



**SPECIAL AUDIT REPORT
ON
THE ACCOUNTS OF
HUMAN RESOURCE DIRECTORATE
GENERAL
CAPITAL DEVELOPMENT AUTHORITY**

**CAPITAL ADMINISTRATION
AND DEVELOPMENT DIVISION
GOVERNMENT OF PAKISTAN**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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Abbreviations and Acronyms

ACR	Annual Confidential Report
AD	Assistant Director
AIDS	Acquired Immune Deficiency Syndrome
AAO	Assistant Audit/Accounts Officer
AO	Audit/Accounts Officer
BPS	Basic Pay Scale
BSc	Bachelor in Sciences
CAA	Civil Aviation Authority
CDA	Capital Development Authority
CNIC	Computerized National Identity Card
DAC	Departmental Accounts Committee
DAO	Divisional Accounts Officer
DDG	Deputy Director General
DG	Director General
DMA	Director of Municipal Administration
DPC	Departmental Promotion Committee
DPL	Daily Paid Labor
DRC	Direct Recruitment Committee
E&M	Electrical & Mechanical
EOL	Extra Ordinary Leave
Esta Code	Establishment Code
FIA	Federal Investigation Agency
GFR	General Financial Rules
HBA	House Building Advance
HEC	Higher Education Commission
HRD	Human Resource Directorate
LDC	Lower Divisional Clerk

MBA	Master of Business Administration
MCA	Motor Car Advance
MCMC	Mid Career Management Course
NAB	National Accountability Bureau
NADRA	National Database & Registration Authority
NGO	Non-Government Organization
NOC	No Objection Certificate
OM	Office Memorandum
PIPFA	Pakistan Institute of Public Finance Accountants
PPWD	Pakistan Public Works Department
SAS	Subordinate Accounts Services
SMC	Senior Management Course
UNDP	United National Development Program
USAR	Urban Search & Rescue

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with the Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of the accounts of the Federal and of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Federal or a Provincial Government.

The report is based on special audit of Human Resource Directorate General of Capital Development Authority (CDA), which is responsible for major functions relating to the personnel of CDA from recruitment to retirement and pension, for the period from July 2006 to June 2016, conducted in pursuance of the directions of Public Accounts Committee during its meeting held on 24th to 26th May, 2016. The Directorate General Audit Works (Federal), Islamabad conducted special audit during the period from November 2016 to March 2017 with a view to reporting significant findings to the concerned stakeholders.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening the internal controls to avoid recurrence of similar violations and irregularities. Most of the audit observations included in the report have been finalized in the light of written responses of the management.

The Special Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Parliament.

Islamabad
Dated: 21st May, 2018

Sd/-
(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit Works (Federal), Islamabad conducted special audit of the record of Human Resource Directorate General of Capital Development Authority during November 2016 to March 2017 for the period from July 2006 to June 2016 in pursuance of the directions of Public Accounts Committee during its meeting held on 24th to 26th May, 2016. As per directions of the PAC, the special audit was to be conducted for 28 years (since 1988 onwards). However, audit coverage remained up to 10 years due to time constraints.

The objectives of the special audit were to ascertain:

- As to whether appointments of employees on daily wages/Daily Paid Labour (DPL)/contract/regular basis and appointments under prevailing Prime Minister's Assistance Package in CDA were carried out in line with the government rules/instructions and CDA regulations/bylaws.
- As to whether codal formalities were properly fulfilled while regularizing the posts of daily wages/contract/DPL staff.
- As to whether up-gradations/re-designation of posts were carried out in accordance with the rules/regulations and just in the interest of the Authority.
- As to whether promotions cases were dealt with on merit and keeping in view the approved promotion quota, etc.
- As to whether departmental inquiries were carried out as per time schedule and disciplinary actions against the persons at fault were initiated/taken accordingly.
- As to whether FIA/NAB inquiries and court cases were attended/pursued properly and in regular manners.

i. Introduction

Capital Development Authority (CDA), established under the CDA Ordinance promulgated on 27th June, 1960, is governed through an Executive Board, constituted by the Federal Government, under Section 6 of CDA Ordinance, 1960. Secretary, Capital Administration and Development Division is the Principal Accounting Officer of CDA.

In exercise of the powers conferred by sections 38 and 51 of the CDA Ordinance 1960, CDA has made Employees Service Regulations 1992. Subsequently, Schedule of Administrative and Financial Powers-2007 was also notified with the approval of CDA Board to monitor the activities regarding recruitments, regularizations, re-designation, up-gradations, promotions, retirements, etc.

ii. Scope of Audit

Record of Human Resource Directorate General for the period from July 2006 to June 2016 was subject to audit. The main scope of audit includes:

- Appointments of CDA employees on daily wages/DPL/contract/regular basis and appointments under prevailing Prime Minister's Assistance Package in CDA
- Regularization the posts of daily wages/contract/DPL staff
- Up-gradations/re-designation of posts
- Promotions/retirements of employees
- Transfers and postings of employees
- Dealing disciplinary cases of employees
- Pursuance of FIA/NAB inquiries and court cases

iii. Audit Methodology

Audit methodology included data collection; determination of audit objectives and criteria relating to Appointment, regularization, up-gradations/re-designation, promotions, retirements, transfers/postings of employees and disciplinary proceeding against the delinquents, examination of record, reporting results, etc.

iv. Audit Impact

The report is not only aimed at enhancing the accountability process, but also intends to analyze the management decisions by highlighting the weaknesses in the performance of Human Resources Directorate General, CDA. As a result of audit, the concerned Directorate General of CDA has initiated necessary steps to address the pointed irregularities committed while mis-interpreting/setting aside the applicable rules/regulations/ instructions.

v. Comments on Internal Controls and Internal Audit Department

The management of audited entity is generally not sensitized to the imperative of strengthening internal control environment within the organization. The present report has identified a range of irregularities indicating the systemic issues due to inadequate oversight mechanism or ineffective implementation of internal controls.

Audit underscores the need for addressing the systemic issues, which are instrumental in occurrence of every irregularity, through a detailed review of the internal controls.

The Directorate General was also not being audited regularly by the Internal Audit Wing of CDA due to which possibility of the increasing of irregularities, leading to financial loss to the Authority, could not be ruled out.

vi. Key audit findings of the report

- i. The Authority made irregular appointments in violation of Prime Minister’s Assistance Package for the families of deceased Government employees. ¹
- ii. The Authority made irregular/illegal appointments on daily wages/contract basis in violation of government ban on recruitment and beyond the provision of CDA by-laws. ²
- iii. The Authority granted personal up-gradation/re-designation to 1,068 employees in violation of Government Rules/CDA Regulation. ³
- iv. The Authority could not finalize 119 Departmental Inquiries since long. ⁴
- v. The Authority could not initiate/finalize disciplinary actions against the employees of CDA, holding fake/bogus degrees/certificates along with recovery of undue payment. ⁵
- vi. The Authority reinstated two suspended officials without finalization of criminal proceedings and Departmental Inquiry. ⁶
- vii. The Authority allowed House Building/Car Advance without approval of the competent authority and without concurrence of the Member Finance involving Rs 50.797 million. ⁷
- viii. The Authority made appointments on regular basis without obtaining NOC from the Establishment Division and without conducting written tests of the candidates. ⁸

¹ Para 01

² Para 02

³ Para 08

⁴ Para 11

⁵ Para 14

⁶ Para 19

⁷ Para 26

⁸ Para 30

vii. Recommendations

- i. Inquiries being conducted with regard to appointments made in violation of Prime Minister's Assistance Package, may be finalized at the earliest and appropriate action against the persons at fault be taken along with recovery of the financial loss sustained by the Authority in this regard besides removal of the services of the employees. Moreover, required formalities to prove the eligibility of the employment under the said package may also be fulfilled besides seeking clarification from the Establishment Division for accommodating other than family members of the deceased persons.
- ii. Pursue the finalization of criminal proceedings with the Police Department and take disciplinary action against the persons at fault accordingly.
- iii. Early finalization of the departmental inquiries regarding employment/regularization of the daily wages/contract/DPL employees with reference to legitimate need of human resources and relevant criteria and doing the needful besides recovery of undue financial benefits provided to the employees in shape of salaries/allotment of plots.
- iv. Justify/get condoned intra cadre transfers and promotions in CDA beyond the approved quota and provision of Employees Service Regulations 1992 or take appropriate corrective action in the best interest of the Authority.
- v. Early completion of the verification process of the degrees/certificates/diplomas/domiciles and finalizing of the disciplinary proceedings against the defaulters.
- vi. Justify personal up-gradation and re-designation on case to case basis with reference to documentary evidence or take appropriate corrective action besides recovery of monetary benefits given to the concerned employees in this regard.
- vii. Pending departmental inquiries, FIA and NAB investigations

alongwith court cases may be pursued vigorously and appropriate action be taken accordingly.

- viii. All similar nature irregularities, which could not be pointed out due to shortage of time and conducting audit on random sampling basis, may also be identified at management level and appropriate action be taken accordingly to safe guard the Authority's interest and discouragement of the delinquents.
- ix. Internal control system may also be strengthened to avoid recurrence of such irregularities in future.

AUDIT PARAS

Irregularity and Non-Compliance

1. Irregular appointments under Prime Minister's Assistance Package

Para No. 1(ii) of the Establishment Division letter No.8/10/2000.CP-1 dated 06.08.2004 states that the widow/widower or a child of a civil servant who dies during service will have to apply for contract appointment within one year after the death of a civil servant. In case of a minor child of a civil servant, the one year period will start from the date he/she attains the age of 18 years.

In accordance with the Prime Minister's Assistance Package for families of Government Employees, issued by Establishment Division vide O.M. No.7/40/2005-E-2 dated 13.06.2006, the assistance was to be provided to the families of government employees, who died in service. Accordingly, only one family member should have been appointed to financially compensate the bereaved family.

The Prime Minister of Pakistan announced Assistance Package for families of Government Employees who died in service, as communicated by Establishment Division vide O.M. No.7/40/2005-E-2 dated 13.06.2006. The Assistance Package was adopted by CDA vide Circular No.CDA-1(7)/HRD/Sec-1V/2006/1446 dated 20.03.2007 in pursuance of CDA Board decision dated 22.11.2006.

As decided by CDA Board in its meeting held on 18.12.2005 in respect of 61 sons, daughters and widows of the deceased/disabled CDA officials, the dependents/widows of the deceased government servants (who had applied within one year of the death of the employees) might be considered for appointment.

1.1 Audit observed during scrutiny of the accounts record of Human Resources Directorate General that CDA made 438 appointments against

various posts under PM Assistance Package from 2006 to 2016. Audit observed that most of the appointments under PM Assistance Package were made by CDA without fulfillment of the following necessary formalities, due to which such appointments were considered to be irregular/ unauthentic as detailed below:

- i. In 209 cases applications of the candidates were entertained directly by Human Resource Directorate (HRD) without forwarding the same by the concerned Directorates of CDA.
- ii. Death certification/verification by NADRA was not found attached in the relevant files under 400 cases due to which confirmation of death could not be authenticated.
- iii. Thirteen (13) employees were appointed in CDA under PM Assistance Package without approval of the competent authority.
- iv. In most of the cases Form-B/Family Registration Certificate (FRC) was not found attached in the relevant files for authentication of appointee's relation with the deceased.

Audit maintains that irregular/unauthentic appointments under PM Assistance Package were made, due to non-fulfillment of the required codal/procedural formalities and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that:

- i. Prime Minister's Assistance Package/Policy was introduced by the Federal Government to facilitate the family of employee who died in service. It is correct that 209 cases were received in HRD without forwarding by concerned Directorate; however, there was no bar to admit the case directly. Further. all due checks regarding verification of CNIC, death certificate and photo copies of educational certificates/degrees were carried out while considering these

cases and appointments made with the approval of the competent authority on the recommendations of the Departmental Recruitment Committee (DRC).

- ii. The death certificates were issued by Directorate of Municipal Administration CDA or Union Councils whose system was well connected with NADRA; hence no more verification was involved in these cases. It was further clarified that concerned Directorates of CDA issued death notification of deceased employees which were also verified/ confirmed by HRD during appointment process.
- iii. Out of thirteen (13) individuals only one person namely Muhammad Hussain S/o Muhammad Jahangir, Security Guard was appointed with the approval of Director HRD-II instead of Member (Admin) for which an inquiry on the matter was called and inquiry report would be shared with the Audit as and when the same was finalized.
- iv. The verification of “B” Form had already been enforced while scrutinizing such cases. Moreover, HRD has also introduced “Family Registration Certificate” prior to initiating proposal for DRC meeting.

The reply was not accepted because:

- i. The applications of the family members of the deceased employees under PM Assistance Package should have been routed through concerned Directorate for proper scrutiny of the eligibility of applicants. All objected applications need to be verified by the Directorate concerned to ensure the admissibility of appointments under PM Assistance Package.
- ii. The management could not substantiate its contention regarding integrated system of DMA, CDA with NADRA for issuance of death certificates. Matter needs record verification.

- iii. Approval of the competent authority for appointment of the twelve (12) employees was not got verified. Moreover, inquiry against Mr. Muhammad Hussain S/o Muhammad Jahangir was not yet finalized and necessary action not taken so far.
- iv. The Authority could not get verified the availability of Family Registration Certificate (FRC) in the entire relevant files under PM Assistance Package. Matter needs detail record verification.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking appropriate action against the persons at fault, early fulfillment of the required formalities and verification thereof besides strengthening of administrative and internal controls to avoid such lapses in future.

(AIR Para No. 03)

1.2 Audit observed that Human Resources Directorate General appointed twenty eight (28) employees in CDA on contract basis during 2008 to 2013, as other than family members under PM Assistance Package on the nomination of widows under the cover of Establishment Division letter No.5/4/95-R.M dated 18.01.1996 whereas, this letter was not found to be properly adopted by the CDA Board. Moreover, in the presence of revised PM Assistance Package issued in June 2006 (subsequently modified in December 2015), adopted by CDA in March 2007, the letter No.5/4/95-R.M dated 18.01.1996 had lost its validity. Thus, appointment of employees other than deceased's family members like brother, son-in-law, nephew, adopted son, sister and niece of the deceased and widow/widower on the nomination of widow was considered to be irregular due to non-fulfillment of the eligibility criteria as per revised PM Assistance Package.

Audit maintains that irregular appointments of the employees other than family members were made due to non-adherence to the definition of "Family"/terms and conditions of the revised PM Assistance Package and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that all such appointments of nominees were carried out by HRD in accordance with the Government of Pakistan Office Memorandum, notified by Section Officer (R.M) vide letter No. 5/4/95-R.M. dated 18.01.1996 for grant of assistance package to the family of employee who died in service. The reply was not accepted because Establishment Division letter dated 18.01.1996, on the basis of which 28 employees (other than family members) were appointed under PM Assistance Package on the recommendations of the widows, had no more validity after adoption of revised PM Assistance Package.

The matter was also discussed in DAC meeting held on 28.03.2017 wherein the Authority explained that an inquiry in this regard was being conducted and outcome thereof would be reported to the Ministry and Audit accordingly.

Audit recommends early finalization of the inquiry and taking appropriate action against the persons at fault besides strengthening the administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 04)

1.3 Audit noticed that the Human Resource Directorate General, CDA Islamabad appointed Rai Sajjad Haider S/o Zahoor Hussain Khan (Late) as LDC (BPS-07) vide employment order No. CDA-8(01) HRD-III/2011/1157 dated 19.05.2011. The services of Rai Sajjad Haider were terminated due to his absence from duty and unsatisfactory performance/conduct vide Office Order No. CDA-7 (04) HRD-III/2013/1817 dated 02.10.2013.

Audit further noted that the daughter of the deceased employee Mst. Farwa Batool also applied for the employment under PM Assistance

Package on 27.12.2010. Subsequently, her application was turned down due to the reason that only one child could be accommodated under the Package. Mst. Ghulam Sakeena (widow of deceased employee) again requested on 03.09.2013 for appointment of her daughter on the grounds that her child Rai Sajjad was continuously ill and unable to perform the duty. Consequently, Mst. Farwa Batool was appointed as LDC (BPS-07) on contract basis vide order No. 7(04)-HRD-III/2013/1820 dated 03.10.2013.

