise a mechanism whereby ownership of any personal house in Islamabad could be verified through CDA or any other Housing Authority/Foundation/Society.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance of DAC's directive.

(Para 39)

1.11 Allotment of houses to the Government Servants above the prescribed category of accommodation

Rule 5(1) of the AAR, 2002 provides that the entitlement of the FGSs to various categories and classes of accommodation at Islamabad and Rawalpindi shall be as follows:-

Basic Pay Scale of FGS accommodation	Class of accommodation	Category of
1-4	A	V-VI
5-6	B	V
7-10	C	V
11-15	D	IV
16-17	E	III
18	F	III
19	G	II
20	H	I
21-22	I	I

Rule-5(2) provides that the allotment of "A" to "I" class of accommodation shall be made in accordance with pay scale of FGS as per entitlement and specification of house in each category as are given in Annexure-A to the rules.

Fundamental Rule 45-A (IV) provides that when Government supplies an officer with a residence owned by Government, the scale of accommodation supplied shall not exceed that which is appropriate to the status of the occupant. The Audit Instructions under FR 45-A provides that a Government Servant who, at his own request, is supplied with a

residence owned by the Federal Government, of a scale higher than for which he is eligible, when a house of his class is available for him, should be charged with full standard rent fixed for the residence.

Audit noted that 556 residences were allotted to the Federal Government Servants over and above the scale and entitlement on their own request. The entitlement of Government accommodation according to specification, scale, built up area was provided in the AAR, 2002 but the allottees of entitled/non entitled departments succeeded to get the allotments **out of turn basis, one or two category above the entitlement** under of Rule-29A but these allotments were not reviewed as per direction of the Apex Court to streamline the allotment procedure according to GWL and minimize the litigation between the Government Servants. The officers of BPS-17 &18 are enjoying the facility of accommodation prescribed for Secretary/ Additional Secretary BPS-21 & 22 and officials of BPS 7 & 9 are enjoying the facility of accommodation prescribed for officers of BPS 11 to 15 on payment of lesser rent. On the other hand entitled officers are compelled to reside in lower category or live in the private hired houses and ultimately Government has to pay the ceiling rent to the owner of private houses. Non-observance of fundamental rules and non-implementation of judgment of the Apex Court in letter & spirit causes recurring loss to Government exchequer.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that quarters were allotted in pursuance of competent authority directives under relaxation of rules. DAC directed the department to effect recovery for allotments beyond the entitlement as per rules.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance of the DAC's directive.

(Para 43)

1.12 Non-vacation of residential accommodation from employees of non-entitled department and non-recovery of rent from occupants

The Supreme Court of Pakistan in CRP No. 174/2012 inquired from the Acting Secretary Housing and Works that all eighteen thousand houses/quarters/bungalows in Islamabad are in fact occupied by authorized persons because 185 houses are shown as in possession of the trespassers but there may be so many other houses, which are not in possession of authorized occupants. On this the Acting Secretary stated that this aspect will be verified only by physical checking. The Court directed to constitute teams and submit interim report within two weeks.

Rule-3(1) of AAR, 2002 provides that all married Federal Government Servants in the Ministries or Divisions and their attached departments except those maintaining their own pool of accommodation or funds for hiring of houses shall be eligible for accommodation from Estate Office.

Rule-24 of AAR, 2002 provides that the Government may, at any stage cancel the allotment made in violation of the rules in favour of Federal Government Servant including those made to the employees of non-entitled departments.

Rule 25(4)(b) provides that in case of trespassing or unauthorized occupation, rent equivalent to two rental ceilings of the category of his entitlement or the category of the house occupied whichever is more, shall be charged for each month for entire period of unauthorized occupation.

Audit observed that:

- i. One hundred sixty-eight (168) Government residences of “A” to “F” categories were occupied by the employees of WAPDA. The Authority has its own residential colonies but no effective steps were taken by the Estate Office to get

the vacation of these residences for further allotment to the Government employees. The occupants have also not deposited the rent.

- ii. Eighty-eight (88) Government accommodations allotted to the employees of PTCL and 438 Government Accommodation of various classes and categories were under occupation of employees of various non-entitled departments since long but the Estate Office Islamabad could not get vacated these accommodations from unauthorized occupants from July, 2013 to February 2016.
- iii. Thirty-six (36) Government residences “A” to “D” categories were occupied by the employees of GPO but Estate Office Islamabad had not taken steps for vacation of the government residential accommodation.
- iv. Twenty (20) Government accommodations of A, B and C type were under occupation of employees of Printing Corporation of Pakistan Press (Private) Limited but neither the department recovered the standard rent nor vacated the accommodation from allottees of non-entitled department.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that recovery has been made from employees of WAPDA, PTCL and GPO and recovery notices have been issued in case of Printing Corporation of Pakistan Press. DAC directed the department to get the recovery verified from Audit.

In compliance to DAC’s directive the department provided detail of recovery of Rs. 2,873,494 from PTCL, Rs.3,288,412 from WAPDA. However, no recovery was made from General Post Office and Printing Press. The department could not get vacated the residential accommodations from employees of non-entitled department.

Audit stresses early recovery of dues and its verification by Audit, besides eviction of unauthorized occupants.

