



**AUDIT REPORT
ON
THE ACCOUNTS OF**

**COMMUNICATION AND WORKS,
HOUSING, URBAN DEVELOPMENT &
PUBLIC HEALTH ENGINEERING,
IRRIGATION,
LOCAL GOVERNMENT &
COMMUNITY DEVELOPMENT AND
ENERGY DEPARTMENTS**

**GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2021-22**

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ABC	Asphaltic Base Course
AC Pipe	Asbestos Cement Pipe
ACS	Additional Chief Secretary
ADP	Annual Development Programme
ADS	Area Development Scheme
AGP	Auditor-General of Pakistan
AKCSP	Agha Khan Cultural Support Programme
AWC	Asphaltic Wearing Course
B&R	Buildings & Roads
BD	Building Division
BDA	Bahawalpur Development Authority
BOQ	Bill of Quantity
BS	Basic Scale
BZU	Baha-ud-Din Zakariya University
C&I	Coordination & Implementation
C&W	Communication & Works
CDA	Capital Development Authority
CDA	Cholistan Development Authority
CDR	Cash Deposit Receipt
C.E	Chief Engineer
Cft	Cubic Feet
CGA	Controller General of Accounts
CI	Cast Iron
CM	Chief Minister
Cu.m	Cubic Meter
CWD	Communication & Works Department
DFR	Departmental Financial Rules
DGAW-P	Directorate General of Audit Works (Provincial), Lahore
DG Khan	Dera Ghazi Khan
DMD	Deputy Managing Director
DNIT	Draft Notice Inviting Tender
DP	Draft Para
DRR	Drum Road Roller
ECNEC	Executive Committee of the National Economic Council
ECSP	Engineering Consultancy Services Punjab
EIRR	Equity Internal Rate of Return
EPC	Engineering, Procurement & Construction
FAP	Foreign Aided Project

FBR	Federal Board of Revenue
FD	Finance Department
FDA	Faisalabad Development Authority
GDA	Gujranwala Development Authority
GDP	Gross Domestic Product
GI	Galvanized Iron
GOR	Government Officer Residence
GR	Government Receipt
GST	General Sales Tax
HD	Highway Division
HDPE	High Density Polyethylene
HEC	Higher Education Commission
HSD	High Speed Diesel
HUD &	Housing, Urban Development & Public Health
PHE	Engineering
HVAC	Heating, Ventilation & Air Conditioning
ICB	International Competitive Bidding
i/d	Inner Dia
IDAP	Infrastructure Development Authority Punjab
IPC	Interim Payment Certificate
JMF	Job Mix Formula
JRO	Junior Research Officer
JV	Joint Venture
kg	Kilogram
km	Kilo Meter
KVA	Kilo Volt Amperes
LAC	Land Acquisition Collector
LDA	Lahore Development Authority
LED	Light Emitting Diode
LESCO	Lahore Electric Supply Company
LG&CD	Local Government and Community Development
LRRA	Lahore Ring Road Authority
LWMC	Lahore Waste Management Company
M&R	Maintenance & Repair
MB	Measurement Book
MBS	Metro Bus Station
MD	Managing Director
MDA	Multan Development Authority
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rates System
MS	Mild Steel

MTDF	Medium Term Development Framework
NAB	National Accountability Bureau
NCB	National Competitive Bidding
NESPAK	National Engineering Services Pakistan
NHA	National Highways Authority
NLC	National Logistics Cell
NPV	Net Present Value
NS	Non-Scheduled (item)
O&M	Maintenance & Operation
OGRA	Oil & Gas Regulatory Authority
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC	Provincial Consolidated
PCC	Plain Cement Concrete
PC-I	Planning Commission-I
PDWP	Provincial Development Working Party
P&D	Planning & Development
PEEDA	Punjab Employees Efficiency, Discipline and Accountability (Act)
PFR	Punjab Financial Rules
P/F	Providing and Fixing
PHA	Parks & Horticulture Authority
PHE	Public Health Engineering
PICIIP	Punjab Intermediate Cities Improvement Investment Program
PID	Punjab Irrigation Department
PITB	Punjab Information Technology Board
P/L	Providing and Laying
PMA	Punjab Masstransit Authority
PMC	Project Management Consultant
PMO	Project Management Office
PMU	Project Management Unit
POL	Petrol, Oil & Lubricants
PPMU	Punjab Power Management Unit
PPRA	Punjab Procurement Regulatory Authority
PPP	Public Private Partnership
PRA	Punjab Revenue Authority
PSI	Pounds per square inch
PST	Punjab Sales Tax
PVC pipe	Polyvinyl Chloride Pipe
PW	Public Works