Audit observed that appointment of Mst. Farwa Batool was against the provision of PM Assistance Package as only one (01) child could be appointed and there was no provision for replacement of already appointed child (terminated due to his continuous absence from duty and poor performance/conduct).

Audit maintains that compensation to deceased family twice through appointment was due to non-adherence to above prevailing PM Assistance Package and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Rai Sajjad Haider S/o Zahoor Hussain Khan was appointed as LDC (BPS-07) according to approved Prime Minister Assistance Package Policy. However, his services were terminated vide HRD letter No. CDA-7(01) HRD-III/2013/1817 dated 02.10.2013 and in lieu of him, daughter of deceased namely Miss Farwa Batool was considered by DRC in the light of Office Memorandum notified by Section Officer (R.M) vide letter No. 5/4/95-R.M. dated 18.01.1996. However, an inquiry on the matter has been called in the light of audit observation.

The matter was also discussed in DAC meeting held on 28.03.2017, wherein the Authority explained that an inquiry into the matter was under way and outcome thereof would be reported to the Ministry and Audit accordingly as and when it was finalized.

Audit recommends early finalization of the inquiry and taking appropriate action against the persons at fault besides strengthening the administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 05)

1.4 Audit noticed that Human Resources Directorate General, CDA appointed Mst. Shumaila Yasin D/o Ali Ahmed as Naib Qasid on contract basis for a period of two years under revised PM Assistance Package vide offer letter No.CDA-7(01)HRD-III/2010/1025 dated 23.04.2010 and office order No.CDA-8(1)Pers/93/Sec-IV/2795 dated 26.05.2010. Audit further noted that she was married as evident from her CNIC issued by NADRA on 29.11.2001 and she was wife of Mr. Nasir Abbas Babar.

Audit observed that Mst. Shumaila Yasin D/o Ali Ahmed was not eligible for appointment under PM Assistance Package because she was married at the time of appointment and not covered under the definition of “family” in the light of above referred PM Assistance Package. Thus, said appointment was considered to be irregular.

Audit maintains that appointment of the other than family member was made due to non-adherence to PM Assistance Package and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that PM Assistance Package did not prohibit to appoint the married son/daughter of deceased person. Further, the married son/daughter remained part of family for getting all inheritance share of deceased person, hence, it could not be termed that married son/daughter was not covered under family definition for appointment. The reply was not accepted because married daughter of the deceased employee was not covered under the definition of “family” and therefore had no right to be compensated under the above referred Revised PM Assistance Package.

The matter was also discussed in DAC meeting held on 28.03.2017. The DAC directed the CDA to conduct an inquiry and take

action as per rules and submit the report to the Ministry and Audit for verification and further necessary action.

Audit recommends early finalization of inquiry as per DAC directions and taking appropriate action against the persons at fault besides strengthening the administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 06)

1.5 Audit noticed that the Director General Human Resource Directorate, CDA Islamabad appointed Mr. Sajid Ali S/o Badshah Gul (Late CDA Employee who died during service on 14.03.1985 as Forest Guard) as Enquiry Clerk (BPS-07) vide Employment Order No. CDA-7(01) HRD-III/2009/01 dated 01.01.2010.

Audit observed that CDA adopted PM Assistance Package in year 2007 and family members of the deceased employees would only be accommodated if the government servants were died after the adoption of the package. Audit further observed (through telephonic contact with Mr. Sajid Ali) that his brother Mr. Wajid Ali (working in Environment Directorate) was also appointed after the death of his father. Appointment of Mr. Sajid Ali in violation of above referred PM Package was considered to be irregular.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that no restriction and cut date defined for submission of applications for appointment under Prime Minister's Assistance Package prior to Revised Package notified issued vide letter No.CDA-1(7)HRD-IV-2006/1446 dated 20.03.2007. Moreover, the other son Mr. Wajid Ali was not appointed under this category of appointment. The reply was not accepted because the Authority could not substantiate its contention with reference to relevant record.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early justification or investigation into the matter for fixing responsibility and taking disciplinary action against the persons at fault along with recovery of the financial loss sustained by the Authority in this regard, removal of the services of the employee along and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 07)

1.6 Audit noticed that Mr. Abdul Jabbar was died on 12.08.2002 and Mst. Shamim Akhtar (widow of the deceased employee) applied for appointment of herself at first time in January 2006 as evident from her application, forwarded by the Prime Minister Secretariat vide letter No.U.O.No.1(3)/Estab/2009 dated 19.01.2009. Being time barred case application of the widow was not considered by the CDA. Later on she applied for her son Mr. Abdul Rauf on 05.09.2007 for suitable job under PM Assistance Package, however, his application was also turned down as his age was 22 years (Date of Birth 19.07.1985) and he did not fulfill 18 years age criteria. Audit further noted that Mr. Muhammad Waqas other son of the deceased employee, applied on 29.08.2009 for his appointment under PM Assistance Package and he was appointed as Security Guard (BPS-5) on contract basis for a period of two years.

Audit observed that Mr. Muhammad Waqas S/o Abdul Jabbar was appointed beyond the eligibility criteria because he applied for appointment on 29.08.2009 whereas, he should submit his application for appointment up till 19.07.2009 (within one year after attaining the age of 18 years). Audit further observed that application of the above appointee was rejected at first instance, however, the case was subsequently considered with the plea that the case of widow was under process since February 2009.

Audit maintains that such appointment was made due to non-adherence of the PM Assistance Package admissibility criteria and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the case of Mr. Muhammad Waqas S/o Abdul Jabbar was considered in the HRD for appointment under Prime Minister's Assistance Package but regretted on the ground that he did not apply within stipulated period. However, request made by the applicant to Section Officer, Cabinet Secretariat, and Cabinet Division, who recommended the case on compassionate grounds, was considered sympathetically and he was appointed with the approval of the Chairman CDA. The reply was not accepted because prevailing revised PM Assistance Package does not allow considering time barred cases.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking disciplinary action against the persons at fault (who concealed the facts) along with recovery of the financial loss sustained by the Authority in this regard, removal of the services of the employee and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 08)

1.7 Audit noticed that as per Death Certificate issued by Capital Hospital, CDA, Mr. Muhammad Ramzan father of Mr. Umar Raza died on 06.01.2009. Audit further noted that as per CNIC of the deceased employee his date of birth was 03.03.1945 and accordingly, he would have been retired from government service on 03.03.2005, while reaching the age of superannuation. The contents of HRD letter No.CDA-HRD-7(1)W/M/2010/2652 dated 04.11.2010, addressed to the Wafaqi Mohtasib, in reply of the complaint by Mst. Yasmeen Kausar (widow of the deceased), indicated that Mr. Muhammad Ramzan was retired before his death on 06.01.2009.

Audit observed that Human Resources Directorate General appointed Mr. Umar Raza S/o Muhammad Ramzan (Late) on contract basis for a period of two years under PM Assistance Package vide offer

letter No.CDA-7(01)HRD-III/2011/579 dated 09.02.2011 and office order No. CDA-7(01)HRD-III/2011/1163 dated 19.03.2011, while taking a stance that Mr. Muhammad Ramzan (father of the appointee) had died during service. Thus, appointment of the Mr. Umar Raza, which was not covered under the terms and conditions of PM Assistance Package, was considered to be irregular and beyond the eligibility criteria.

Audit maintains that irregular appointment occurred due to concealing the facts and inadequate implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that after detailed and lengthy hearings in the Honorable Court of Wafaqi Mohtasib, the management decided to appoint the official under PM Assistance Package. Further, the Office Orders regarding retirement of Mr. Muhammad Ramzan Hanfi, were issued on 22.5.2012, whereas, his son was appointed on 9.2.2011 prior to issuance of his retirement orders. However, an inquiry on the matter was called in the light of audit observations and inquiry report would be furnished as and when the same is finalized, the stance of the management was not convincing because Mr. Muhammad Ramzan, Circle Head Draftman in Roads Directorate, CDA died on 06.01.2009 after the date of his superannuation i.e. 03.03.2005. As the employee died after the date of superannuation, so his son was not entitled to be accommodated under PM Assistance Package. The management also remained unable to explain the position regarding retention of the services of the deceased employee for the period from 04.03.2005 to 06.01.2009 i.e. beyond the date of superannuation.

The matter was also discussed in the DAC meeting held on 28.03.2017 and during discussion it was explained that an inquiry in this regard was under process and final outcomes of the inquiry would be reported to the Ministry and Audit accordingly.

Audit recommends to expedite the inquiry and take appropriate action against the persons at fault along with recovery of the financial loss

sustained by the Authority in this regard, removal of the services of the employee along with recovery of the salary emoluments and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 01)

1.8 Audit observed that Human Resources Directorate General appointed Syed Qaseem Haider S/o Haider Ali Najam (Late) as LDC (BPS-7) in CDA on contract basis for a period of two years under Prime Minister's Assistance Package vide offer letter No.CDA-7(01)HRD-III/2012/856 dated 01.03.2012 and office order No.CDA-7(01)HRD-III/2012/967 dated 12.03.2012. The said appointment was considered to be irregular/unjustified in light of following facts:

- i. Farkhanda Jabeen widow of Syed Haider Ali Najam (Late) was already appointed as Naib Qasid (posted in Capital Hospital, CDA) in January 2006 on compassionate grounds and enjoyed the facility of PM Assistance. And according to the prevailing Package only one child or widow/widower of the deceased employee could be accommodated through employment.
- ii. Syed Qaseem Haider S/o Haider Ali Najam (Late) applied for appointment on 25.10.2011 whereas, according to the above referred instructions of the Establishment Division he should have applied up to 20.05.2009 (within one year after attaining the age of 18 years).

Audit maintains that irregular/unjustified appointment of Syed Qaseem Haider S/o Haider Ali Najam (Late) was made due to non-adherence to the Establishment Division instructions and inadequate implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Syed Qaseem Haider S/o Haider Ali Najam was appointed under Assistance Package (his father died during service in CDA as Beldar in 2005). After attaining the age of 18 years he applied for

job vide Diary No.482 dated 26.1.2009 in Director HRD-II office. This case could not be matured due to misplacement of original application. The applicant again applied for job vide application addressed to Member Administration CDA. Accordingly, his case was examined and Syed Qaseem Haider was appointed against the post of Beldar after conducting DRC and approval from competent authority. As far as, appointment of her mother namely Mst. Farkhanda Jabeen against the same package is concerned. It has been done by the Deputy Director HRD-II instead of Deputy Director HRD-III who will explain the factual position in better way. However, an inquiry for appointment of Mst. Farkhanda Jabeen under Prime Minister's Assistance Package was initiated in light of audit observation and outcome of inquiry report would be shared with the Audit as and when the same was finalized.

The matter was also discussed in DAC meeting held on 28.03.2017 wherein the Authority explained that an inquiry for appointment of Mst. Farkhanda Jabeen (widow of the deceased employee) under PM Assistance Package was initiated and outcome of the inquiry would be reported to the Ministry and Audit.

Audit recommends to expedite the inquiry and take appropriate action against the persons at fault along with recovery of the financial loss sustained by the Authority in this regard, removal of the services of the employee and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 02)

1.9 Audit noticed that Mr. Manzoor Ahmad S/o Mr. Muhammad Ashraf Khan, Naib Qasid died on 22.02.2006 as per HRD, CDA notification No.CDA-8(10)/HRD/Sec-III/2006/1117 dated 13.03.2006 and Mr. Azhar Manzoor (son of the deceased employee) requested for appointment/adjustment of deceased family member in CDA, Islamabad on 28.02.2013 under PM Assistance Package as his application forwarded by the Cabinet Secretariat (Cabinet Division) vide letter No.5/78/2010-CDA-III dated 05.03.2013.

Audit observed that Human Resources Directorate General, CDA appointed Mr. Azhar Manzoor as Naib Qasid on contract basis for a period of two years vide office order No.CDA-7(04)HRD-III/2014/518 dated 18.09.2014 and he joined duty on 22.09.2014. Audit further observed that Mr. Azhar Manzoor S/o Manzoor Ahmad was appointed beyond the eligibility criteria because he applied for appointment on 28.02.2013 whereas, he should have submitted his application for appointment upto 21.02.2007 (within one year after the date of death of his father).

Audit maintains that such appointment was made due to non-adherence of the PM Assistance Package admissibility criteria and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that widow of Mr. Manzoor Ahmad applied for appointment under P.M Assistance Package vide application dated 15.04.2006 addressed to D.G (Admin) CDA. The same could not be processed due to one and other reasons. The above scenario clearly indicated that the deceased family applied within stipulated period after expiry of the deceased person. However, she again approached for justice to Cabinet Secretariat, Government of Pakistan, who endorsed her request for consideration of appointment of her son namely Azhar Manzoor. The request of widow was re-examined and found in order as per approved policy.

The reply was not accepted because the Authority could not substantiate its contention with reference to Diary No./date and further disposal of the application of the widow by HRD Directorate.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early justification of the matter or fixing responsibility and taking disciplinary action against the persons at fault, removal of the services of concerned employee along with recovery of the

salary emoluments allowed to him and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 23)

02. Irregular appointment of employees on daily wages/contract/DPL basis in BPS-01 to BPS-18 in CDA due to non-fulfillment of required formalities and in violation of government instructions

Federal Government imposed a ban on entire recruitments vide letter dated 18.03.2011 which was adopted in toto by CDA.

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate. Regulation No.4.10 of ibid Regulations states that a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit for the post. Provided that the maximum age limit may be relaxed by the appointing authority in suitable cases. Regulation No.4.12 (1) of ibid Regulations stipulates that vacancies in all posts carrying basic pay scale 03 and above shall be filled on an all Pakistan basis in accordance with the merit and provincial or regional quotas prescribed by the Federal Government for civil posts from time to time.

According to the recruitment criteria, approved by the CDA Board in its meeting held on 31.07.2007 for appointment of the employees on regular/contract and daily wages basis and circulated by the Member (Admin) vide his letter No.CDA-7(1)/HRD-III/2007/1513 dated 07.09.2007, "all the vacant posts from (BPS-1 to 16) will be advertised by concerned Directorate after obtaining NOC from Establishment Division. The draft advertisement will be got vetted by HR Directorate and approved by Chairman, CDA before publication.

Audit noticed that 3057 employees of BPS-01 to BPS-18 were appointed on daily wages/contract/DPL basis during the period from

2005-06 to 2012-13. Audit further noted that 2445 employees of daily wages/contract have since been regularized in pursuance of the decision of Cabinet Committee in 2012-13.

Audit observed during examination of the relevant record that Human Resources Directorate General, CDA appointed said employees and most of them were subsequently regularized but following irregularities while making recruitments came to notice:

- i. Provincial/Regional quotas, as decided by Establishment Division vide letter No.F.8/9/72-TRV dated 31.08.1973 were not kept in view.
- ii. No posts of BPS-03 and above were advertised for fair competition on initial appointments and subsequent conversion into regular appointments of suitable candidates. Moreover, necessary NOC was also not obtained from the Establishment Division for advertising/appointing the daily wages /contract employees as required under above referred recruitment criteria.
- iii. 51 employees of BPS 16 to BPS 18 were appointed without advertisement and requisite relevant experience.
- iv. Employments were made without considering qualifications/experiences of the candidates in their relevant fields as qualification of 1559 employees (BPS 1 to 15) was not forthcoming from the produced detail/record.
- v. Short hand and typing test were not conducted, where required.
- vi. Appointments in BPS-17 and above were made without approval of the Competent Forum/CDA Board.
- vii. Regularization Committee of Cabinet Division regularized the daily wages/contract employees subject to fulfillment of the recruitment criteria and availability of posts.