(Para 35)

Internal Control Weaknesses

1.13 Non-implementation of fire incident inquiry recommendations regarding loss of precious official record

Appendix 2 (2) of Rule 23 of GFR (Vol-I), states that the administrative authority is personally responsible for the expeditious conduct of the inquiry to avoid delay in the investigation of any loss due to fraud, negligence, financial irregularity and if the investigation is complex and he needs the assistance of an expert/professional to unravel it, he should apply forthwith for the assistance to the Government for services of an investigating officer. Thereafter, the administrative authority and the expert/professional will be personally responsible within their respective spheres, for expeditious conduct of inquiry.

Rules 22 & 23 of GFR (Vol-I) provide that any serious loss of immovable property, such as buildings, communications or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, should be reported at once to the head of the department and by the latter to Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report should be sent to the head of the department and a copy to the Accountant General. Every Government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence.

Audit noted that a list of fake/bogus allotments was submitted to the Secretary Housing and Works by the Estate Office on 28.02.2014 and Secretary directed to the Estate Officer to personally look into the issues of fake/bogus allotments and proceed strictly against the people responsible for this fraud. Exact after two days on 02.03.2014 (Sunday), 9th floor of Shaheed-e-Milliat Secretariat under the official use of Estate Office Islamabad caught fire in the **specific area of record room** and resultantly current record of all allotment files, rent recovery, allotment register, office furniture, computer and Almirah etc was totally damaged

by the fire. It seems that there was a mafia who may be involved in fake/bogus allotments and mischief maker succeeded to set fire to the office record. Only the fact-finding inquiry will determine the factual position.

The incident was reported to the Administrative Ministry as well as police authority. Inquiry was constituted to determine the causes and motives of fire incidence after one year and fix the responsibility against the people who involved in bogus / fake allotments. A considerable period of time has elapsed after finalization of inquiry reports but on serious action taken by the department against the culprits.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that the fire incident occurred in office building of Estate Office on 02.03.2014 was reported to police station Kohsar Islamabad and also to administrative Ministry Housing and Works. The Ministry of Housing & Works constituted an inquiry committee for fact finding and fixation of responsibility. The committee examined all facts, witnesses but not succeeded to find any clue of the culprits involved but doubt on corrupt persons. Therefore, Ministry of Housing & Works referred the matter to FIA but no such clue was found. The Police Station has also reported vide letter dated 20.04.2016 that no clue of case/information regarding unknown accused was received and untraced report of case was prepared on 20.04.2015 and sent to the competent court. In this situation the Estate Office has taken all possible action actively for tracing out culprits and inquiry may be treated as finalized on submission to the competent court.

Audit stressed that punitive action be taken by the department against the culprits to avoid such incidence and corrupt practices in Estate Office.

Audit recommends early action against persons responsible for the fire incidence.

(Para 14)

1.14 Non-existence of mechanism in allotment of Government Accommodation and weakness in Internal Controls

Rule 4 of Rules of Business 1973 provides that The Secretary shall be the official head of the Division and shall be responsible for its efficient administration and discipline and for the proper conduct of business assigned to the Division under rule 3 (3) of Rules of Business, 1973.

Audit observed that as per prevailing practice, Ministry of Housing and Works approves allotments and directs the Estate Office for issuing formal allotment letters under different Rules of AAR-2002. It seems that prescribed mechanism and procedure is not being followed to secure an effective check on allotment process and issuance of allotment as evident from the following stances:

- i. House No. 12-A, Street No. 25, F-6/2 was allotted to Mr. Muhammad Misbah Tunio on 28.05.2013 and allotment orders were cancelled on 18. 02.2014 without any reason.
- ii. Further, an allotment order issued against House No. 2, Cat-I, G-10/3, in the name of Mr. Shahzad Munir on 31.12.2012 and occupation was materialized on 31.05.2013 but allotment was cancelled on 20.05.2014 without any reason.
- iii. Estate Office again issued an allotment order for House No. 24/4, CAT-IV, G-10/3, to Mr. Aamir Saeed Kanwal on 01.10.2011 without any provision in the rules.

The above mentioned allotments, under different rules of AAR-2002 indicated non-observance of fundamental rules and non-existence of mechanism in allotment of houses which provides the basis of favoritism and question mark on the performance of the Ministry and attached department.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that allotments were made and cancelled

as per rules. DAC directed the department to get the complete record showing current occupation of the said houses verified from Audit.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance to DAC directive besides improvement of internal controls to ensure authentic and valid GWL.

(Para 36)

1.15 Non-assessment of rent of Government owned residential accommodations to monitor the demand and its likely receipts

Rule-26 of General Financial Rules (Vol-I) provides that it is duty of the Departmental Officer to see that all sums due to Government are promptly assessed, demanded, realized and remitted into public account and no amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of the competent authority for their adjustment must be sought.

Rule- 26 (2) of AAR, 2002 provides that the Estate Office shall send rent demand statement in duplicate to the Ministry, Division, or department, provided that the Estate Office shall not send rent demand statement in respect of offices whose pay rolls have been computerized but shall obtain a rent recovery return produced on computer from the Accounts Office concerned and issue "No Demand Certificate" under rule 11 of AAR, 2002.