PWD Code	Public Works Department Code
RAMP	Road Asset Management Plan
RAP	Rural Accessibility Project
RCC	Reinforced Cement Concrete
RCD	Road Construction Division
RD	Running Distance
RDA	Rawalpindi Development Authority
RFP	Request for Proposal
rft	Running Foot
RMS	Report of Material or Services
RR&MTI	Road Research & Material Testing Institute
RTSE	Revised Technically Sanctioned Estimate
R.Y Khan	Rahim Yar Khan
SAP	Systems, Applications and Products
SDA	Special Drawing Account
SDAC	Special Departmental Accounts Committee
SDO	Sub-Divisional Officer
SDGs	Sustainable development Goals
SE	Superintending Engineer
S/F	Supplying and Fixing
sft	Square Foot
SL	Southern Loop
SO	Section Officer
Sq.m	Square Meter
TADP	Tribal Area Development Project
TEPA	Traffic Engineering & Planning Agency
TMA	Tehsil Municipal Administration
TP Paint	Thermo Plastic Paint
TSE	Technically Sanctioned Estimate
UD-Wing	Urban Development Wing
UET	University of Engineering & Technology
u/s	Under Section
WASA	Water & Sanitation Agency
WBM	Water Bound Macadam
WCLA	Walled City Lahore Authority
w.e.f	With Effect From
XEN	Executive Engineer
%cft	Per Hundred Cubic Feet
%sft	Per Hundred Square Feet
%ocft	Per Thousand Cubic Feet

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with sections 8 and 12 of the Auditor-General (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001 require the Auditor-General of Pakistan to conduct audit of the accounts of the Federation, the Provinces and any authority or body established by the Federation or a Province.

This report is primarily based on audit of the accounts of Communication & Works, Housing, Urban Development & Public Health Engineering, Irrigation, Local Government & Community Development and Energy Departments Government of the Punjab for the financial year 2020-21. It also contains audit paras pertaining to previous financial years.

The Directorate General of Audit Works (Provincial), Lahore conducted audit during 2021-22, on test check basis, with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only systemic issues and audit finding carrying value of Rs 1 million or more. Relatively less significant findings are given in the Annex-A of the Audit Report which shall be pursued with the Principal Accounting Officers (PAOs) at the SDAC level. Lack of appropriate action on MFDAC paras will warrant their inclusion in next year's audit report.

For the first time thematic audit was conducted in three selected areas and audit observations have been incorporated in Chapter-7 of this report.

Audit findings indicate need for adherence to the regulatory framework besides instituting and strengthening of internal controls to avoid recurrence of similar violations and irregularities. Most of the audit observations included in this report have been finalized in the light of discussions in the Special Departmental Accounts Committee (SDAC) meetings.

Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

-sd-

Dated: 23rd February, 2022
Islamabad

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

Directorate General of Audit Works (Provincial), Lahore carried out audit of the accounts of Communication & Works (C&W), Housing, Urban Development & Public Health Engineering (HUD&PHE), Irrigation, Local Government & Community Development (LG&CD) and Energy Departments, Government of the Punjab. This report pertains to the audit conducted in two phases, first from July to November 2021, of seventy three (73) formations covering financial year 2020-21, and second from January to June 2021, of sixty two (62) formations covering financial year 2019-20. This office has also carried out sectoral analysis based on audit findings of the Development Programme of the Government of the Punjab.

To discharge its mandate, the Directorate General of Audit Works (Provincial), Lahore (DGAW-P) has human resource of 165 officers and staff having 41,085 person-days and a budget of Rs 222.26 million for the Audit Year 2021-22. Audit mandate includes Regularity Audit (Financial Attest Audit & Compliance with Authority Audit), Performance Audit, Special Audit, Special Studies and Information System Audit. Audit was conducted with the following objectives:

- Regularity audit to see whether the expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money.
- Audit of sanctions to assess that the expenditure was incurred with the approval of the competent authority or otherwise.
- Propriety audit which extends beyond scrutinizing formalities of expenditure to highlight cases of imprudent expenditure.
- Review and analysis of various Government policies relating to aforementioned government departments.

a. Scope of Audit

This office is mandated to conduct audit of 806 formations working under eight (8) PAOs. Total expenditure and receipts of these formations were Rs 244.318 billion and Rs 39.758 billion respectively for the financial year 2020-21.

Audit coverage relating to expenditure for the current audit year comprises 73 formations of six (6) PAOs having a total expenditure of Rs 155.289 billion for the financial year 2020-21. In terms of percentage, the audit coverage was 63.56 % of auditable expenditure.

Audit coverage relating to receipts for the current audit year were Rs 0.137 billion. In terms of percentage, the audit coverage was 0.34 % of auditable receipt.

Audit observations resulting from the audit of expenditure of Rs 26.433 billion and receipts of Rs 1.227 billion for the financial year 2019-20 pertaining to 62 formations of four (4) PAOs are also part of this report.