- viii. Vacant sanctioned /regular posts, against which daily wages/contract/DPL employment was made, were not kept in view while initiating the recruitment cases.
- ix. Posts for the purpose of which employment was made on daily wages /contract basis were re-designated only to accommodate the appointees unduly.
- x. During investigation by the Directorate of Security CDA, appointment of 84 employees (in BPS-1 to 16) on daily wages basis was found doubtful due to double/fictitious dispatch numbers on the appointment letters in case of 72 appointees and non-availability of relevant appointment record against 12 appointees.
- xi. Mr. Usman Rasheed Khan was appointed over aged as his age was 35 years 08 months and 07 days at the time of engagement against the prescribed age limit of 30 years for the same post without approval of the appointing authority.
- xii. Miss. Seema Begum and Mr. Hafiz Towqeer Khan were appointed as Assistant Director (Executive Cadre) (BPS-17), whereas, no provision existed in the Administrative Powers of CDA 2007 for engagement of officer BPS-17 on daily wages basis. However, engagement was made with the approval of incomplete Board quorum as Financial Advisor/Member CDA and Member Estate, CDA along with outsider members did not sign the engagement note. The officer also did not possess degree in the relevant field.

Audit maintains that such irregularities for appointments/regularization of the daily wages/contract employees occurred due to non-adherence to the rules, regulations and Government instructions and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that since there various departmental fact finding

inquiries were being conducted on account of these appointments. As and when those inquiries were finalized, outcomes shall be furnished to Audit.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of the departmental inquiries regarding employment/regularization of the daily wages/contract/DPL employees with reference to legitimate need of human resources and relevant criteria, taking disciplinary action against the persons at fault, removal of the services of concerned employees along with recovery of the salary emoluments allowed and cost of plots if allotted to them and strengthening of administrative and internal controls to avoid such irregularities in future.

(AIR Para No. 10, 12, 15, 16, 20, 30)

03. Irregular/illegal appointment of Assistant Administrative Officer (BPS-16) due to non-fulfillment of prescribed eligibility criteria

As per Regulation No.4.10 (Part-B of Appendix-2) of CDA Employees Service Regulations 1992, recruitment criteria for the post of Assistant Admin Officer was as under:-

- i. **Qualification:** A second class Bachelor's Degree preferably in Public/Business administration or Administrative Sciences.
- ii. **Experience:** Three years' experience in supervisory capacity in personal Management or administration or accounts and budget in a government or in an organization or a firm of repute in public or private sector.
- iii. **Age limit:** 28 years

The said criteria were also reflected in the advertisement, published in the “Daily Express” Islamabad on 05.08.2003 for recruitment of the five posts of Assistant Admin Officer (Executive Cadre).

Audit noticed that Syed Safdar Ali was appointed as Assistant Administrative Officer (BPS-16) vide letter No.CDA-1(1)Pers/92/Sec-VII/48 dated 09.07.2004.

Audit observed that the Human Resources Directorate General, CDA appointed Syed Safdar Ali as Assistant Administrative Officer (BPS-16) in absence of fulfillment of the prescribed eligibility criteria as given in CDA Employees Service Regulations 1992 and provided in the relevant advertisement in the newspaper because the candidate possessed third class Bachelor’s Degree and had no required experience for the post. The appointment of the officer while setting aside the provision of CDA Regulations/advertised eligibility criteria visualized nothing except the state of nepotism, favoritism and usurping the rights of other eligible candidates. Thus, the appointment of the above mentioned was considered to be irregular/illegal.

Audit holds that the appointment of Assistant Administrative Officer was made due to non-adherence to the CDA rules, regulations, advertised criteria and ineffective oversight mechanism for implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that advertisement for the post of Assistant Administrative Officer BPS-16 was made as per criteria defined in CDA SP-1992, specifically, a second class Bachelor’s degree preferably in public/ business administration or administrative sciences. However the qualification of incumbent Mr. Safdar Ali was Master degree with second class which was considered appropriate for selection by the DRC. Since his qualification was more than publish qualification DRC found him suitable for selection as AAO (BPS-16) considering higher qualification possessed by him. The reply was not accepted because qualification criteria given in the advertisement of the post did not allow the

consideration of the 3rd Division Bachelor Degree duly supplemented with Master Degree for the purpose of recruitment. The consideration of 3rd Division Bachelor Degree was only possible if, qualification criteria was got changed with the approval of Competent Forum and post was re-advertised in the newspaper by obtaining necessary NOC from the Establishment Division.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for investigation into the matter for fixing responsibility and taking disciplinary action against the persons responsible, removal of the services of concerned employee along with recovery of the salary emoluments allowed to him and cost of the plot allotted to him (if any) or condonation of the irregularity by the Competent forum and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 17)

04. Irregular/illegal appointment of nine (09) Additional Assistant Admin Officers (BPS -16) beyond the advertised posts and in violation of the Government Recruitment Policy

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate.

As per advertisement, published in the “Daily Express” Islamabad on 05.08.2003 five (05) posts of Assistant Admin Officers (Executive Cadre) were advertised.

Audit observed that Capital Development Authority appointed fourteen (14) Assistant Administrative Officers BPS-16 (now posted as Deputy Directors and Directors) namely Mr. Kashif Shah, Mr. Asif Ali Khan, Malik Azhar Khursheed, Mr. Kamran Bakhat, Mr. Roshan Khan, Malik Muhammad Atta, Mr. Abdur Razzaq, Mr. Asad Abbas, Mr. Waheed

Abbas Bhatti, Mr. Abdul Rauf, Syed Safdar Ali Shah, Mr. Ghulam Shabir, Mr. Taimoor Ahmad and Mr. Imdad Ali (13 officers appointed against regular posts and one officer on contract basis) against the five (05) posts as advertised in the newspapers. Thus, the appointment of the nine (09) officers over and above the advertised posts was considered to be irregular/illegal. Relevant appointment files were not produced during audit, however, the information narrated in the audit observation was taken from the Wafaqi Mohtasib's findings and discussion with the concerned staff.

Audit further observed that Ms. Noreen Fazal Karim (Effectee of the same recruitment) lodged a complaint with the Wafaqi Mohtasib (Ombudsman) on 23.12.2004 against the CDA regarding rechecking of papers and appointments in the department. In his findings on 19.09.2005 the Wafaqi Mohtasib (Ombudsman) rejected the complaint being without merit, however, the CDA's action to fill in additional 09 posts without advertisement was considered as violation of Government Recruitment Policy laid down in ESTA Code 2000 Edition {Para-2 (n) of Annex at pages 139-148} and recommended that:-

- a) *CDA should either cancel the notification of nine officials appointed against the post of Admin officer in B-16 on regular/contract basis or obtain approval from the rule making authority/Prime Minister for regularization of this illegal action.*
- b) *Implementation report should be submitted within 60 days of the receipt of a copy of these Findings or reasons for not doing so intimated in terms of Article 11(2) of P.O 1/1983.*

It was further added that a period of more than eleven (11) years has been elapsed but implementation of the Wafaqi Mohtasib (Ombudsman)'s recommendations was not made so far.

Audit holds that the appointment of the 09 Assistant Administrative Officers over and above the advertised posts and non-implementation of the Wafaqi Mohtasib (Ombudsman)'s recommendations occurred due to non-adherence to the Government/

CDA's Rules, Regulations, Recruitment Policy and ineffective oversight mechanism for exercising the administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that in pursuance of Section 37, 38, 50 and 51 of CDA Ordinance (XXIII of 1960), CDA was competent to make appointment on such terms and condition as it deemed fit. Hence, it was not required to seek permission from the Federal Government and Prime Minister as by virtue of Section 50 of CDA Ordinance 1960, the Federal Government was barred to interfere in the matters pertaining to condition of service and recruitment.

In compliance of the recommendations of the Wafaqi Mohtasib (Ombudsman) dated 19.01.2005, the matter was placed before the CDA Board. CDA Board in its meeting dated 01.03.2006 approved the regularization of appointment of 14 AAOs which was conveyed to the Wafaqi Mohtasib accordingly.

Syed Yasin Ahmed, Advisor Wafaqi Mohtasib during hearing on 05.01.2010 passed following orders/ findings and closed the case:

“As a consequence of above hearing/ deliberations, it is evident that CDA as an agency had already complied with the recommendations of the Wafaqi Mohtasib as contained in its findings/ recommendations dated 19.09.2005 no further action is therefore warranted on our part”.

The reply was not accepted because the Authority could not substantiate its contention with reference to:-

- Reasons as to why the posts of audit officers were not advertised according to the vacancies at first instance.
- Observance of the federal/provincial/regional/promotional prescribed quota against recruitment of additional nine (09) Administrative officers.

- Amendment in regulation No.4.09 for incorporation there under “**Authority has absolute right to enhance /reduce or totally delete the posts as offered in the National news dailies/press**”
- Approval of the Federal Government as required under Section-37 of CDA Ordinance in case of appointment of the employees whose remuneration per month exceeds two thousand and five hundred.
- Condonation from the establishment division who issues NOC for advertisement of the regular posts in all government organizations.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for early justification/regularization of the matter or taking the appropriate action against the persons at fault besides strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 19)

05. Irregular/illegal appointment on daily wages as Administrative Officer without completion of required formalities and approval of the competent authority

According to clause 6 of the Revised Schedule of Administrative Powers 2007 of CDA, only employees on daily wages could be engaged against regular posts upto BPS-16.

Federal Government imposed a ban on entire recruitments vide letter dated 18.03.2011 which was adopted in toto by CDA.

Audit noticed that Syed Ali Murad S/o Syed Ghulam Yasin Azad was appointed on daily wages basis as administrative officer in BPS-16 vide office order No.CDA-7(01)HRD-III/2012/3140 dated 18.06.2012.

Audit observed that there was no regular/sanctioned post against such appointment and it was created with the approval of Chairman on 16.06.2012. However, further formalities like constitution of DRC, recommendations of DRC and approval of the competent authority were not got completed while appointing the said officer on daily wages basis. Thus, the appointment of Syed Ali Murad was considered irregular/illegal.

Audit holds that appointment of the said officer was made due to non-adherence to the CDA Regulations/Administrative Powers & Ban imposed by the Federal Government and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that in pursuance of inquiry findings Mr. Ali Murad had been terminated from services. However, inquiry to fix responsibility was under process through Confidential Cell (HRD), CDA.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of the inquiry/disciplinary proceedings against the persons at fault, recovery of the salary emoluments allowed to him and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 21)

06. Irregular/illegal appointment by transfer/change of Cadre from Stenographer (BPS-16) Ministerial Cadre to Admin Officer (BPS-16) Executive Cadre

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides that an appointment by transfer to a post from one cadre to a post in the other cadre shall be made in the interest of Authority. As per appendix-1 to Regulation 3.01, eleven cadres as detailed below were provided:

- i. Enforcement and Security Cadre.
- ii. Engineering Cadre.
- iii. Environment and Forest Cadre.
- iv. Executive and Ministerial Cadre.
- v. Finance, Audit & Accounts Cadre.
- vi. Medical and Health Cadre.
- vii. Miscellaneous Cadre.
- viii. Municipal Administration Cadre.
- ix. Planning and Design Cadre.
- x. Store Cadre.
- xi. Transport Cadre.

According to clause-12 (a)(b) of Schedule of Administrative Powers 2007 CDA, appointment by transfer was to be made only from one cadre to another cadre. In its 2nd meeting held on 06.02.2010, CDA Board reserved 7% quota for promotion of stenographers to the post of Administrative Officers.

Audit noticed that Human Resources Directorate General, CDA appointed Mr. Atta Bari Arshad as Administrative Officer (BPS-16) by change of cadre/appointment by transfer from stenographer (BPS-16) ministerial cadre to executive cadre in terms of clause-12 (a & b) of Administrative Powers 2007 vide office order No.CDA-3(2)(3)-Pers-95/Sec-II/4845 dated 16.09.2009.

Audit observed that the officer was re-designated/appointed as Admin Officer (BPS-16) through “Intra Cadre Change” from stenographer to Admin Officer (BPS-16) as both sub-cadres i.e. Stenographer and Admin Officer came under the one cadre namely “Executive and Ministerial Cadre” and according to the above referred CDA Regulations/Administrative Powers only re-designations/appointment by transfer could only be made in case of two separate cadres and not in case of two sub-cadres. Furthermore, the promotion from stenographer to Admin Officer should have been made in accordance with the 7% quota reserved by the CDA Board in its meeting as referred above. The

appointment of the officer as Administrative Officer through misconstruing the provision of clause-12 (a & b) of Administrative Powers 2007 was considered irregular/illegal.

Audit maintains that the appointment of the said officer by transfer was made due to non-adherence to the CDA Regulations/Administrative Powers/CDA decision for fixing promotion quota and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Mr. Atta Bari Arshad was appointed as Administrative Officer BS-16 by change of cadre/appointment by transfer from Stenographer (BS-16) to Admin Officer (BS-16) in terms of clause 12(A/B of administrative power) allowing seniority w.e.f 20.06.2007. While considering his promotion as Assistant Director, legal opinion for calculation of services rendered as Admin Officer w.e.f 20.06.2007 onward was sought by Legal Advisor, CDA, who has categorically recommended for counting of previous service towards maintaining level of requisite length i.e. 5 years for promotion as Assistant Director. It is worth mentioning here that a representation on account of actualization of Mr. Atta Bari Arshad w.e.f 19.06.2012 was made by his peers, which was accepted and authority withdrawn the actualization orders dated 09.07.2012 on 16.01.2013. In response to order dated 16.01.2013, Mr. Atta Bari Arshad filed an appeal which was not finalized by the department.

Accordingly, he filed a writ petition No. 2667/2013 in Honorable Islamabad High Court, Islamabad for restoration of his actualization orders 9.7.12 as Assistant Director. After hearing the view point of both parties including the issue of change of cadre, Islamabad High court made a Judgment dated 16.07.2013, the operative part of Court decision is as under:-

Petitioner invoked the constitutional jurisdiction of this Court by way of filing instant writ petition with the following prayer:-

‘In the circumstances, therefore, it is respectfully prayed that this petition may graciously be accepted and the impugned office order dated 16.01.2013 as well as order dated 13.06.2013 be declared as ultra vires, void ab-initio the same be set aside and the Respondents be directed to continue the services of the petitioner as an Assistant Director, BPS-17 on regular basis.

Any other relief found suitable under the circumstances of the case may also be granted.’

Since, this is an admitted fact that impugned orders dated 16.01.2013 and 13.06.2013 have been passed without affording an opportunity of hearing to the petitioner which is in violation of divine principle of law of Audi Alteram Partem, therefore, without going into merits of the case both the impugned office orders are set aside.

The Islamabad High Court order referred above was not implemented in letter and spirit within stipulated period. Hence, he filled contempt petition for implementation of court order dated 16.07.2013 who attains finality.

It is added here that a substantial saving of Rs 1,124/PM = (23,970-22,846) w.e.f 16.09.2009 onward as result of change of cadre from Stenographer (BS-16) to Admin Officer (BS-16) was accrued.

The reply was not to the point because the Authority merely explained the position regarding promotion of the officer from Administrative officer to Assistant Director and nothing stated about the personal re-designation/intra cadre change from stenographer to Administrative officer on the basis of which audit observation was developed.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for investigation into the matter for fixing responsibility, taking disciplinary action against the persons responsible, undoing the promotion by transfer and take appropriate as per prevailing Rules/Regulations along with recovery of undue financial benefits taken by him through adopting alternate/shortcut way of promotion, thrashing out all identical case and take appropriate action accordingly and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 22)

07. Irregular/illegal appointment of Assistant Director (BPS -17) due to non-fulfillment of prescribed eligibility criteria

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate. Regulation No.4.10 of ibid Regulations states that a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit for the post. Provided that the maximum age limit may be relaxed by the appointing authority in suitable cases. Regulation No.4.12 (1)of ibid Regulations stipulates that vacancies in all posts carrying basic pay scale 3 and above shall be filled on an all Pakistan basis in accordance with the merit and provincial or regional quotas prescribed by the Federal Government for civil posts from time to time. As per Regulation No.4.10 (Part-B of Appendix-2) recruitment criteria for the post of Assistant Director (Enforcement) is given as under:-

Qualification: A Master's Degree not below second class preferably in commerce.