Audit noted that 17,227 Government owned residential buildings were shown in the latest Capital and Revenue Accounts of the Estate Office but departmental authority did not succeed in making class-wise and category-wise annual assessment of total potential of rent receipts to be originated from the normal rent, ceiling rent and penal rent of Government accommodations and subsequently to monitor the actual annual receipts against assessed demand and credited to Public Account. The departmental authority is primarily responsible to see that all revenue

due to Government is correctly and promptly assessed but it seems that prescribed mechanism and procedures are not being followed to secure an effective check on the assessment of the demand of total rental income and then its recovery from allottees accordingly. In the present mechanism, the recovery of Government dues has been postponed till retirement of Government Servants and then clearance of all its outstanding dues in shape of heavy arrears of rent or production of original pay slips and statement of rent deductions duly verified by the DDO of department concerned at the eve of obtaining “No Demand Certificate” from Estate Office under Rule-11. Non-observance of cited rules has deprived the Government to assess the exact rental income from buildings and then its proper monitoring of rent recovery.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that after suspension of pay roll from AGPR, Estate Office is unable to update the rent card systematically.

DAC directed that CF&AO, Ministry of Housing & Works may coordinate with AGPR for provision of statement of deduction of 5% rent from the salary of government servants in occupation of government owned accommodations.

Compliance to DAC’s directive was not made till the finalization of this report.

Audit recommends that internal control be strengthened to ensure proper assessment of rent and monitoring of its recovery.

(Para 37)

1.16 Unauthorized occupation of Government Accommodation

Rule 25(4) (a) of AAR, 2002 provides that in case of un-authorized retention beyond legally allotted period, rent equivalent to one rent ceiling of category of his entitlement or the category of the house under

occupation, whichever is more shall be charged for each month for the entire period of unauthorized occupation.

Rule-25(4) (b) provides that in case of trespassing or unauthorized occupation, rent equivalent to two rental ceilings of the category of his entitlement or the category of the house occupied, whichever is more, shall be charged for each month for the entire period of unauthorized occupation.

Rule-25(4) (c) states that a FGS against whom action is taken under this rule shall be liable to disciplinary proceedings under the relevant rules or laws.

Rule-25(4) (d) states that a person other than FGS shall be liable to criminal proceedings for being illegal occupant of government property.

Audit noted that House No.16/6-C, G.7/1, Islamabad, was occupied by Shahid Ali, Stenographer, M/o Local Government & Rural Development on 07.04.2014 as per documents.

Audit observed that occupation of the said government accommodation was illegal as per office record on the following grounds:

- i. Computer Section did not have any evidence regarding genuineness of the file papers.
- ii. Allotment order under Rule 29-A was issued on 03.11.2011 which was cancelled as per decision of Apex Court accordingly.
- iii. The house was occupied after two and half years i.e. on 07.04.2014.
- iv. This clearly indicated that occupation was handed over in connivance of/collaboration with Enquiry Office CDA, G-7/1, as well as department.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that allotment letter was issued on 03.05.2011 and rent was being deducted from the salary of the allottee as per information provided by the Department concerned. However, Occupation Report provided by occupant was being confirmed and matter had been taken up with the Enquiry Office concerned and the department concerned. Recovery notice were also issued.

DAC directed the department to pursue the matter and outcome be got verified from Audit.

In compliance to DAC's directive the department provided new allotment orders of Mr. Muhammad Riffat Sohail (BPS-09) Survey of Pakistan dated 06.05.2016 subject to vacation. Record of Mr. Shahid Ali Stenographer of Ministry of Local Government & Rural Development was not provided.

Audit recommends early compliance of DAC's directive.

Compliance to DAC' directive was not made till the finalization of this report.

(Para 22)

1.17 Un-authorized / Irregular possession of dual Government accommodation by the Officers / Officials posted in Pakistan Missions Abroad & less recovery of ceiling rent - Rs. 41.654 million

According to Rule 17 of AAR 2002,(1) no FGS shall keep more than one accommodation at the same time in his possession. (2) If a FGS is found in possession of more than one accommodation at the same time, the allotments of all the houses or flats in his possession shall be cancelled. (3) He shall be charged rent at the rate of one rental ceiling per month of his entitlement for possessing any additional accommodation over and above his entitlement.

Allotment Policy 2009 provides that House Rent Allowance payable at the station of posting or rental ceiling whichever is more will be deposited in the relevant head of government account.

Audit noted that employees of Ministry of Overseas Pakistanis & Human Resource Development, Islamabad occupied dual government accommodation, one in Pakistan and other at the place of posting in missions abroad.

Audit observed that the Estate Office could not get vacated the Government Accommodations from the occupants for further allotment to genuine needier as per GWL and the recovery of rent as per Allotment Policy mentioned above for Rs 41.654 million was also not made.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that Ministry of Housing & Works allowed to retain accommodation on payment of ceiling rent. Accordingly, only ceiling rent is being recovered.

Audit contended that as per policy, ceiling rent or house rent allowance payable at the station abroad, whichever is higher is to be charged from such occupants.