Experience: Three years' experience as staff officer civil Defense/Assistant Fire officer or equivalent under government or in an organization or firm of repute in public or private sector or in local bodies.

Age limit: 30 years

Audit noticed that the services of Mr. Khizar Hayat Satti were initially hired as Assistant Admin Officer (BPS-16) from Local Government Board, Punjab Government on deputation basis for three years period vide office order No.2311 dated 26.08.2004 (the officer joined the CDA on 18.08.2004). Subsequently, he was appointed as Assistant Director Enforcement and Coordination (BPS-17) vide office order No.CDA-HRD-7(01)HRD/III/2007/1405 dated 11.08.2007 (joined the duty on 07.08.2007). The previous service of the officer, performed in the Local Department Punjab, was also counted for and pay was protected accordingly while considering his recruitment through proper channel. However, relevant record relating to advertisement of post of Assistant Director Enforcement and Coordination, written test, detail of sanction post with Federal/Provincial/Merit quota, recommendations of the DRC and final approval of the competent authority was not produced.

Audit observed that the Human Resources Directorate General, CDA appointed Mr. Khizar Hayat Satti as Assistant Director Enforcement and Coordination (BPS-17). However, such appointment was considered as irregular/illegal due to the following facts:-

- i. The officer did not fulfill relevant qualification, experience and age limit criteria as referred above.
- ii. Consideration of the previous service and resultantly pay protection was also undue because in response to CDA letter No.3056 dated 04.06.2008, written to the Secretary Punjab Local Government for furnishing of service statement/pension contribution against the previous service of the officer from 01.08.2009 to 07.08.2007, the Punjab Local Government Board declined to pay the pension contribution vide letter No.LCS(Admn)-1(244)/94 dated 09.09.2008 with the remarks that Mr. Khizar Hayyat Satti did not apply for the post of Assistant Director (Enforcement & Coordination) DMA, CDA (BPS-17) for fresh recruitment with the proper concurrence (through proper

channel) as required under rule 2.11 of Civil Servant Pension Rules.

Audit holds that the appointment of Assistant Director was made due to non-adherence to the CDA rules, regulations and ineffective oversight mechanism for implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that appointment/ recruitment criteria for the post of Assistant Director Enforcement was got approved by the competent Authority as follows:

- a) A Master's Degree second class
- b) 3 years' experience of municipal administration, local government municipal/ local government taxation, protocol issues
- c) Maximum age 30 years

OR

- a) A Bachelor's degree second class or Grade C
- b) 10 years' experience of municipal administration, local government, municipal government taxation, protocol issues.
- c) Maximum age 30 years

Perusal of above approved post criteria advertised in press clearly reveals that appointment of Mr. Khizar Hayat Satti was made strictly in accordance of approved and published post criteria. Hence, question of irregular appointment of Mr. Khizar Hayat Satti does not arise.

It is clarified that the Secretary Punjab Local Government, Board Local Government Complex, Lahore had issued no objection vide letter No. LCS (Admin)-1(244)/94 dated 08.01.2007 to relieve Mr. Khizar

Hayat on his appointment as Assistant Director (Enforcement and Coordination), Capital Development Authority, Islamabad.

Furthermore, in response to CDA clarification vide letter No.CDA-4(2)(127)-Pers/2004/Sec-II/464 dated 26.01.2009 on the subject transfer of pension contribution, Director Finance, Secretary Punjab Local Government, Board vide letter No. LCS (Admin)-1(244)/94 dated 19.12.2009 undertaken to remit the proportionate share of pensionary benefit in respect of Khizar Hayat (BS-16) from 01.8.1989 to 17.6.2004, during which he served as member of LCS prior to his proceedings on deputation / absorption / appointment to Capital Development Authority under rule 2.11 note-2 of the Civil Service Pension Rules at the time of retirement.

The reply was not accepted because the Authority could not substantiate its contention with reference to the required record as per reply/audit observation.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking disciplinary action against the persons responsible, repatriation of the officer if his appointment as Assistant Director (Enforcement & Coordination) was not justified/substantiated with reference to qualification, experience, age limit, advertisement in newspaper, written test, DRC recommendation, approval of the competent forum and confirmation regarding applying by the candidate through proper channel along with recovery of undue benefits on account of salary and cost of plot (if any allotted to him) and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 26)

08. Irregular/unjustified personal up-gradation/re-designation of 1,068 employees in CDA in violation of Government Rules/CDA Regulations

Civil Servants Recruitment/appointment, seniority and promotion Rules 1973 describes that the up-gradation of posts shall be considered in the following cases only, When it is considered necessary to up-grade certain posts in order to rationalize the administrative structure of a Ministry/Division or a Department to make it more effective or to bring about uniformity of pay scales of similar posts in different organizations, where the duties and responsibilities attached to a post have considerably increased, where pay scale of a post is considered grossly incommensurate with the qualifications and experience prescribed for appointment to that post and up-gradation of a post on personal basis may not be allowed except if any officer, already holding on regular basis a higher grade post, is posted against a post, carrying lower grade, due to exigencies of service. when the competent authority approves the up-gradation of a post in the situations mentioned, appointed to the up-graded post should be made in accordance with the provisions of the Civil Servants (Appointment, Promotion and Transfer) Rules, 1973, and the specific rules which regulate appointment to the post.

Regulation 4.22 of CDA Employees (Service) Regulations 1992 provides that an appointment by transfer to a post from one cadre to a post in the other cadre shall be made in the interest of Authority. Regulation 4.23 (1- 4) of ibid Regulations states that appointment by transfer to a post shall be made by appointing authority on the recommendations of the Selection Board/Departmental Promotion committee. And regulation 4.24(1&2) of ibid Regulations provides that appointment be transfer shall be made from amongst persons holding appointment on regular basis in posts in the same basic pay scale or equivalent or identical to the post to be filled and possess the qualifications for initial appointment (laid down in part B of appendix 2) for the posts against which they were re-designated.

However, such regulations regarding appointment by transfer were deleted with the approval of the CDA Board as notified vide No.CDA-7(01) HRD-III/2013/1270 dated 24.06.2013.

Audit observed during examination of the relevant record for the period from July 2006 to June 2016 that the Human Resources Directorate General, CDA made personal up gradation and re-designation of 1068 employees. Such up-gradation/re-designation of the CDA employees was considered illegal/un-justified due to following reasons:-

- i. Personal up-gradation of the employees was made while relying on the clause-4 of the Revised Schedule of Administrative Powers-2007 CDA without preparing/following any SOP /criteria for up-gradation under these powers.
- ii. In mostly cased re-designation of the employees was made within cadre, whereas, according to above referred regulations appointment by transfer/re-designation was only allowable from one cadre to another cadre instead of intra cadre transfer/re-designation.
- iii. Qualification and experience of the relevant posts against which employees were re-designated were not kept in view while re-designating the posts.
- iv. In some cases re-designation was made just like promotion as post was also up-graded along with up-gradation of basic pay scale. For instance Associate Gynecologist was re-designated as Gynecologist, Associate Pulmonologist to Pulmonologist, Assistant Director (E&DM) to Deputy Director (E&DM) and Deputy DG (Law) to DG (Law) etc. Whereas, according to above referred regulation re-designation should have been made in same basic pay scale or equivalent or identical to the post to be filled.
- v. Re-designation was made without recommendations of the Selection Board/Departmental Promotion Committee and

without determination of the eligibility criteria of the posts newly created.

- vi. Re-designation/appointment by transfer should be made only in the interest of the Authority. In the above 1068 cases of re-designation, there was not a single case under which re-designation was made for the interest of the authority. Rather re-designation was made solely to accommodate the concerned employees in regard to their out of turn promotions by usurping the seniority rights of ignored employees. The chances of re-designation of the influential employees for more than one time could also be not ruled out as the post of Mr. Ammad-ud-Din was first time re-designated from Assistant Director (E&MD) to Deputy Director (E&MD) and second time re-designated as Additional Director (E&MD).

Audit holds that the personal up-gradations and re-designations were made due to non-adherence to the above referred rules/regulations and lack of financial, administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that since the personal up gradation and re-designation of 1068 employees was made in CDA in the past. Personal up gradation and re-designation carried out in CDA has been challenged in NIRC by some officials. Supreme Court of Pakistan has also taken Suo-Moto action on account of personal up gradation and re-designation in CDA. Furthermore the subject matter was also taken up by FIA. As and when decision of August Supreme Court of Pakistan and FIA were received further action shall be taken accordingly.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends pursuance of the court cases/ investigation by FIA, early finalization of the departmental inquiry, taking disciplinary action against the persons responsible, justification of the up-gradation/re-

designation on case to case basis with reference to documentary evidence or undoing the up-gradation/re-designation along with recovery of monetary benefits achieved by the concerned employees in this regard and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 29)

09. Irregular promotion of CDA officers due to non-attaining the mandatory training of Mid Career Management Course (MCMC) and Senior Management Course (SMC)

As per instructions of the Establishment Division Cabinet Secretariat, issued from time to time at the commencement of Mid Career Management Course (MCMC) and Senior Management Course (SMC), MCMC and SMC are mandatory for the promotion of officers from BPS-18 to BPS-19 and BPS-19 to BPS-20 except in case of exemption due to attaining the age of 50 years and 58 years respectively by the officers. However, all exemptions from the mandatory training of MCMC and SMC were withdrawn w.e.f 31.07.2016 vide letter No.F.10/1/2012-CP-II dated 30.12.2015.

According to the Promotion Policy of CDA regarding posts in BS-17 to BS-20, issued by the Cabinet Division, with the approval of Cabinet Secretary vide letter No.1/24/2009-CDA dated 19th August, 2009, the condition of passing the departmental examination or successfully completion of training courses, as the case might be, was prerequisite for promotion from 01.01.2010 onwards.

Audit observed during scrutiny of the relevant record of Human Resources Directorate General, CDA that eight officers from BPS-18 to BPS-19 and four officers from BPS-19 to BPS-20 were promoted without attaining the mandatory training of MCMC and SMC respectively. Whereas, in accordance with the above referred government instructions and CDA promotion policy MCMC and SMC was prerequisite for promotion. Thus, promotion of the 12 officers was considered irregular.

Audit maintains that promotions in absence of MCMC and SMC trainings were made due to non-adherence to the government instructions/CDA by laws and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that promotion policy introduced by Federal Government had also allowed exemption from MCMC & SMC training to professional and technical cadre like Engineering & Planning and Design Cadre. The list of officers as pointed out by Audit belonged to the Engineering cadre which was accepted from such training.

The reply was not convincing because MCMC & SMC training was mandatory for promotion of officers of even Engineering Cadre from BPS-18 to 19 & BPS-19 to 20 respectively, as Engineers in other Government Departments like Pak. PWD were also obtaining the training of MCMC and SMC.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for justification with reference to clarification by the Establishment Division or doing the needful at the earliest.

(AIR Para No. 31)

10. Irregular appointment of Horticulture officer (BPS -16) due to non-fulfillment of prescribed criteria

As per Regulation 4.10 of CDA Employees Service Regulations 1992, a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit laid down for the post. According to part-B of appendix-2 to these regulations the admissible criteria for the post of Horticulture Officer was as under:-

- i. **Qualification:** BSc/B.Sc (Agr) with Horticulture as major subject.
- ii. **Experience:** with three years' experience in the relevant field.
- iii. **Age limit:** 28 years

Audit noticed that Mr. Irfan Azeem Khan Ali was appointed as Horticulture Officer (BPS-16) vide letter No.CDA-3(2)(2)-P/87/Vol:IV/S/II/ Islamabad dated 14.03.1995. Subsequently, his post was up-graded from BPS-16 to BPS-17 & re-designated as Assistant Director vide office order No.CDA-7(84)-HRD-III/Sec Vi/07/1525 Islamabad dated 11.09.2007.

Audit observed that the Human Resources Directorate General, CDA appointed Mr. Irfan Azeem Khan Ali as Horticulture Officer (BPS-16), whereas, he had MSc (Honours) Agriculture with major subject of Agronomy and had no qualification/experience regarding horticulture field. Thus, appointment of the officer as Horticulture Officer without having required qualification/experience was considered irregular.

Audit holds that the appointment of Horticulture Officer was made due to non-adherence to the CDA Rules Regulations/Advertised criteria and ineffective oversight mechanism for implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that qualification for the post of Horticulture Officer (BPS-16) was envisaged in CDA Service Regulation 1992 as B.Sc (Agr). Whereas, Mr. Irfan Azeem possessed degree of M.Sc. with major subject of Agronomy which was quite higher than the prescribed qualification for the post. Moreover, the equivalency of both degrees under reference was being got declared from HEC. As and when the reply was received from concerned formation, the copy of same would be supplied to Audit.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for justification/ condonation of the irregularity by the competent forum or taking disciplinary action against the persons responsible, removal of the services of concerned officer along with

recovery of the salary emoluments and other financial benefits allowed besides strengthening of administrative and internal controls.

(AIR Para No. 34)

11. Non-finalization of Departmental Inquiries in 119 cases since long

According to Establishment Division Secretary's D.O. letter No. 5/1/81-C.II (A), dated 06.06.1981(SI-130 of ESTA code) the following measures should be strictly observed while conducting/finalizing of the disciplinary cases:-

- (a) The Inquiry Officer be carefully selected for his competence and capability to hold the inquiry.
- (b) A time-limit should be prescribed for completion of the inquiry
- (c) Until the inquiry is completed, the Inquiry Officer, the accused as well as the witnesses concerned should not be permitted to proceed on leave, training course or on transfer in or outside Pakistan.
- (d) A check-sheet, recording the day to day progress, should be maintained by the Inquiry Officer.
- (e) The inquiry proceedings once started should be held without interruption, as far as possible, on day to day basis.
- (f) On receipt of the inquiry, the case should be processed expeditiously by the Ministry concerned.
- (g) It should be impressed upon the Inquiry Officer that the quality of work produced by him will reflect on his efficiency, which will be recorded in his ACR.
- (h) The initiating officer should record his assessment of the Inquiry Officer's performance in the ACR.

Audit observed during examination of the relevant record of Human Resources Directorate General, CDA that departmental inquiries were pending since long in 119 cases as some inquiries were under process since 2009. Audit further observed that concerned Inquiry Officers/Inquiry Committees protracting the inquiries without any cogent reasons and concerned confidential section was also not pursuing the same inquiries as per given time schedule. Abnormal delay in finalization of inquiry cases was not only providing latitude to the involved officers/officials of the CDA but, also encouraging the other employees to commit such offences/irregularities in future. Moreover, with the passage of time employees were going to be retired and delay in finalization of inquiries would also cause non-recovery of the financial loss and non-penalizing to the delinquents.

Audit maintains that non finalization of the departmental inquiries occurred due to non-adherence to the government instructions and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Confidential Section of HRD Directorate issued several reminders to the Committees regarding finalization of inquiries within stipulated period and almost departmental inquiries have been completed up till 2012. However, after hectic efforts Fact Finding Inquiries reports are received and subsequently formal inquiries against the Officers / officials involved were going to be investigated by constituting committees and giving those fifteen or one month time period to complete the inquiry proceedings and submit their reports, so that further required action could be taken accordingly. Some reports of formal inquiries were received and required actions taken by this Office and some were under process for decision by the competent authority. The reply was not accepted because the management explained general status about inquiries instead of up to-date follow up status against each pending inquiry.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of the inquiries for fixing responsibility, taking appropriate action against the persons at fault and expediting the needful besides strengthening the administrative and internal controls.

(AIR Para No. 35)

12. Irregular promotion as a Surgeon (BPS-19) through creation of the post of Surgeon without approval of the competent Authority.

According to CDA Employees (Service) Regulations 1992, criteria to fill up the vacant post of Surgeon (General Surgery) (BPS-19), through promotion is as under:-

Quota

- a) 20% by initial recruitment
- b) 80% by promotion quota

Minimum Qualification and Experience and other conditions

- i. Seven years' service in post of Associate Surgeon (General Surgery) (BPS-18).
- ii. Post-Graduate, Higher or Lower Diploma in the relevant specialty.

Moreover, in accordance with the clause-4 of the Revised Schedule of Administrative Power 2007 of CDA, creation of the post of BPS-18 and above falls under the competency of CDA Board.

Audit noticed that Mr. Muhammad Naeem Taj was appointed as an Associate Surgeon (BPS-18) in Capital Hospital, Islamabad vide offer letter No.CDA-3(1)/(2)-pers/99/Sec-I dated 12.07.2006. The officer assumed charge of the post w.e.f 01.11.2006. The officer was promoted as surgeon (BPS-19) w.e.f 03.11.2011.

Audit observed that Human Resources Directorate General, CDA promoted Mr. Muhammad Naeem Taj Associate Surgeon as a surgeon (BPS-19) after only five years of service ignoring the promotion criteria mentioned in the CDA Employees Service Regulations 1992. Audit

further observed that only one post of General Surgeon existed in the Capital Hospital, CDA but another post of General Surgeon (BPS-19) was created by the chairman, CDA by re-designating the post of Neurosurgeon without approval of the CDA Board as required under above referred administrative powers. Thus, the promotion of the officer was considered irregular.

Audit maintains that the irregularity occurred due to non-adherence to the CDA rules/regulations and lack of administrative internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that requisite length of service according to ESTA CODE(Sl. No.157, Page-429), for promotion to the post of Grade 19 is 12 years' service in grade 17 and above. As Dr. Muhammad Naeem Taj, joined Service as Medical Officer (BS-17) on 08.04.1996 and he was appointed against the post of Associate Surgeon (BS-18) on 01.11.2006. In this case the officer rendered more than 15 years services as medical officer and he was promoted to the post of Surgeon (General Surgery) BS-19, after completing all codal formalities.

The reply was not convincing because according to the CDA Employees Services Regulation 1992, seven years' service in the post of Associate Surgeon was mandatory for promotion of General Surgeon in (BPS-19). Moreover, in accordance with the clause-4 of the Revised Schedule of Administrative Power 2007 of CDA, creation of the post of BPS-18 and above falls under the competency of CDA Board instead of Chairman CDA.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation in to the matter for fixing responsibility and taking appropriate action against the persons at fault, doing the needful as per CDA rules/regulations besides strengthening of administrative and internal controls

(AIR Para No. 36)

13. Non-updating of seniority lists of CDA employees regularly

According to the Regulations 6.01 to 6.07 of CDA Employees (Services) Regulations 1992, seniority list of the employees shall be maintained/updated for proper administration of a cadre or a post.

Moreover, according to the Section-C of Esta Code regarding preparation/maintenance of seniority list of all persons employed under the Federal Government are required to be prepared/maintained to monitor seniority of the employees at the time of recruitment/promotion.

Audit observed during scrutiny of the seniority lists of certain cadres, produced during audit, that Human Resources Directorate General, CDA was not preparing/updating seniority lists of the CDA employees regularly. For instance seniority list of AAOs (Accounts/Audit) was maintained upto March 2013 and seniority list of Deputy Director Executive Cadre was lastly prepared in 2012. Reasons for non-maintenance/update of seniority lists of the officers/staff of CDA were not forthcoming from the produced record.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that seniority lists of some categories in the Authority were being finalized shortly in the light of observations raised by the individuals on draft seniority lists circulated by HRD. Moreover, there were also litigation issues among the officials filed in various courts. As and when the court directives are received, the seniority lists shall be finalized in due course of time. The management made interim reply.

Audit recommends expediting the needful for proper administration/monitoring the recruitments/promotions of the staff under each cadre.

(AIR Para No. 37)

14. Non-pursuance of verification of degrees/certificates/diplomas, and domiciles of employees and non-adjustment of outstanding advance - Rs 2.8 million

As per standing instructions by the Government of Pakistan all departments/organizations under the administrative control of the Federal Government are required to get verified the educational degrees/certificates from the respective Universities/Boards or Institutions up to April, 2011.

Sl. No. 28 provided in Esta Code vol. I (Civil Establishment Code) indicated that checking the genuineness of educational certificates/qualification, etc. are necessary to produce by the persons in ministerial services of the Federal Secretariat and its attached departments.

Audit noticed as per detail provided by HRD, CDA vide letter No.CDA-7(01) HRD-III/2017/3903 dated 09.03.2017, 14678 employees (gazetted and non-gazetted) are now working in CDA under 75 Directorates. Audit further noted that the CDA Board has assigned the duty of degree/certificates verification to two Directorates of CDA i.e. Secretary CDA Board for verifications of degree/certificates of gazetted and Director Security for verification of degree/certificates of non-gazetted staff.

Audit observed that the Secretary CDA Board and Director Security, CDA could only get verified 1047 degrees/certificates/diplomas (451 of gazette and 596 non-gazetted employees) leaving degrees/certificates/domiciles of 13631 employees (14678 - 1047) un-verified/un-pursued. Audit further observed that an amount of Rs 2,880,000 was found adjustable against degrees verification as per letter No.CDA/AO (Sectt-1) Advance/2013-14/1845 dated 05.01.2016, made to the concerned Boards/HEC. However, pursuance of the verification/confirmation of the remaining degrees/certificates/domiciles and adjustment of the outstanding advance was not forthcoming from the produced record. As the retirement and promotion of the employees is a continuous process and delay in verification of the remaining testimonials may cause a huge loss to the

authority in case of retirement and promotion of the concerned CAA employees if their degrees/certificates/diplomas, etc. proved to be bogus/fake.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the following effects were made to get the degrees verified and task accomplished:-

- i. Degrees/Certificates/Domiciles of 558 employees have since been got verified from respective quarters.
- ii. Disciplinary proceedings were initiated against 38 employees possessing bogus/fabricated/fake degrees/certificates/domiciles.
- iii. Degrees/Certificates/Domiciles of 466 employees were under process.
- iv. Degrees/Certificates/Domiciles of 89 employees undelivered.

The reply given was found incomplete because it reflected only partial position of the degrees/certificates/diplomas/ domiciles of non-gazetted staff instead of complete position of degrees/certificates/diplomas/domiciles of the gazetted and non-gazetted staff. Moreover, degrees/ certificates/diplomas/ domiciles of 13631 CDA employees were still to be got verified/confirmed. Moreover, the management stated nothing about the adjustment of the advance payment.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early completion of the verification task of the remaining degrees/certificates/diplomas/ domiciles, finalization of the disciplinary proceedings against the fake/bogus degrees/certificates/diplomas/ domiciles holders and adjustment of the advance payment.

(AIR Para No. 42)

Performance

15. Delay in development of software for balloting resulted in loss to the Authority - Rs 2.639 million

Rule 23 of GFR Vol-I provides that Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Audit noticed from the explanation of Mr. Riffat Ali Khan, Director (I.T), Mr. Muhammad Asif Faheem, Database Administrator and Mr. Shehzad Siddique Malik, Web Administrator, called for by the Director General Administration, CDA vide No.CDA/DG(A)-1(21)/2014/3522 dated 06th October, 2015 that balloting date of I-15 on 5th October, 2015 was advertised through media for general public and an expenditure of Rs 2,639,016 was incurred on account of advertisement. Audit further noted that the above officers were responsible to get developed the software by NADRA before balloting date.

Audit observed that the officers as mentioned above could not get developed the software system by NADRA and resultantly the balloting date announced on 05.10.2015 was withdrawn and balloting could not be conducted as per scheduled date. Due to which the authority sustained a loss of Rs 2,639,016 in shape of advertisement charges, borne without fulfillment of the purpose.

Audit maintains that the loss occurred due to negligence of the concerned staff of CDA and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the IT Directorate was taken on board in instant matter on 17.03.2015 subsequent to the CDA Board decision, made on

19.02.2015 to get software developed by NADRA. Advertisement in the media was floated on 04.03.2015 for balloting to be held on 26.03.2015 and D.D.G (Land & Estate), CDA made a request to NADRA vide their letter dated 05.03.2015, however, the NADRA regretted it vide letter dated 11.03.2015. Further replied that the IT Directorate did its utmost efforts for getting the task done at the earliest by using different means including letters available on record, emails, text messages, telephones, visits of NADRA HQ, inviting NADRA's teams to visit CDA for meetings, system study, software design and development of a comprehensive application for Electronic Balloting in the light of CDA Board approved SOP for Electronic Balloting.

The reply was not accepted because the management could not substantiate its contention with reference to final action, taken by CDA Administration against Explanation, and other relevant record in support of reply. Thus, matter needs investigation for fixing responsibility making loss of Rs 2.639 million good from the persons at fault.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends that the matter may be justified with reference to supporting record/evidence or the loss be made good from the persons at fault besides strengthening the administrative and internal controls.

(AIR Para No. 24)

Internal Control Weaknesses

16. Irregular re-designation of Admin Officer without approval of the competent authority

According to the decision by the Cabinet Sub-Committee in its meeting held on 31.05.2012 regarding regularization of the contract posts of CDA, the post of Mr. Aftab Saleem was approved as Assistant Logistic Officer (BPS-16).

Audit noticed that in pursuance of the said Cabinet decision, Human Resources Director General, CDA issued offer letter vide No.CDA-7(01)HRD-III/2013/448 dated.07.01.2013 for regularization of contract services of Mr. Aftab Saleem as Assistant Logistic Officer BPS-16. Audit further noted that while issuing office order in regard to joining of duty vide letter No.CDA-7(01)HRD-III/2013/518 dated 30.01.2013 the designation of the incumbent was mentioned as Admin & Logistic Officer.

Audit observed that designation of the said employee was changed from Assistant Logistic Officer to Admin & Logistic Officer (BPS-16) without approval of the competent authority and in violation of Cabinet Sub-Committee decision as referred above. Thus, re-designation of the post of Mr. Aftab Saleem his considered to be irregular.

Audit maintains that re-designation of the post was made in absence of approval of the competent authority/in violation of Cabinet Sub-Committee decision and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Mr. Aftab Saleem was appointed as Assistant Logistic Officer (BPS-16). Re-designation of the individual was made with the approval of the Chairman, CDA in terms of clause No. 4(b) of Revised Admin Power after conducting DRC of Mr. Aftab Saleem against the post of Admin Officer (BPS-16) which is at par with his earlier designation of Assistant Logistic Officer (BPS-16). The individual was regularized as Assistant Logistic Officer (BPS-16) and his re-designation name got matured. The reply was not accepted because the post was re-designated from Assistant Logistic Officer (BPS-16) to Admin & Logistic Officer (BPS-16) in violation of decision of Cabinet Sub-Committee. Moreover, the interest of the authority for re-designation of the post with the recommendation of the DPC along with fulfillment of the qualification and experience criteria against the re-designated post (as required under regulation 4.22 to 4.24 of CDA Employees Service Regulations 1992) was also not substantiated.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility, taking disciplinary action against the persons at fault, doing the needful and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 11)

17. Irregular/un-justified appointment/re-designation of Divisional Accounts Officer (BPS-17) without the approval of the competent authority

Federal Government imposed a ban on entire recruitments vide letter dated 18.03.2011 which was adopted in toto by CDA.

According to Revised Schedule of Administrative Powers 2007 of CDA (Clause-6), employees upto BPS-16 on Daily Wages/DPL were required to be engaged with the approval of Chairman CDA and beyond that with the approval of next Competent Forum.

Audit observed that Human Resources Directorate General, CDA engaged Sheikh Zeeshan as Project Divisional Accounts Officer on the Daily Wages/DPL basis vide letter No.CDA/PD MZ/(MGT.C-20)/2011/19 dated 03.11.2011 against the project i.e Marghzar Zoo, Islamabad. The engagement of the officer as Project Divisional Accounts Officer (subsequently re-designated as Assistant Director (Tourism), S&D was considered irregular/un-justified in the light of the following facts:

1. Sheikh Zeeshan was appointed as Project Divisional Accounts Officer (BPS-17) against the project i.e Marghzar Zoo, Islamabad on Daily Paid Labour (DPL) as per provision of PC-I for smoothly carrying out the project activities with the approval of member concerned (approval seen by Chairman CDA) without approval of the CDA Board.

2. The officer subsequently re-designated as Assistant Director Tourism (BPS-17) S&C Directorate vide office order No. CDA-7(07)-HRD-III/2012/Sec-VI/4255 dated 13.09.2012. The services of the officer were hired only for project purpose and transferring of the officer to other Directorate CDA through adjustment/re-designation of the post visualized that his services were not actually required at project and all such was done only to accommodate someone on the cost of the authority. Moreover, project completion status against package-IIb was not forthcoming from the produced record.
3. As per prevailing CDA policy, DPL Services could only be converted into Daily Wages Services after completing three years' service by the employee under DPL. His adjustment was made premature and without approval of the Competent Forum.
4. The officer was not MBA qualified whereas, qualification for the post of Project Divisional Accounts Officer (BPS-17) was MBA.
5. The Federal Government imposed ban on the recruitment vide letter dated 18.03.2011.

Audit further observed that fact finding inquiry was conducted vide letter No.CDA-5(1)HRD-III/2016/3039 dated 25.07.2016 under the chairmanship of Director General Services CDA and during inquiry similar objections were raised by the Inquiry Committee but, the Authority taken no punitive action so far against the officer concerned.

Audit maintains that appointment of the said officer was made due to non-adherence to the CDA Regulations, Administrative Powers and ban imposed by the Federal Government, legitimate need of recruitment on project and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the services of Sheikh Zeehsan were engaged as

Divisional Accounts Officer (BPS-17) with the approval of Engineer-Incharge of the Project “Development of Marghzar Zoo Islamabad”. Later on his services were converted in daily wages as Assistant Director with the approval of Chairman CDA. However, his length of service was less than 3 years period and his qualification was BBA (Hons.) which was declared at par to MBA degree by HEC. Further stated that an inquiry regarding engagement as DAO BPS-17 and its subsequent conversion in to AD (BPS-17) was already initiated besides investigation by FIA. As and when the departmental inquiry/investigation by FIA was finalized, outcomes thereof would be intimated to Audit accordingly.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of departmental inquiry, pursuance of FIA investigation, justification with reference to employment criteria given as per CDA letter No.CDA-7(1)/HRD-III/2007/1513 dated 07.09.2007 (in accordance with which the daily wages post should be advertised after obtaining the NOC from Establishment Division), taking disciplinary action against the persons at fault and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 13)

18. Discriminatory treatment in giving current charge of the post of Director

Regulation 4.33 of CDA Employees Service Regulations 1992 provides that where a temporary vacancy occurs and no arrangement for carrying out the day-to-day routine work of the post is possible, the charge of the vacant post may, with the approval of the appointing authority, be given to the most senior officer in the cadre present at the place if he is otherwise fit and qualified to hold that post irrespective of the length of service.

Audit observed that Mr. Azhar Khursheed and Mr. Ghulam Shabir, are working as Director on current charge basis. Audit further observed

that Syed Hassan Raza, Mr. Fiaz Ahmad, Arif Masud Ahmad & Mr. Mumtaz Ali Shar, Deputy Directors are senior than Mr. Azhar Khursheed and Syed Hasseen Raza, Mr. Fiaz Ahmad, Mr. Arif Masud Ahmad, Mr. Mumtaz Ali Shar, Mr. Muhammad Atta Ullah, Asad Abbas, Muhmmad Kashif, Taimoor Ahmad and Kamran Bukhat Deputy Directors are senior than Mr. Ghulam Shabir Deputy Director as per seniority list of Deputy Directors Executive-Cadre (BPS-18) issued vide letter No.CDA-8(37)-Pers/83/Sec-I/1543 dated 13.12.2012. Allowing current charge to the junior officers created not only discrimination/violation of CDA Regulations but also caused heart burning of the senior officers with end result of suffering of their official seat works.

Audit holds such discrimination in giving current charge to the senior officers occurred due to non-adherence to the rules/regulations and ineffective administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the current charge of the higher post was made according to Regulation 4.33 of CDA Employees Service Regulation 1992. The reply was not accepted because the management could not substantiate the un-fitness of the ignored senior officers for granting them the current charge of higher posts.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for justification/substantiation of the un-fitness of the ignored senior officers for granting them the current charge of higher posts or doing the needful along with appropriate action against the persons at fault.