DAC directed that complete list of officers/officials who retained government accommodation while proceeding abroad on posting with place and date of posting may be prepared and matter be referred to Ministry concerned for obtaining a certificate that no benefit is being received by the occupant from Mission abroad. In case the occupant is in receipt of any House Allowance or facility of accommodation having value more than ceiling rent, it may be recovered from the occupant.

In compliance to DAC's directive, the department produced some copies of challan showing recovery of ceiling rent. However, compliance regarding complete list of officers/officials retaining government accommodation and referral of the matter to Ministry concerned was not conveyed.

Audit recommends early compliance to DAC's directive.

(Para 09)

1.18 Less recovery of ceiling rent by the Officers/Officials posted abroad

Allotment Policy 2009 provides that House rent allowance payable at the station of posting or rental ceiling whichever is more will be deposited in the relevant head of government account.

Audit observed that three (3) employees of Ministry of Overseas Pakistanis & Human Resource Development and three (3) employees of Ministry of Commerce retained government accommodations in Pakistan during posting in missions abroad. The deposit of normal rent / ceiling rent against the retention of government accommodation from the employees posted abroad was not according to Allotment Policy 2009, as detailed below:

S. No.	Name of Officer/ Officials	Designation	Department	Place of Posting	Period
1	Azra Jamali	Joint Secretary	M/o Commerce	Montreal Canada	May 2013 to Dec 2015
2	Adil Khan Miankhel	Director	M/o Commerce	Kazakhstan	June 2013 to Dec 2015
3	Ibrar Hussain	Driver	M/o Commerce	-	Nov 2015 to Dec 2015
4	Muhammad Siraj	Driver	M/o Overseas Pakistani & H.R.D	-	Oct 2015 to Dec 2015
5	Umer Hakeem	Driver	Bureau of Emigration & Overseas Employment	Manchester, UK	Oct 2015 to Dec 2015
6	Muhammad Amin	Assistant	M/o Overseas Pakistani & H.R.D	Iraq	Sep 2015 to Dec 2015

This resulted in less recovery of ceiling rent from the officers / officials posted abroad.

The matter was discussed in DAC meeting held on 13th July, 2016. Audit pointed out that six officers/officials (three of Ministry of Overseas Pakistanis & Human Resource Development and three of Ministry of Commerce) were allowed to retain government accommodation while posted abroad. Recovery of House Rent Allowance or ceiling rent whichever is more was required to be made but in two cases ceiling rent was recovered ignoring the policy while in other cases no recovery has been made.

DAC directed that complete list of officers/officials who retained government accommodation while proceeding abroad on posting with place and date of posting may be prepared and matter be referred to Ministry concerned for obtaining a certificate that no benefit is being received by the occupant from Mission abroad. In case the occupant is in receipt of any House Allowance or facility of accommodation having value more than ceiling rent, it may be recovered from the occupant.

In compliance to DAC's directive the department provided detail of recovery of Rs 1,113,656 and Rs 99,478 from Mr. Adil Khan and Mr. Umar Hakeem respectively at ceiling rent instead of house rent abroad. However, compliance regarding complete list of officers/officials retaining government accommodation and referral of the matter to Ministry concerned was not conveyed.

Audit recommends early compliance to DAC's directive.

(Para 11)

1.19 Discrimination between the Federal Government servants and loss to Government exchequer due to exemption of employees of selected offices from deduction of 5% normal rents

Rule 23 of the Civil Servants Act, 1973 states that Saving.- Nothing in this Act or in any rule shall be construed to limit or abridge the power of the President to deal with the case of any civil servant in such manner as may appear to him to be just and equitable: Provided that, where this Act or any rule is applicable to the case of a civil servant, the case shall not be dealt with in any manner less favourable to him than that provided by this Act or such rule.

Fundamental Rule 2 provides that the fundamental rules apply to all government servants who are subject to the rule making power of the President and whose pay is debitible to the civil estimates.

Fundamental Rule 45-A, sub clause (a & b) of clause V provides that in special circumstances for the reasons which should be recorded, by the Government may, by general or special order, grant rent free accommodation to any officer or class of officers, waive or reduce the amount of rent to be recovered from any officer.

According to sub-clause (b) of clause III of FR 45-A, the standard rent of a residence owned by Government shall be calculated on the capital cost of the residence plus an addition for both ordinary and special maintenance and repair such addition being determined under rules which a Government may make or by adding six per cent per annum of capital cost.

Supplementary Rule-322 provides that in the calculation under sub-clause (b) of clause III of FR 45-A of the standard rent of a residence owned by Government, the addition to be made for both ordinary and special maintenance and repair shall be the amount estimated by the competent authority to be the probable cost of the maintenance and repairs of the residence including sanitary, water supply and electric installations & fitting.

Para 194 Note (2) of CPWA Code provides that rent-free quarters for Class IV servants need not be entered in the Register of Rents of Buildings except when allotted to persons from whom rent is recoverable.

Rule-12 (1) h of Rules of Business, 1973 provides that no Division shall, without previous consultation with the Finance Division, authorize to issue of any orders, which will affect directly or indirectly the finances of the Federation or which in particular involve a change in the terms and conditions of service of Government servants, on their statutory rights and privileges, which have financial implications.

Audit noted that 1037 Government owned residential buildings of various classes or categories allotted to the employees of President, Prime Minister Secretariats, National Assembly and Senate Secretariats were declared as Rent-free and deduction of 5% normal rent has been stopped from their emoluments since 1999, 2006 & 2008 respectively. The deduction of normal rent is meant for the repair & maintenance of Government residential buildings whereas repair & maintenance of these residences are being carried out from the maintenance grant allocated to Capital Development Authority /Pakistan Public Works Department for the purpose. According to Fundamental and Supplementary Rules, the Government has declared only class "A" accommodation as Rent free allotted to Class IV Government servants (BPS-1 to 3) and exempted from deduction of 5% normal rent but if an official of BPS-4 or above is allotted this class of accommodation then he is liable to pay the normal rent. Similarly, if a Government servant of Class IV is allotted "above-category" of his entitlement then he is also liable to pay the 5% of normal rent of his emoluments of the allotted class of residence. On the other hand, accommodations of all the employees of these Secretariats (BPS 1 to 22) entitled to class A, B, C, D, E, F, G, H & I were declared as Rent Free Government Accommodations without recording special circumstances and reasons for exemption.

Non-observance of Fundamental and Supplementary Rules and Civil Servants Act, 1973 resulted in recurring loss of millions of rupees

due to exemption of employees of selected offices from deduction 5% normal rents which is inconsistent with rules/Law and created discrimination between the Federal Government Servants.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that case has been initiated / referred to M/o Housing & Works for decision about discriminatory treatment and validity of action. DAC pended the para till outcome of the case/decision and decided to refer the para to PAC.

Audit recommends that PAC may issue appropriate directions in this regard.

(Para 30)

1.20 Non-deduction of 5% normal rent from Federal Government servants causing loss to Government exchequer

Rule- 26 (2) of AAR, 2002 provides that the Estate Office shall send rent demand statement in duplicate to the Ministry, Division, or department provided that the E.O shall not send rent demand statement in respect of offices whose pay rolls have been computerized but shall obtain a rent recovery return produced on computer from the Accounts Office concerned and issue No Demand Certificate under rule 11 accordingly.

Supplementary Rules 322 provides that in the calculation under sub-clause (b) of clause III of FR 45-A of the standard rent of a residence owned by Government, the addition to be made for both ordinary and special maintenance and repair shall be the amount estimated by the competent authority to be the probable cost of the maintenance and repairs of the residence including sanitary, water supply, electric installations and fittings.

Rule-26 of General Financial Rules (Vol-I) provides that it is duty of the Departmental Officer to see that all sums due to Government are promptly assessed, demanded, realized and remitted into public account

and no amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Audit noted 1037 Government owned residential buildings of various classes or categories allotted to the employees of different departments but 5% normal rent was not deducted. Department did not succeed to make class-wise and category-wise annual assessment of total potential of rent receipts to be originated from Government accommodations and subsequently to monitor the actual annual receipts against assessed demand and credited to Public Account. The department is primarily responsible to see that all revenue due to Government is correctly and promptly assessed but it seems that prescribed mechanism and procedure are not being followed to secure an effective check on the assessment of the demand of total normal rental income and then its recovery from allottees accordingly. In the present mechanism, the recovery of Government dues postponed till retirement of Government Servants and then clearance of all its outstanding dues in shape of huge arrears of rent or production of original pay slips and statement of rent duly verified by the DDO of concerned department at the eve of obtaining "No Demand Certificate" from Estate Office under Rule-11. Non-observance of rules has deprived the Government to assess the exact income from buildings and then its proper monitoring of recovery.

Non-observance of Fundamental and Supplementary Rules and Civil Servants Act, 1973 has resulted in loss to government exchequer due to non-deduction of 5% normal rents.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that notices were issued to all employees. However, it was observed that 90% of the employees are enjoying the status of rent free accommodation (employees of National Assembly Secretariat, President Secretariat, Senate Secretariat, Board of Investment, NAB) and rest 10% approximately have deposited their arrears and started deduction of normal rent through AGPR. DAC decided to place the para before PAC for decision.

Audit recommends to observe the mechanism of recovery dues from allottees.

(Para 41)

1.21 Residential accommodation occupied by private Deeni Madaris/Club/Academy and non-recovery of prevailing market rent - Rs 24.610 million

Rule-24 of AAR, 2002 provides that the Government may, at any stage cancel the allotment made in violation of the rules in favour of Federal Government Servant including those made to the employees of non-entitled departments.

Sections 5 & 6 of the Lands and Buildings Recovery of Possession Ordinance, 1965 provide that if the Government is satisfied after making an inquiry, that a person is an unauthorized occupant of any land or building, it may, (after giving an opportunity of hearing) by order in writing, direct such person to vacate building within the specified period and recover possession of the same by evicting such person by using force as may be necessary.

The Government decision made under fundamental rule 45-B stipulates that when Government building is let to a private person for residential or business purposes, rent should be recovered monthly in advance at the rate prevailing in the locality for similar purpose.