(AIR Para No. 32)

19. Reinstatement of the suspended officials without finalization of criminal proceedings and Departmental Inquiry against them

Para No.9.01 of CDA Employees Service Regulation 1992 provides that an employee committed to prison either for debt or on a criminal charge should be considered as under suspension from the date of his arrest and not allowed to draw any pay for the period of suspension until the termination of the proceedings against him when an adjustment of his pay and allowances should be made according to the circumstances of the case, the full amount being given only in the event of the officer being acquitted of the blame or if the imprisonment was for debt, on its being proved that the employee's liability arose from circumstances beyond his control.

Audit noticed that Mr. Javed Rafi, Sub-Assistant, CDA (presently posted in DMA) and Mr. Javed Iqbal, Junior Assistant, Water Supply Directorate, CDA were suspended from service vide HRD Directorate CDA office order No.CDA-5(54)/HRD-I/2012/844-845 dated 31.08.2012 under Regulation 8.05 of CDA Employees Service Regulation 1992 due to bogus appointments of three officials as beldar . However, after two week services of the bogus appointees were terminated. Audit further noted that for initiating criminal proceedings against them, the Authority referred the matter to Police Station Aabpara for lodging FIR against the said culprits and their co-accused vide letter No.CDA-5(14)/HRD-I/2012/300 dated 27.02.2013. The Director General HRD CDA also written a letter to the Police Station Aabpara vide No.CDA-5(14) HRD-I/2013/3232 dated 08.05.2015 for ascertaining the updated status of FIR. In response to CDA letter, the Police Station Aabpara reported on 21.05.2015 that no case is registered in that Police Station against the above named officials.

Audit observed that Directorate General HRD CDA reinstated the above mentioned officials vide Letter No. CDA-5(162)/HRD-I/2015/4517 dated 13.10.2015 keeping in view the Police Report, on the basis of Para 9.03 of CDA Employees Services Regulations 1992 with the approval of the Member (Admn) being authorized officer. However, Fact Finding Inquiry through Mr. Riffat Ali Khan Director (IT) CDA, Inquiry Officer,

ordered vide letter No. CADA-5(263) HRD-I/2015/4839 dated 19.11.2015 with the approval of the Chairman CDA, was not finalized so far even expiry of more than one year. In this case, Audit was of the view that the accused should have not been reinstated until/ unless criminal proceedings by the Police Department and Departmental Inquiry were finalized. Thus, reinstatement of the accused officials was considered to be undue favour to the culprits and encouragement to the other officials for doing the unlawful/illegal activities in future.

Audit maintains that undue favor to the accused officials in kind of their reinstatement in service occurred due to non-adherence to the CDA Services Regulations and weak internal & administrative controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that in 2015 an application of Mr. Javed Iqbal, LDC and Mr. Javed Rafi, UDC was received through Chairman, CDA for restoring their services. The both officials were suspended from service in August, 2012 on account of their act of fraud and corruption and in February, 2013 HRD CDA also sent an application to the Station House Officer, Aabpara, Police Station, Islamabad for lodging FIR against them. When present status of FIR was confirmed from Police Station Aabpara and a nil report was received in this regard. According to service regulation 9.01 an employee should be considered under suspension from the date of his arrest. The employees were re-instated after consultation with Law Directorate as these culprits were not arrested. However, show cause notices against these accused (s) including major penalty of dismissal from service was under way and strict action shall be taken against both accused (s) to run a corruption free department and strong administrative controls.

The reply was not accepted because the suspended officials should have been re-instated after finalization of criminal proceedings and departmental inquiry against them. Non-finalization of the criminal proceedings and departmental inquiry, so far, reflected undue favour to the accused persons. However, as per reply the issuance of show cause notices to the accused persons was under process.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking disciplinary action against the person involved, pursuance of the finalization of criminal proceedings by the Police Department and departmental inquiry, suspension of the accused till they proved to be innocent and immediate removal from service if they found guilty under this case and strengthening of internal & administrative controls.

(AIR Para No. 09)

20. Performance of duty by Deputy Director Planning illegally in another government organization during LFP and LHP and drawing re-numeration from both organizations

According to the Establishment Division, Cabinet Secretariat letter No.F.9/4/99-E.5(DMG) dated 11.06.2001 any officer/government servant could only work with the NGOs/Private Organizations during the Extra Ordinary Leave (EOL).

Audit noticed during examination of the relevant record of HRD CDA that Mr. Ayub Tariq was granted LFP from 13.10.2009 to 09.02.2010 and leave on half pay from 10.02.2010 to 09.02.2011 for construction of his house.

Audit observed that Mian Muhammad Shahzad (resident of sector G-9/4, Islamabad cell No. 0300-5005527) lodged complaint against Mr. Ayub Tariq Deputy Director Planning CDA that during leave he joined the UNDP Project with the Planning Commission as DRR-Consultant and received re-numerations/financial benefits from the CDA and Planning Commission simultaneously (Minutes of meeting dated 10.12.2009 in the office of Chief Physical Planning and Housing, agenda items of the meeting dated 07.04.2010 and certain e-mails were enclosed with the complaint in proof). In this regard inquiry was initiated in

January, 2015 however, it was closed with the approval of the Chairman CDA on the comments of Director Accounts, CDA that complaint received was anonymous and complainant did not produce the proof for getting re-numeration from UNDP etc. Audit further observed that another complainant Mr. Mufhim Mehdi (Resident of H.No. 396-A, Street No.36, Block-C PWD Colony, Islamabad) also sent two applications to the Chairman, CDA with the same allegations against the aforementioned officer on 01.04.2015 and 18.06.2015, however, those applications were also filed by DG HRD, CDA with the reason that inquiry was already closed by the competent authority. Whereas, the inquiry was required to be closed after proper thrashing out the facts with reference to taking up the matter with the Planning Commission/Project Management and personal hearing of complainant and accused. Due to premature closure of the inquiry not only the officer was given undue favour, but also encouraged to the wrong doers to do so. Moreover, drawing of re-numeration benefits at a time from two government organizations was clear violation of government rules and tantamount to misleading/misconduct.

Audit maintains that the irregularity occurred due to non-adherence to the government rules/regulations, offering undue favour to the accused and ineffective implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the preliminary inquiry was conducted by the Security Directorate; subsequently the same was submitted to high ups for consideration, which was marked to Director Accounts according for comments. In response Director Accounts commented that no written statement was found available in the file regarding attendance of seminars etc by Mr. Tariq Ayub. Thereafter, the competent authority i.e. the Chairman, CDA closed the inquiry. Another application received thereafter was also closed with the remarks that there was no need to reprocess the case as the decision was already taken by authority on the subject issue.

The reply was not accepted because the matter was closed without proper investigation with the consultation of Planning Commission/Project Management and personal hearing of the accused & complainant. Matter needs to be re-investigated and necessary action requires to be taken as per outcomes.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for re-investigation into the matter with the consultation of Planning Commission/Project Management and personal hearing of the accused & complainant, taking appropriate action against the persons at fault, recovery of the leave salary from the officer along with other benefits like vehicle fuel /maintenance cost / house rent, etc., if he proves to be guilty.

(AIR Para No. 14)

21. Irregular hiring of the services on deputation basis against the post of Director (BPS-19)

Regulation No.4.26 (1) of CDA Employees Service Regulations 1992 provides that the appointing authority may in the interest of Authority appoint a Federal and Provincial Government servant or an employee of an organization set up, managed or controlled by the Federal Government or Provincial Government, who hold appointment on regular basis, on deputation to equivalent posts.

Moreover, in term of clause -10(B)(a) of the Revised Schedule of Administrative Powers, 2007 CDA Board had full powers for requisitioning the services of an officer of BPS-17 and above, on deputation basis, from other department to CDA.

Audit noticed that the Human Resources Directorate General CDA hired the services of Mr. Abdul Salam BPS-18 officer (Commerce and Trade Group) on deputation basis in CDA against the post of Director (BPS-19) in his own pay scale with effect from 22.04.2015 vide office

order No.CDA-1(7)-Pers/73/Sec-1/577 dated 26.05.2015 with the approval of Chairman CDA.

Audit observed during examination of the relevant record that the following irregularities have been committed by the concerned Directorate while hiring the services of the officer on deputation as Director (BPS-19) and promoting him as Deputy Director General Estate and Management and by the officer while performing his services.

- i. The services of the said officer were requisitioned on deputation vide letter No.CDA-1(7)-Pers/73/Sec-1/2237 dated 26.11.2014 against the post of Director instead of equivalent post of Deputy Director and without approval of the CDA Board as required under above referred CDA Regulation and Revised Schedule of Administrative Powers, 2007.
- ii. Ministry of Commerce vide Notification No.15 (14)/2004-Admn-III dated 22.04.2015 placed the services of the officer at the disposal of Cabinet Division for further posting as Director (BPS-19) in his own pay scale. The concerned Directorate General accepted the said notification directly instead of duly routed through the Cabinet Division.
- iii. In pursuance of is promotion by the Ministry of Commerce vide Notification No.2(3)/2015-D.D(C&T dated 22/02/2016 on acting charge basis as Director (BPS-19), the officer resumed the charge of the post of Deputy Director General Land and Estate (BPS-19) without actualization of post through repatriation in his parent Ministry and rejoining the CDA through Cabinet Division.
- iv. The officer also exercised/utilized the powers of Member, Land and Estate Management (except the Board Powers).

Audit holds that such irregularities occurred due to non-adherence to the CDA Rules/Regulations and ineffective oversight mechanism for implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority did not furnish reply.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking disciplinary action against the persons responsible, condonation of the irregularities by the Competent Forum, initiating disciplinary action against the officer concerned through CA&DD Ministry and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 18)

22. Improper Maintenance of Diary and Dispatch Registers in HRD Sections

According to the rule 5(15) of the Rules of Business, 1973 regarding Secretariat Instructions, office procedure and practices, all communications shall be received in a separate section known as the Central Registry or R&I (receipt and issue), which shall be responsible for receipt and distribution of fresh receipt and dispatch of outward mail, after fresh receipts have been seen by the Section Officer, the Assistant shall diarize i.e. enter in the Section Diary Register and simultaneously enter the diary number on the receipt and complete 05 columns only i.e. Sr. No, Number and Date, From whom received, Brief Subject, File No. . In case of dispatch all papers and files dispatched shall be sent through Central Registry which shall follow dispatch procedure outline i.e. Sr. No., Number and Date of issue, Number of Enclosure, addressee's Particulars, By Dispatch rider or ordinary Dak, Stamp Value used, etc.

Audit noticed that 20 Dispatch Registers and 33 Diary registers were maintained by the HRD-III section CDA during the period from July, 2006 to June, 2016. However, Dispatch Register No.2 and 20 were not produced and reportedly those were missing from the record.

Audit observed during examination of the Dispatch and Diary registers that the same were not maintained properly, keeping in view the guidelines/instructions provided under the Rules of Business, (referred above), as following nature deficiencies were noticed:-

- In most of the cases double numbers were entered like one number was entered at two times as 1823 & 1823/1832 and 1832 and one number was repeated with A & B number as 835, 835-A.
- Some numbers were found blank/missing like dispatch No.561,723 to 737 and 2793 to 2808, etc and diary register No.4632 to 4641, etc.

Audit further observed that due to such deficiencies in maintenance of dispatch/diary registers the chances of the favoritism/nepotism/undue accommodation through back date entries/anti-dation in case of daily wages/DPL/contract employment could not be ruled out.

Audit holds that said deficiencies in maintenance of Dispatch and diary register occurred due to non-adherence to the above referred instructions/guidelines and ineffective implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the discrepancies in maintaining Diary/Dispatch were noted for making correction in official record in future besides an inquiry for insulating A, B and C etc. in Diary/Dispatch, already initiated. Outcomes of the inquiry shall be shown to Audit accordingly. The Authority further clarified that all responsible persons who committed procedural lapse in the past were removed from HRD and now the Diary/Dispatch registers were being maintained in accordance of guidelines/procedure.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of the inquiry, taking appropriate action against the persons at fault, recovery of the financial benefits if obtained by the concerned officers/officials as a result of favoritism/anti-dation through back date entry, ensuring proper maintenance of Dispatch and Diary Registers in future and strengthening of administrative and internal controls.

(AIR Para No. 25)

23. Un-authorized re-designation of the post of Deputy Director Health (BPS-18) as Additional Director (BPS-18) without provision in the Rules

Audit noticed that the post of Dr. Mehmood Arshad, Deputy Director Health (BPS-18) was re-designated as Additional Director Health (BPS-18) and he was granted special pay of Rs 1000 per month with the approval of the CDA Board in its meeting held on 31.01.2009. Audit further noted that the officer enjoyed financial benefits of special pay along with financial and administrative powers of the post for the period from February, 2009 to August, 2012 (43 months).

Audit observed that the Human Resources Directorate General, CDA moved the summary for final approval of the CDA Board for re-designation of the post of Mr. Mehmood Arshad, Deputy Director Health as Additional Director Health on initiation of the concerned officer instead of forwarding by the Executive Director Health and considering by the Member (Administration). Audit further observed that the officer was favored/accommodated unduly because he stood at S.No.25 of seniority list whereas, ten officers (stood at S.No.15 to 24 of seniority list) were senior than him. Moreover, such re-designation was not covered under the CDA by Laws/Rules/Regulations. Thus, re-designation of the above officer beyond the provision of CDA by Laws/Rules/Regulations and on out of turn basis was considered un-authorized causing undue financial

benefit for Rs 43,000 (43 x 1000) and enjoyment financial and administrative powers.

Audit maintains that re-designation of the post was made due to non-adherence to the CDA by Laws/Rules/Regulations, ignoring the senior officers and ineffective implementation of financial, administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that re-designation of Dr. Mehmood Arshad Deputy Director Health (BPS-18) was made in accordance of Clause No. 4.02 of CDA Service Regulation 1992. Approval of competent Authority shall be got verified from Audit in due course of time. Further clarified that personal up gradation and re-designation carried out in CDA has been challenged in NIRC by some officials. Besides Supreme Court of Pakistan and FIA have also taken up the matter of personal up-gradation and re-designation in CDA. As and when decision of August Supreme Court of Pakistan and FIA were received further action shall be taken accordingly.

The reply was not accepted because the above referred Regulation No. 4.02 pertained to the appointments whereas audit observation related to the re-designation. Moreover, as per reply the matter was subjudice in the court of NIRC/Supreme Court of Pakistan and under investigation in FIA.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early justification/ investigation into the matter for fixing responsibility and taking appropriate action against the persons at fault, condonation of the irregularity by the competent authority while making necessary amendments in the CDA by Laws/Rules/Regulations or recovery of the financial benefits enjoyed by the officer against the re-designated post and undoing the activities performed as Additional Director and strengthening of financial, administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 27)

24. Irregular/unjustified up-gradation/re-designation/promotion of Deputy Director Cares (BPS-18) CDA Hospital

Civil Servants recruitment-appointment, seniority and promotion rules 1973 describes that the up-gradation of posts shall be considered in the following cases only, When it is considered necessary to up-grade certain posts in order to rationalize the administrative structure of a Ministry/Division or a Department to make it more effective or to bring about uniformity of pay scales of similar posts in different organizations, where the duties and responsibilities attached to a post have considerably increased, where pay scale of a post is considered grossly incommensurate with the qualifications and experience prescribed for appointment to that post and up-gradation of a post on personal basis may not be allowed except if any officer, already holding on regular basis a higher grade post, is posted against a post, carrying lower grade, due to exigencies of service. when the competent authority approves the up-gradation of a post in the situations mentioned, appointed to the up-graded post should be made in accordance with the provisions of the Civil Servants (Appointment, Promotion and Transfer) Rules, 1973, and the specific rules which regulate appointment to the post.