Audit noted that physical inspection of Government owned Accommodation at Islamabad was conducted by Estate Office. The physical survey report indicated that 34 Government residential buildings of various classes and categories were allotted / occupied by private entities Deeni Madrassas /Welfare club/ Quran Academy in different years from 1966 to 2009. A period of more than 2 years 10 months has elapsed since finalization of physical survey report but neither the allotments were cancelled under Rule 24 of AAR-2002 nor the accommodations were got

vacated for further allotment to genuine needier. The recovery of rent equivalent to two rental ceiling of the category of the house occupied or at the rate prevailing in the locality for similar purpose has also not been made from the occupants amounting to Rs 24.610 million.

This resulted into loss due to non-vacation of Government buildings and allotments to genuine needier.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein DAC decided to place the matter before PAC for decision being a systemic issue.

Audit recommends early eviction of occupants and recovery of dues.

(Para 32)

1.22 Non-recovery of ceiling rent from un-authorized occupants of Government quarters - Rs 3.748 million

Rule 21 of AAR, 2002 provides that where an allottee is in arrears of rent for four consecutive months, the allotment of accommodation shall be liable to cancellation and accommodations shall be vacated thereafter.

Rule 25(4)(a) of AAR, 2002 provides that in case of unauthorized retention beyond legally allotted period, rent equivalent to one rental ceiling of the category of his entitlement or the category of the house under occupation, whichever is more, shall be charged for each month for the entire period of unauthorized occupation.

Fundamental Rule-18 provides that unless the President of Pakistan in view of the special circumstances of the case, shall otherwise determine, after five years, continuous absence from duty, elsewhere than on foreign service in Pakistan whether with or without leave, a government servant ceases to be in Government employment.

Audit observed that:

- i) The allottee of Quarter No.2, Block No. 28, CAT-IV, G-10/3, Islamabad retired from service on 02.11.2012 and was allowed to retain accommodation up to 01.05.2013 but neither she vacated the house after serving several notices nor paid ceiling rent. The quarter was further allotted but department could neither get it vacated nor recover the ceiling rent of Rs. 411,476 from the occupant since 01.05.2013.
- ii) Mr. Ghulam Rasul, allottee of house No 8/6, Cat-IV, G-10/3 was retired from service as on 10.11.2010 on his superannuation and accommodation allotted to his son under Rule 15(2) on 15.05.2014 and occupied on 23.05.2014. But recovery of Rs 383,760 of ceiling rent of unauthorized period was not been made.
- iii) A house No. 569/C Street No. 102, G-6/1-4 Islamabad was allotted to Mr. Amir Hamza who occupied the house on 21.09.1981. After the death of allottee the said accommodation was occupied by his son Mr. Ameer Abdul Rehman Khan who is working in Pakistan Broadcasting Corporation, a non-entitled department. An amount of Rs 1,753,904 was outstanding against the occupant on account of rent.
- iv) Mr. Shoukat Abbas, Ex-Superintendent of Prime Minister's Secretariat allottee of house No 342-E, G-6/4, was retired from service on 05.03.2012 on his superannuation and accommodation unauthorisedly retained from 05.09.2012 to 24.06.2015. An amount of ceiling rent of Rs 536,420 against the occupant for unauthorized period was recoverable.
- v) Mr. Iqbal Hussain Shah, allottee of House No. 81-B, St. 78, G-6/1-1 was died 15 years ago but accommodation allotted to him was not got vacated till now. Family of the

employee was in occupation of the house but no recovery of rent was made by Estate Office. An amount of Rs 663,104 of ceiling rent for unauthorized period was recoverable.

This resulted in non-recovery of Rs 3,748,664 from unauthorized occupants besides non-eviction of accommodations.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that:

- i. Recovery notice has been issued and quarter has been got vacated on 26.05.2016. (Quarter No. 28/2-Cat-IV G-10/3)
- ii. Matter is subjudice.(Quarter No. 8/6-Cat-IV, G-10/3)
- iii. House No. 569-C, St. 102, G-6/1-4, Islamabad, after death of the allottee, the Wafaqi Mohtasib Secretariat in his finding dated 22.03.1999 recommended not to displace the family from the quarter and for its allotment to his son on his appointment. Presently the house is under occupation of Mr. Amir Abdul Rehman, Stenographer, PBC, Islamabad. The matter has also been taken up by Ministry of Housing & Works with M/o Law & Justice vide their U.O dated 05.11.2014 in connection with the findings of Wafaqi Mohtasib Secretariat besides this office has taken up the matter with PBC to recovery outstanding amount of rent. (Also in Para 25)
- iv. Recovery notice issued to ex-allottee. The house has been allotted under Rule 4(3) to Civil Judge and occupied on 24.6.2015
- v. Matter is subjudice. (Quarter No. 81-B, G-6/1)

DAC directed the department to pursue recovery and eviction of unauthorized occupants.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early eviction of unauthorized occupants besides recovery of dues.

(Para 33)

1.23 Loss of the rental recovery due to allotment of houses to the government servants without clearance of Government dues

Rule-21 of the AAR, 2002 where an allottee is in arrears of rent for four consecutive months, the allotment of accommodation shall be liable to cancellation and the allottee shall be evicted thereafter:

Provided that such allottee shall be given one month's notice before eviction:

Provided further that the cancellation order and notice may be withdrawn if the allottee produces documentary evidence within the notice period to the effect that he had been paying rent regularly or had not paid the same for reasons beyond his control and that he has paid his outstanding dues.