The CDA board approved to shift/ transfer the posts of Assistant Director Cares, Deputy Director and Director in Miscellaneous Cadre of Medical and Health, Cares Directorate in place of executive Cadre, under the administrative control of the Executive Director, Capital Hospital CDA, Islamabad along with criteria to fill up the posts of Assistant Director Cares, Deputy Director and Director as notified by the HRD Directorate vide No. CDA-1(2)-Pers/90/Sec-I/3114 dated 13.06.2012 wherein the post of Assistant Director Cares (BPS-17) is required to be filled by initial appointment by 100% by the person having qualification Second Class Bachelor Degree, well conversant with rules and regulation concerning Govt. Service, ability to supervise, control and coordinate establishment and administration work & emergency service experience. According to 4.23 (3) of CDA Employees (Service) Regulations 1992, appointment by transfer to post in basic pay scale 11 to 17 shall be made

by appointing authority on the recommendations of the Departmental Promotion Committee.

Audit noticed that the post of Syed Hamid Ali Shah Assistant Physiotherapist was up-graded from BS-16 to BS-17, CDA Hospital vide notification No.CDA-4(2)(26)-HRD/Sec-II/2007/3763 dated 07.07.2010. Subsequently, the post of Assistant Physiotherapist (BS-17) was transferred from Physiotherapy Department to CARES Capital Hospital with change of its nomenclature as Assistant Director (CARES) (BS-17) in executive cadre along with its present incumbent and the officer was re-designated and posted as Assistant Director (CARES) (BS-17) executive cadre in CDA Hospital vide letter No.4503 dated 18.08.2010 with immediate effect and until further orders in the interest of the authority's work. Latter on the officer promoted as Deputy Director Cares BPS-18 on 18.06.2012.

Audit observed that the Human Resources Directorate General, CDA up-graded/re-designated/promoted Syed Hamid Ali Shah as Deputy Director (CARES), however, such up-gradation/re-designation was considered to be irregular/un-justified in the light of following facts:-

- i. Up-gradation of Assistant Physiotherapist BS-16 to BS-17 was made with the approval of Member (Admin), CDA looking after the seat of Chairman, CDA instead of Chairman himself.
- ii. The post of Assistant Physiotherapist (BS-17) was re-designated as Assistant Director (CARES) (BS-17) in executive cadre without recommendations of the Departmental Promotion Committee as required under above mentioned regulation.
- iii. For the post of Assistant Director Executive Cadre master degree was required, but qualification aspect was not kept in view while re-designating the post.
- iv. The officer was promoted from Assistant Director (CARES) (BPS-17) to Deputy Director (CARES) (BPS-18) whereas;

according to re-designation office order his post was re-designated until further orders. It meant that the post was re-designated for time being but not permanently and promotion from BPS-17 to BPS-18 was not admissible in this case until unless, the officer was re-designated as Assistant Director on regular basis.

- v. The officer was re-designated as Assistant Director in August 2010 and promoted as Deputy Director on 18.06.2012. He did not complete five years' service in BPS-17 (required for promotion of Deputy Director) as the officer also availed 730 days leave (including 446 days EOL).

Audit holds that the Authority allowed undue benefit to the officer in shape of up-gradation/re-designation/promotion due to non-adherence to the provision of CDA Rules/regulations and ineffective implementation of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the case regarding up-gradation/re-designation was subjudice in Supreme Court of Pakistan. The matter was under investigation before FIA. Furthermore, departmental fact finding inquiry was also under process and final outcomes of the same would be shared with Audit.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends pursuance of the court cases/ investigation by FIA, early finalization of the departmental inquiry, taking disciplinary action against the persons responsible, undoing the up-gradation, re-designation/promotion along with recovery of the financial benefits obtained by the officer or regularization of the matter by the Competent Forum and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 28)

25. Irregular/Un-justified re-joining of Medical Officer in CDA after expiry of his lien against the post

Regulation 4.31 of CDA Employees Service Regulations, 1992 provides that an employee holding a post on regular basis retains a lien on that post:-

- a) While performing duties of that post;
- b) While on deputation outside the Authority;
- c) While holding another post;
- d) During joining time on transfer to any other post unless he is transferred to a lower pay in which case his lien is transferred to the new post from the date on which he relieved of his duties of the old post;
- e) While on leave; and
- f) While under suspension.

Audit noticed that Dr. Hassan Urooj joined CDA as Medical Officer (BPS-17) on 27.07.1987. He was promoted from BPS-17 to BPS-18 on 15.12.1994. Subsequently, as a result of his appointment as Administrative/Logistic Officer in the National AIDS Control and Prevention Programme National Institute of Health he was relieved from CDA vide letter No.CDA-4(1)(25)-Pers/VII/87/3769 dated 08.07.1999 by having one year lien in CDA against the post. The lien was further extended for two years from 09.07.2000 to 08.07.2002 vide letter No.CDA-4(1)(25)-Pers/VII/87/3261 dated 05.05.2000. The officer re-joined in CDA on 22.07.2002 as medical officer.

Audit observed that Dr. Hassan Urooj re-joined the CDA as Medical Officer (BPS-17) at the time when he held no more lien against the post of medical officer because, as per CDA record his lien against the post was expired on 09.07.2002. Re-joining of the officer in CDA in absence of lien against the post was considered irregular/un-justified.

Audit maintains that re-joining of the officer, accepted in CDA by the HRD Section by giving undue favour to the officer, occurred due to

non-adherence to the rules/regulations and ineffective administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that neither any undue favour was granted the above named officer nor any rule regulation was violated in this regard. The factual position of the case is as under:-

- i. Consequent upon his appointment as Administrative / Logistic Officer in the National Aids Control and Prevention Programme, he was relieved off from CDA vide letters dated 08.07.1999 by having one year lien in CDA. The lien was further extended for two years from 09.07.2000 to 08.07.2002. The officer joined CDA on 22.07.2002 as Medical Officer.
- ii. HRD Directorate has forwarded the joining report of the officer to the competent authority for termination of lien period of the officer w.e.f 09.07.2002
- iii. A request was made to the ILO to intimate as to whether Mr. Hassan Urooj relieved off his duty in ILO or otherwise vide letter dated 25.07.2002. Officer in-charge ILO, vide letter dated 31.07.2002 has intimated that Dr.Hassan Urooj relieved off his duty w.e.f. 22.07.2002.
- iv. The case was passed on to Consultant Law by the Member (Admin) for advice. Consultant Law opined that, it would be harsh to terminate his service. I would, therefore, recommend that he would be allowed to joined duty.
- v. The competent authority i.e. Chairman, CDA considered the opinion and allowed to Dr. Hassan Urooj to resume his duty.

The reply is not accepted because the management could not substantiate its contention with reference to the extension on lien upto the date of re-joining his duty in CDA, advice of the Law Directorate and approval of the competent authority.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends for justification or taking appropriate action against the persons at fault besides doing the needful as per rules/regulations and strengthening of administrative & internal controls.

(AIR Para No. 33)

26. Irregular grant of House Building/Car Advance without approval of the competent authority - Rs 50.797 million

According to Clause -6 of the Policy for the year 2012 for Grant of HBA/MCA to CDA employees, applications from loan seekers will be collected by the HRD in two phases (1st phase 1st to 30th October and 2nd phase 1st January to 31st January) and to be scrutinized / examined by the committee comprising of DDG HRD & DDG (Finance). Thereafter, admin approval will be sought from the Member (Administration) through D.G (Admin) by the HRD Directorate: however financial approval will be required to be sought through DDG (Finance) from the Member (Finance). As per usual practice, orders will be issued by the HRD Directorate.

Audit noticed that the Cabinet Division Government of Pakistan conveyed the approval of Prime Minister of Pakistan regarding CDA's Budget 2014-15 containing funds amounting to Rs 100,000,000 on account of "Advances under revolving funds" dated 08.09.2014.

Audit observed during examination of the relevant record of the Human Resources Directorate General, CDA that HBA/MCA advance amounting to Rs 50,796,950 was granted without approval of the competent authority and concurrence of the Member (Finance). Audit further observed that the advance was granted through factitious office orders having bogus dispatch numbers. Consequently, one Deputy Director and one Senior Assistant were suspended vide office order No.CDA-5(166)HRD-I/2015/3059 dated 10.04.2015, however, the same were re-instated in September, 2015 and December, 2015 with the remarks

that suspension period would further be decided in the light of inquiry outcomes.

Fact Finding Inquiry was conducted in this regard by the Inquiry Committee in March, 2016 with the following recommendations:-

- i. Special Audit of HBA, MCA may be carried out by the Director (Audit) CDA.
- ii. Officers/officials of HRD and dealing staff who processed/signed/issued the office orders without approval of the Authority, may be issued charge sheet under the relevant rules (1973).
- iii. All cases approved but not yet paid shall be re-examined to determine the legality as per policy.
- iv. In future all cases/applications of CDA officers/officials for grant of HBA/MCA may be processed and granted purely on merit basis.

No final action has since been taken in the light of recommendations of the Inquiry Committee even lapsing a period about one year.

Audit holds that the financial irregularity occurred due to non-adherence to the HBA/MCA advance policy/CDA Regulations and ineffective implementation of financial, administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that inquiry proceedings were underway as charge sheet has already been served to Deputy Director-II (HRD). Moreover, FIA and NAB were also conducting investigation for grant of illegal advances to CDA employees during 2014-15. As and when the inquiries were finalized by both investigation agencies, outcomes would be informed to Audit accordingly.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends pursuance of the FIA and NAB investigations and early finalization of the departmental action against the persons responsible as a result of Fact Finding Inquiry Report, recovery of the undue payment of advances to the employees along with accrued interest thereon and strengthening of financial, administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 38)

27. Irregular/un-due promotion of Sub-Engineers as Assistant Director Civil & E&M without observing promotion quota

As per Regulation No.4.10 (Part-B of Appendix-2) of CDA Employees Service Regulations 1992, promotion quota of Sub-engineers for Assistant Director Civil and E&M is as under:-

- i. **Initial Appointment: 80%.**
- ii. **Appointment by promotion: 20%**

Audit noticed that working strengths of Assistant Directors Civil and Assistant Directors E&M (Engineering Cadre) were 82 and 42 as per their Seniority Lists (updated up to December 2016 and May 2013 respectively).

Audit observed that out of 82 Assistant Director Civil, only 14 Assistant Directors (17% of 82) were appointed through initial appointment having B.Sc. Engineering (Civil) and 68 Assistant Directors (83% of 82) were promoted from the Sub Engineers. Similarly, out of 42 Assistant Directors E&M, only 01 Assistant Director (E&M) (02% of 42) was appointed through initial appointment having B.Sc. Engineering (Electrical) and 41 Assistant Directors (98% of 42) were promoted from the Sub Engineers. Due to changing the approved proportion of initial appointment and proportion to abnormal extent not only 109 sub engineers were given undue favour of promotion along with monetary benefits but

BSc qualified Engineers were also deprived from the opportunity of seeking job in the Authority through initial appointment. Moreover, some of the promoted Assistant Directors like Mr. Waqar Ahmad were enjoying the post of Deputy Director on current charge basis.

Audit holds that the Authority allowed undue benefit to the Sub Engineers in shape of promotion as Assistant Directors due to non-adherence to the CDA Regulations, non-keeping in view Authority's interest for attracting qualified professional engineers and lack of administrative and internal controls

Audit pointed out the irregularity in November 2016 - March 2017. The Authority did not furnish reply.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking disciplinary action against the persons responsible, regularization or demotion of such officers (promoted beyond the approved proportion) along with recovery of monetary benefits achieved as a result of their undue promotion and strengthening of administrative and internal controls to avoid such irregularity in future.

(AIR Para No. 39)

28. Non- taking/finalization of disciplinary action against Assistant Director (E&M), absent from duty and non-recovery of pay and allowance - Rs 7.9 million approximate

Regulation No.16.03 (1&2) of CDA Employees Service Regulations 1992, regarding joining after the end of joining time provides that an employee who does not join his post within his joining time is not entitled to any pay or leave salary after the end of joining time. Willful absence from the duty after the expiry of joining time may be treated as misconduct for purposes taking disciplinary action against the employee concerned.

Audit noticed that Mr. Ahmed Zeb Assistant Director (E&M) BS-17 was transferred/posted in Division-1 Water Supply Directorate CDA vide office order No.CDA.3(1)(5)Pers/90/Sec-II/4174 dated 28.07.2010.

Audit observed during scrutiny of the relevant record of the Human Resources Directorate General, CDA that a letter was written to the Director Water Supply Directorate CDA vide No.CDA.4 (1)(2)Pers/89/Sec-II/2077 dated 23.09.2016 for confirmation of joining status of the officer as he did not submit the charge assumption report in HRD .The concerned Director also confirmed the status of non-joining of the officer vide letter No. 2093 dated 30.09.2016. Subsequently, a notice was issued to the concerned officer for early resuming of the duty with the request to the Director Accounts CDA for stoppage of the pay of the officer vide No.CDA.5 (1)HRD/2077 dated 23.09.2016. Audit further observed that the officer enjoyed financial benefit like pay & allowances, hiring and other benefit like allotment of residential plot etc. without performing duty in CDA from August 2010 to onward only due to the reluctance of the concerned directorates i.e. Water Supply, HRD, Audit & Accounts CDA who remained unaware about charge assumption of the officer since a long time. Moreover, no disciplinary action was taken / finalized against the officer so far. Due to this the officer also obtained undue pay and allowances of approximately Rs 7,900,000 (Rs one lac per month for a period of 79 months from August 2010 to February 2017).

Audit holds that such administrative and financial lapses occurred due to non-adherence to the CDA rules & regulation and lake of internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority did not furnish reply.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking appropriate action against the persons at fault, early recovery of the pay & allowances allowed to the officer during the period of his absence from duty alongwith recovery of cost of plot if allotted to him and strengthening of internal controls to avoid such lapses in future.

(AIR Para No. 41)

29. Non-taking/non-finalization of disciplinary action against the employees of CDA, holding fake/bogus degrees/certificates along with recovery of government dues

According to Regulation 8.03 (b&c) of CDA Employees Service Regulations 1992, an employee is liable to be penalized, if in the opinion of the authority or the authorized officer, as the case may be, he is guilty of misconduct; or is corrupt, or may reasonably be considered corrupt.

Audit noticed as per relevant data/information, furnished by the Secretary, CDA Board and Director Security, CDA vide their letter No.738 dated 16.03.2017 and letter No.294 dated 16.03.2017 respectively, the degrees/certificates of the 41 CDA employees (03 gezzated and 38 non-gezzated) were found fake/bogus. Audit further noted that the Authority dismissed the two officers namely Mr. Agha Haroon Nawaz, Senior Auditor (Accounts Directorate) and Mst. Maryam Staff Nurse (Capital Hospital, CDA), due to holding fake/bogus degrees/certificates.

Audit observed that the Human Resources Directorate General, CDA took dismissal action only against the above referred two officers setting aside departmental action towards recovery of pay and allowances/other financial benefits like cost of plot (if allotted to them) from the dismissed officers along with appropriate action against the CDA staff involved in their initial appointment/promotion and lingering on the verification of their testimonials. Audit further observed that further proceedings for taking disciplinary action against the remaining 39 employees of CDA were not forthcoming from the produced record. Non-

taking/finalization of the departmental action timely reflected undue favour/latitude to the concerned employees.

Audit holds that delay in taking/finalization of departmental action against fake/bogus degrees/certificates holders occurred due to non-adherence to the CDA rules/regulations, lack of authority's interest and ineffective internal control system.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the services of 02 officers i.e. Mrs. Maryam and Agha Haroon were dismissed and recovery of financial benefits shall also be made from each culprit. The reply given was an interim because no action towards recovery against two dismissed officers and disciplinary proceedings against the remaining 39 employees (one gazetted and 38 non gazetted) were finalized so far.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends early finalization of recovery matter /disciplinary proceedings against the fake/bogus degrees/certificates holders and strengthening of internal control system to avoid such lapses in future.

(AIR Para No. 43)

30. Irregular appointment of CDA Employees on regular basis without obtaining NOC from the Establishment Division and without conducting written tests of the candidates

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides that all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate. Regulation No.4.10 of ibid Regulations states that a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit for the post. Provided that the maximum age limit may be relaxed by the appointing authority in suitable cases.