As per office memorandum No. 51(303)-Admn-EO, almost all cases of allotment of Government accommodation are being sent to Ministry of Housing & Works without reporting rent recovery from Rent Section.

Audit scrutiny of allotments files indicated that Estate Office, Allotment Section proceeds cases of allotment of Government accommodation towards Ministry of Housing & Works without reporting rent recovery from Rent Section. Loss to the Government exchequer, due to non-obtaining of dues clearance report cannot be ruled out.

Processing of allotment cases, under different Rules of AAR-2002 without rent recovery report of rent section was a violation of fundamental

rules which resulted in loss of the millions of rupees to the Government exchequer and put a question mark on the performance of the department.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that the Allotment Branch sends files to rent section to ascertain the rent recovery position for allotment of Government accommodation. However, after the Audit observation, the branch has become more vigilant and now each and every file is being sent to rent section for obtaining rent recovery position. DAC directed the department to get the procedure verified from Audit.

Compliance to the DAC's directive was not made till the finalization of this report.

Audit recommends observance of rules regarding rent report while processing allotment cases.

(Para 44)

1.24 Non- recovery of rent of government accommodation from contract employees

Rule 21 of AAR, 2002 provides that where an allottee is in arrears of rent for four consecutive months, the allotment of accommodation shall be liable to cancellation and accommodations shall be vacated thereafter.

Audit observed that:

- i. The allottee of House No. 01 (APO House), Street No.2, Sector F-7/2, Islamabad was retired from service and re-employed on contract basis w.e.f 25.04.2006 and allowed to retain accommodation according to entitlement. But allotment file was silent about deduction of house rent allowance because no pay slips of the occupants were available on the record.
- ii. Mrs. Asia Bibi, allottee of house No 26/7, Cat-IV, G-10/3 was appointed as contract employee after death of her

husband Mr. Abdul Qayyum Channer. Estate Office issued allotment of said house on 26.01.2015 but no record of House rent deduction was found in allotment file.

This shows that Estate Office has no mechanism to verify of house rent deduction of contractual employees. This resulted in non-recovery of rent from contract basis employees and unnecessary accumulation of Government dues.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that House No. 01, St. 26, F-7/2 was allotted to Mr. Karamat Hussain Niazi, Secretary, National Assembly Secretariat, on 05.01.2001. After his retirement from Government Service on 24.04.2006, he was re-employed for two years as Special Secretary (BS-22) National Assembly Secretariat w.e.f. 28.04.2006 and his contract has been extended up to 28.02.2016. Further, it is stated that according to Finance Committee of National Assembly the employees of National Assembly are exempt from 5% rent. DAC directed the department to get the facts verified from Audit.

In compliance to DAC's directive the department provided the contract appointment condition of employee occupying House No.26 F-7/2, whereas, occupation and vacation report of House No.26/7 Cat-IV G-10/3 was not provided.

Audit recommends production of complete record.

(Para 34)

1.25 Unjustified expenditure incurred by the Estate Office without execution of assigned business / duties

Rule 4 of Rules of Business 1973 provides that the Secretary shall be the official head of the Division and shall be responsible for its efficient administration and discipline and for the proper conduct of business

assigned to the Division under rule 3 (3) and for the due execution of sanctioned policy. The Estate Office was declared an attached Department of the Ministry as shown in Schedule III serial No 56 under Rule 4 (4) of Rules of Business.

Instruction No. 5 of Secretariat Instructions provides that the Secretary shall determine the maximum extent of delegation of power to officers serving under him and issue clear standing orders laying down these powers and also the manner of disposal of the cases in the Division and shall ensure that the distribution of work is equitable (b) the channel of submission of cases is vertical and not horizontal. The tiers through which a case has to pass are ordinarily not more than two excluding the Secretary.

The business of Government distributed to the Housing and Works Division under Rule 3 (3) of Rules of Business 1973, in the manner indicated in Schedule II is as under:-

- i. Acquisition and development of sites, construction, furnishing and maintenance of Federal Government buildings, except those under the Defence Division.
- ii. Coordination of Civil works Budget & Execution of Federal Government works.
- iii. Provision of Government owned office and residential accommodation for officers and staff of the Federal Government; acquisition; requisitioning and hiring of residential accommodation and payment of compensation or rent.
- iv. Fixation and recovery of rent of Government owned hired buildings.
- v. Management of Federal Lodges.
- vi. Land and buildings belonging to the Federation wherever situated, and revenues derived there-from.

- vii. Administration of the Federal Government Lands and Buildings (Recovery of Possession) Ordinance, 1965.

Rule 57 of Rules of Business 1973 provides that the President may on the advice of the Prime Minister permit, where he considers it necessary, and relaxation of the provisions of these rules in individual cases.

Estate Offices are assigned the business to deal with eligibility & pool accommodation, classification & entitlement, registration & allotment of Government-owned accommodations placed on the pool of the Estate Office, hiring of accommodation, cancellation & ejection, recovery of rent & house rent allowance, etc., from the allottees/occupants.

Rule-26 (2) of the AAR, 2002 provides that the Estate Office shall not send rent demand statement in respect of offices whose pay rolls have been computerized but shall obtain a rent recovery return produced on computer from the accounts office.

Rule-28 of the AAR, 2002 provides that the Government may, from time to time, issue such directions as it may deem necessary to carry out for the purposes of these rules.

Audit noted that allotments of residential buildings of various categories were approved by the Ministry of Housing and Works in relaxation of rules and on subject to vacation basis. The Administrative Ministry directed the Estate Office to issue the allotment letters according to the approval. The Accommodation Allocation Rules-2002, allows the Estate Office to make the allotments of the Government residential buildings under Rule-7, to the most senior Federal Government Servants on General Waiting List but the Administrative Ministry has withdrawn the mandate of allotment from Estate Office and mostly allotments were made in frequent exercise of relaxation of rule under 29-A and later on after court decision accommodation allotted according to rule 4(3), rule

6(7) and other AAR without assigning any reason or criteria in writing for selection of deserving and hardship cases on compassionate ground to justify the allotment, change or exchange of accommodation from below category to above under Rule-12, change without prior occupation of the house and approval of the allotments for non-entitled departments. The Administrative Ministry was only responsible for efficient administration and discipline for the proper conduct of business assigned to Estate Office under AAR-2002.

The function of Estate Office was minimized just to issue an allotment letter of Government Accommodations to the FGS after approval and on direction of the Ministry whereas there was no such type of business/role of Ministry was provided in the Rules of Business, 1973. However, the Administrative Ministry can issue the direction under Rule 28 of AAR-2002 to streamline the mechanism of allotments in transparent & efficient manner. The Estate Offices Islamabad/Rawalpindi were established with full justification and sanctioned strength of 179 posts of officers/officials to deal with hiring of accommodation and recovery of rent from the allottees / occupants, allotment of Government-owned accommodations placed on the pool of the Estate Office. The sanctioned strength of Estate Office Rawalpindi has been amalgamated in Estate Office Islamabad after decentralization of hiring work of accommodations in 2004 but the sanctioned strength of hiring sections was not reduced. Similarly, the function of recovery of rent has also been eliminated after computerization of pay rolls & sanctioned strength of rent sections was not revised accordingly and now the function of allotments has been suspended and being dealt at the Ministry level since last many years but even then the Estate Office is functioning with full sanctioned strength. After curtailment of the official business and withdrawn of allotment functions, there was no justification of full-fledged Estate Office to be continued its business with sanctioned posts of 179 officers/officials.

In the circumstances, it is proposed that mandate entrusted to Estate Office may be revised or withdrawn and included in the Rule of Business of the Administrative Ministry after proper approval of

competent authority or allotments of all Government owned Buildings may be decentralized on same analogy as adopted in decentralization of hiring policy to make the efficient and transparent mechanism of allotments. Violation of Rules of Business and Accommodation Allocation Rules-2002 has resulted into unjustified expenditure incurred on Pay & allowances & office building of Estate Office without execution of assigned business.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that performance of Estate Office is not warranting for reconsideration of its responsibilities or decentralization of housing pool of Federal Government and available working strength is quite short of requirement.

DAC directed the department to submit detailed reply explaining functions of Estate Office and actual available working strength.

Compliance to DAC's directive was not made till the finalization of this report.

Audit recommends early compliance of DAC's directive.

(Para 45)

1.26 Unauthentic / irregular restoration of names in different Categories from past period in GWL

Audit noted that Ministry of Housing & Works / Estate Office Islamabad restored name of twenty-two (22) Government employees in GWL from previous period in different categories. Audit is of the view that this act tantamounts to interrupt allotment process avoiding thereby implementation of GWL.

The matter was discussed in DAC meeting held on 13th July, 2016 wherein Estate Officer explained that most of cases of restoration were entertained on the directions of Wafaqi Mohtasib and Honourable High Court. In other cases competent authority decided to restore names of

applicants for genuine reasons. The Committee directed the department to get the record in support of stance verified from Audit.

In compliance of DAC's directives, the department produced a list of restoration cases. However, original seniority list from which, the names of the officers/officials were deleted not produced to Audit to ascertain whether their names existed in the original GWL.

Audit recommends to get the record verified from Audit and strengthen the internal controls to ensure authentic and valid GWL.

(Para 12)

Annexure-A

Ref to Para 1.1

Statement showing Number of allotments issued under different rules

S. No.	Rules/Particulars	No. of Allotment issued
1.	5	1
2.	15	8
3.	15(1)	51
4.	15(1) B	19
5.	15(2)	421
6.	15(2) B	193
7.	12	787
8.	12A	6
9.	12(2)	2
10.	29	27
11.	29(A)	1,930
12.	29(A) & 15 (2) & b & 15/29	45
13.	IV	1
14.	GWL	553
15.	GWL-12	5
16.	4(3)	46
17.	6(7)	22
18.	7(1)	1
19.	PIMS	43
20.	FST	1
21.	Court	12
22.	CDA Pool	1
23.	Foreign Affairs	76
24.	PM	3
25.	Wafaqi Mohtasib Finding	3
	Total	4,257