Regulation No.4.12 (1)of ibid Regulations stipulates that vacancies in all posts carrying basic pay scale 3 and above shall be filled on an all Pakistan basis in accordance with the merit and provincial or regional quotas prescribed by the Federal Government for civil posts from time to time.

According to the recruitment criteria, approved by the CDA Board in its meeting held on 31/07/2007 for appointment of the employees on regular/contract and daily wages basis and circulated by the Member (Admin) vide his letter No.CDA-7(1)/HRD-III/2007/1513 dated 07.09.2007, “all the vacant posts from (BPS-1 to 16) will be advertised by concerned Directorate after obtaining NOC from Establishment Division. The draft advertisement will be got vetted by HR Directorate and approved by Chairman, CDA before publication.

Audit observed during scrutiny of recruitment record of Human Resources Directorate General, CDA that 1468 employees (BPS-1 to 19) including Sub-Engineers, Drivers, S&E Officer, Inspector, Security Supervisor, Stenographer, Accounts Officer/Audit Officer, Assistant Accounts Officer/Assistant Audit Officer, Senior Auditor, Transport Officer, Bazaar Supervisor, Deputy Director, Director, Assistant Director, Fire and Rescue Chief, Commander USAR and Staff Nurses etc were recruited on regular basis through interviews only. Audit further observed that the vacant posts were advertised, however, neither written test of the candidates were conducted for proper selection nor necessary NOC was got obtained from the Establishment Division. Whereas, in accordance with the prevailing recruitment criteria in all Federal Government, Provincial Government and Autonomous bodies written tests were considered to be mandatory. By selection of the candidates merely on the basis of interview, the aspect of nepotism/favoritism could not be ruled out, besides appointments of non-capable officers/officials. Thus, such appointments were considered irregular.

Audit maintains that the irregularity occurred due to non-adherence to the government instructions/CDA by laws and lack of administrative and internal controls.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority did not furnish reply.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility, taking appropriate action against the persons at fault, condonation of the irregularity by the competent forum and strengthening the administrative and internal controls.

(AIR Para No. 44)

31. Irregular appointment/regularization/re-designation of Officer

Regulation No.4.09 of CDA Employees Service Regulations 1992 provides all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate. Regulation No.4.10 of ibid Regulations states that a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit for the post. Provided that the maximum age limit may be relaxed by the appointing authority in suitable cases. Regulation No.4.12 (1) of ibid Regulations stipulates that vacancies in all posts carrying basic pay scale 3 and above shall be filled on an all Pakistan basis in accordance with the merit and provincial or regional quotas prescribed by the Federal Government for civil posts from time to time. According to Regulation No.4.29 of ibid Regulations a person appointed to a post by initial appointment, promotion or transfer shall be on probation for a period of one year. The period of probation may be curtailed for good and sufficient reasons to be recorded in writing.

According to the recruitment criteria, approved by the CDA Board in its meeting held on 31/07/2007 for appointment of the employees on regular/contract and daily wages basis and circulated by the Member (Admin) vide his letter No.CDA-7(1)/HRD-III/2007/1513 dated 07.09.2007, "all the vacant posts from (BPS-1 to 16) will be advertised by concerned Directorate after obtaining NOC from Establishment Division.

The draft advertisement will be got vetted by HR Directorate and approved by Chairman, CDA before publication.

Audit noticed that the Human Resources Directorate General, CDA appointed the Mr. Ali Murtaza as Assistant Accounts Officer ((BPS-16)) on daily wages basis vide office order No.CDA-7(01)HRD-III/2007/1440 dated 22.08.2007. Audit further noted that the services of the officer were regularized vide letter No.CDA-7(01)/2008/1233 dated 26.04.2008. Subsequently, his post of Assistant Account Officer was re-designated as Assistant Admin Officer vide letter No.CDA-4(2)(100)-HRD/2008/Sec-II/4535 dated 10.08.2008.

Audit observed during scrutiny of relevant record of HRD, CDA that Mr. Ali Murtaza was appointed as Assistant Accounts Officer on daily wages basis without advertisement of the post and without obtaining NOC from Establishment Division. Audit further observed that re-designation was made without completing probation period of one year. Moreover, interest of the authority for re-designation of the post from Assistant Account Officer to Assistant Admin Officer was not forthcoming from the produced record. It was also worth mentioning that at the time of appointment as Assistant Account Officer and at the time of re-designation as Assistant Admin Officer, the officer did not have the required experience of the post as two year and three year respectively. Thus, the appointment, regularization and re-designation of the officer were considered to be irregular.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that Mr. Ali Murtaza was engaged on daily wages basis against the post vacant of Assistant Accounts Officer vide office order No.CDA-7(01)HRD-III/2007/1440 dated 22.08.2007. The individual was engaged for period of 89 days on the recommendations of DRC and with the approval of competent Authority i.e. Chairman, CDA in terms of the powers conferred upon him under Revised Schedule of Administrative Powers, 2007 by CDA Board. His post was re-designated, under Regulation 4.22 and 4.23 of the CDA Employees Service Regulations, 1992 (appointment by transfer to a post from one cadre to other cadre in

the interest of Authority) and under clause 4(b) of Revised Schedule of Administrative Powers, 2007.

The reply was not convincing because the management stated nothing about the appointment without advertisement and obtaining NOC from the Establishment Division, re-designation of the post without completing the probation period of the previous post, interest of the authority for re-designation and experience of the posts.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility and taking appropriate action against the persons at fault besides doing the needful in the interest of the Authority.

(AIR Para No. 45)

32. Irregular up-gradation/ re-designation of Operating Officer in BPS-16

Civil Servants recruitment-appointment, seniority and promotion rules 1973 describes that the up-gradation of posts shall be considered in the following cases only, when it is considered necessary to up-grade certain posts in order to rationalize the administrative structure of a Ministry/Division or a Department to make it more effective or to bring about uniformity of pay scales of similar posts in different organizations, where the duties and responsibilities attached to a post have considerably increased, where pay scale of a post is considered grossly incommensurate with the qualifications and experience prescribed for appointment to that post and up-gradation of a post on personal basis may not be allowed except if any officer, already holding on regular basis a higher grade post, is posted against a post, carrying lower grade, due to exigencies of service. when the competent authority approves the up-gradation of a post in the situations mentioned, appointed to the up-graded post should be made in accordance with the provisions of the Civil Servants (Appointment,

Promotion and Transfer) Rules, 1973, and the specific rules which regulate appointment to the post.

Regulation 4.22 of CDA Employees (Service) Regulations 1992 provides that an appointment by transfer to a post from one cadre to a post in the other cadre shall be made in the interest of Authority. Regulation 4.23 (1- 4) of ibid Regulations states that appointment by transfer to a post shall be made by appointing authority on the recommendations of the Selection Board/Departmental Promotion committee.

Audit noticed that the post of Mr. Javaid Masih Sub Assistant was up-graded from BPS-14 to 16 and re-designated as Operating Officer-Career Planning Cell (BPS-16) simultaneously in May, 2011.

Audit observed during scrutiny of relevant record of Human Resources Directorate General, CDA that personal up-gradation of Mr. Javaid Masih, Sub-Assistant was made beyond the provision of above referred rules/regulations. Audit further observed that personal up-gradation and re-designation of Sub-Assistant as Operating Officer-Career Planning Cell (BPS-16) was made without recommendation of the Departmental Promotion Committee and approval of the competent authority. Thus, said personal up-gradation/re-designation was considered irregular.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the post of Mr. Javaid Masih, Sub-Assistant was upgraded under clause 4(b) of Revised Schedule of Administrative Powers, 2007 and re-designated, under Regulation 4.22 and 4.23 of the CDA Employees Service Regulations, 1992 (appointment by transfer to a post from one cadre to other cadre in the interest of Authority). However, an inquiry on up-gradation of such type of case was being carried out in HRD as and when any development arrived; it shall be communicated to Audit. The reply was not accepted because the management stated nothing about the audit points like interest of the Authority for re-designation of the post, recommendations of the DPC, approval of the Competent Authority and status of the undergoing inquiry on up-gradation.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends pursuance of the finalization of inquiry, taking appropriate action against the persons at fault besides doing the needful in the interest of the Authority.

(AIR Para No. 46)

33. Working of 518 employees under certain cadres in different CDA Directorates beyond the sanctioned strength

According to Regulation 4.02 of CDA Employees Service Regulations 1992 all appointments in the Authority shall be made against sanctioned posts.

Audit observed during scrutiny of the accounts record of Human Resources Directorate General, CDA that 518 employees in CDA under certain cadres in different Directorates were working beyond the approved sanctioned strength. Whereas, employment of the staff as well as their deployment in the Directorates should be made in accordance with the provision of sanctioned strength.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that the audit observation was well noted and necessary action regarding deployment of staff in accordance with the previous sanction strength would be taken accordingly. The management made interim / evasive reply.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends that the matter may be regularized or needful be expedited to safeguard the Authority's interest.

(AIR Para No. 47)

34. Irregular/un-justified appointment/regularization as Deputy Director (BPS-18)

Regulation No.4.27 of CDA Employees (Service) Regulations 1992 provides that appointment by contract in a cadre post may be made in special circumstances when it is not possible to fill the post in the prescribed manner or for reasons to be recorded it is necessary and in the interest of the authority to do so.

Regulation No.4.09 of ibid Regulations provides all vacancies to be filled by initial appointment shall be advertised in such newspapers as may be considered appropriate. Regulation No.4.10 of ibid Regulations states that a candidate for initial appointment must possess the educational qualifications and experience and must be within the age limit for the post. Provided that the maximum age limit may be relaxed by the appointing authority in suitable cases. Regulation No.4.12 (1) of ibid Regulations stipulates that vacancies in all posts carrying basic pay scale 3 and above shall be filled on an all Pakistan basis in accordance with the merit and provincial or regional quotas prescribed by the Federal Government for civil posts from time to time.

According to the recruitment criteria, approved by the CDA Board in its meeting held on 31.07.2007 for appointment of the employees on regular/contract and daily wages basis and circulated by the Member (Admin) vide his letter No.CDA-7(1)/HRD-III/2007/1513 dated 07.09.2007, "all the vacant posts from (BPS-1 to 16) will be advertised by concerned Directorate after obtaining NOC from Establishment Division. The draft advertisement will be got vetted by HR Directorate and approved by Chairman, CDA before publication.

Audit noticed that services of Syed Hassan Muhammad Rizvi were hired as a Project Director/Team Leader in DMA, CDA vide letter No.CDA-3(1)(a)-Pers/2005/Sec-VIII/644 dated 31.03.2005 on contract basis w.e.f 08.02.2005 for the period of one year. The services of the officer were regularized against the vacant post of Deputy Director (BPS-18), Contract Section, Procurement & Store Directorate CDA w.e.f

20.03.2011 vide letter No. CDA-7(1) HRD-III/2011/3824 dated 02.08.2011.

Audit observed during scrutiny of the account record of Human Resources Directorate General, CDA that contract employee was regularized without fulfillment of the recruitment criteria provided under above referred regulations. Whereas, services of the above officer were hired against project for enhancing the recovery process in DMA, CDA and after completion of the project the officer should be relieved from its duty instead of his appointment as Deputy Director (BPS-18) through regularization. The appointment/regularization of the officer as Deputy Director (BPS-18) in absence of completion of codal formalities like advertising the post in newspapers, obtaining the NOC from the Establishment Division and observing the Federal, Provincial & Regional quota was considered irregular.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that .In this connection, it is stated that Syed Hassan Rizvi was hired as Project Director / Team Leader in PMU on contract basis initially for a period of one year after advertising the posts in press. The contract was further extendable upon satisfactory performance and mutual agreement of the both parties. The services of Syed Hassan Rizvi were considered appropriate in Finance and Accounts Cadre and he was regularized as Deputy Director (BPS-18) after obtaining approval of Competent Authority i.e. CDA Board. It was clarified that NOC from Establishment Division was required to be obtained only in case of fresh recruitment. However, he was hired on contract basis through advertisement process during 2005. The matter regarding obtaining NOC while regularizing him was also challenged in Court of law by some CDA Officers in W.P No. 934/2011 Operative part of court decision is reproduced as under:-

“Regularization of post cannot be considered as fresh appointment”.

The reply was not accepted because the management could not substantiate its contention with reference to NOC of Establishment Division at the time of initial appointment and regularization by CDA Board on the recommendations of DRC/DPC. Moreover, nothing stated about observance of the Federal/Provincial quota at the time of appointment/regularization of the officer and court's decision as referred above was in general and not specific to this case.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends investigation into the matter for fixing responsibility, taking appropriate action against the persons at fault and doing the needful in the interest of the Authority.

(AIR Para No. 48)

35. Unnecessary amendment in the promotion criteria of Senior Auditors as Assistant Accounts/Audit Officers and Divisional Accounts/Audit Officers

Originally as per CDA Employees (Service) Regulations 1992 (under heading "Promotion", para-1 sub para, table-D), criteria for promotion of the following posts was provided as under:-

Name of Post	Person eligible for promotion	Minimum qualification/ experience/other conditions
i. Assistant Finance Officer ii. Accountant	i. Divisional Accountant (BPS-13/15) ii. Senior Auditor (BPS-11/15) iii. Junior Auditor (BPS-5/07)	i. Must have passed SAS Examination ii. 33% of the posts will be filled simply by promotion from Senior Auditor on seniority-com-fitness basis.

Subsequently, the above criteria for promotion for the post of Assistant Accounts/Audit Officers were amended through gazette notification dated 30.03.2008 as under:-

Name of Post	Person eligible for promotion	Minimum qualification/experience
i) Assistant Accounts/Audit Officers ii) Divisional Accounts/Audit Officers	Senior Auditors (BPS-15)	On completion of 10 years' service or qualifying AAO/DAO exam whichever is earlier

Audit observed during discussion with the concerned staff of the Human Resources Directorate General, CDA that senior auditors (BPS-16) were being promoted as Assistant Accounts/Audit Officers and Divisional Accounts/Audit Officers on completion of 10 years keeping in view the above referred amended criteria of promotion through which the condition of passing SAS examination was relaxed. However, relevant promotion files and detail of the promoted officers were not produced even after repeated reminders / requests. Audit further observed that due to relaxing the SAS examination condition in the promotion criteria of the Assistant Audit/Accounts officers not only the efforts of the employees for improving their professional qualification was discouraged but the organizational audit and accounts activities were also suffered badly as a result of assigning the duties of Assistant Audit/Accounts officers to the unqualified officers. Thus, amendment in the CDA regulation for relaxation of SAS examination condition for the promotion of senior auditors to Assistant Audit/Accounts Officer was considered unnecessary/unbeneficial to the organization on the long run.

Audit pointed out the irregularity in November 2016 - March 2017. The Authority replied that product of qualified SAS and DAO was not available in the market. As and when these posts are advertised with the qualification envisaged in Service Regulation 1992 as referred in observation, no fruitful results were achieved towards filling these posts

either on direct appointment or borrowing the officials from the government department. It was felt necessary to make amendment in the post criteria providing opportunity to the senior most auditors in Audit and Accounts Directorate. Accordingly the proposal was got approved in CDA Board which is competent forum for making rules and policies in Authority. Hence, the promotion was carried out in the light of amended criteria by CDA Board. The reply was not accepted because by relaxing the condition of SAS/PIPFA Examination in case of promotion of AAO/DAO through amendments, the quality work of AAO/DAO and overall performance of the Finance Wing of CDA as well was considered to be impaired.

The matter could not be discussed in DAC meeting despite requests made by Audit on 26.04.2017, 12.05.2017 and 19.09.2017.

Audit recommends justification of AAO/DAO (promoted without passing SAS/PIPFA) with reference to office working comparison in between the qualified SAS/PIPFA Assistant Account/Audit Officers and the Assistant Accounts/Audit Officers promoted from Senior Auditors directly and review of its decision by CDA Board for relaxation of SAS/PIPFA Examination for the betterment of organizational work on the long run.

(AIR Para No. 40)