During current Audit Plan 2021-22, for the first time, three thematic audits were also conducted by this office. An exhaustive study was carried out by visiting websites/reports of other SAIs and consequently following three thematic reports are being made part of this report:

Sr. No.	Theme	Sub-Theme	Auditee Department
1.	Planning and Strategy	Unequal distribution of funds	C&W Department
2.	Financial Management & Sustainability	Subsidies by Punjab Government	Punjab Masstransit Authority
3.	Water	Urban Flood Management	WASA, Lahore

In addition to compliance audit, Directorate General of Audit Works (Provincial), Lahore conducted eleven (11) Financial Attest Audits, one (1)

Performance Audit and one (1) Special Audit. Reports of these audits are being published separately.

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs 12.491 billion has been pointed out in this report. Recovery effected from January to December 2021 was Rs 0.895 billion which has been verified by Audit.

c. Audit Methodology

The audit exercise was carried out in accordance with DAGP auditing standards as available in Financial Audit Manual.

Desk Audit Techniques were frequently utilized by the DGAW-P during the Audit Year 2021-22. This was facilitated by access to SAP/R3 data and maintenance of permanent files. Desk Audit helped auditors in understanding the systems, procedures, workflows of the auditable entities before starting field activity. In addition, Desk Audit also helped in sampling of vouchers by using Audit Command Language (ACL).

Trend analysis of previous years' audit reports were employed to identify risk areas. Audit methodology also included extraction of information from risk digest maintained in this office and inclusion of data obtained from auditee formations.

d. Audit Impact

During the last few years, there has been a growing tendency to incorporate non-standardized items on higher rates prepared/approved at the level of Superintending Engineers in estimates/BOQ items of the works. The estimates of the works prepared on higher rates prior to floating the tenders result in expensive bidding rates. This trend which creates an opportunity for the contractors to get the tender on higher rates, has persistently been pointed out by Audit to emphasize on rationalization of rates by inclusion in Market Rates System (MRS) notified by Finance

Department. As a result of Audit’s efforts, remedial measures were taken by Finance Department and rates of 73 non-standardized items (inter alia “Reinforcement of concrete piles of different dias”, “Kerb Stone”, “RCC barriers”, “Cat eyes”, “Direction boards” etc.) were incorporated in MRS in the 2nd biannual, 2021. In this way, public exchequer was safeguarded from wasteful expenditure of millions of rupees owing to the standardization of high-rated non-standardized items.

e. Key audit findings of the report

Significant audit findings are given below:

- i. Non-production of record – Rs 115.061 million in one case¹
- ii. Cases of fraud, embezzlement and misappropriation – Rs 267.350 million in three cases².
- iii. Overpayments owing to application of higher/incorrect rates - Rs 679.550 million in twenty cases³.
- iv. Irregular allotment/enhancement of works without fair competition in contravention of Punjab Procurement Regulatory Authority (PPRA) Rules - Rs 376.405 million in four cases⁴.
- v. Non-recovery of government taxes - Rs 985.019 million in sixteen cases⁵.
- vi. Less/non-recovery of toll tax - Rs 101.295 million in three cases⁶.
- vii. Non-recovery/non-execution of balance work at risk & cost in violation of contract agreement - Rs 145.525 million in one case⁷.

¹ Para 3.4.1.1

² Para 2.4.1.1, 2.4.2.1, 5.4.1.1

³ Para 2.4.1.2, 2.4.1.4, 2.4.2.2, 2.4.2.3, 2.4.2.4, 2.4.2.5, 2.4.2.6, 2.4.2.8, 2.4.2.11, 2.4.2.23, 3.4.1.2, 3.4.2.1, 3.4.6.1, 3.4.6.3, 4.4.2, 4.4.4, 4.4.5, 4.4.6, 4.4.10, 5.4.1.4

⁴ Para 2.4.2.21, 3.4.1.13, 3.4.6.20, 4.4.24

⁵ 3.4.1.7, 3.4.2.2, 3.4.2.4, 3.4.6.7, 3.4.6.14, 3.4.6.15, 4.4.14, 4.4.15, 4.4.32, 6.4.1, 6.4.2, 6.4.3, 6.4.4, 7.2.8.2.3.14, 7.2.8.2.3.15, 7.2.8.2.1.21

⁶ Para 2.4.2.13, 4.4.12, 4.4.22

⁷ Para 3.4.6.11

- viii. Overpayment/non-recovery due to non-maintenance of agreed tender percentage - Rs 114.036 million in two cases⁸.
- ix. Non-recovery on account of price variation/de-escalation – Rs 409.284 million in five cases⁹
- x. Irregular payment due to non-obtaining of JMF/less use of bitumen – Rs 284.196 million in three cases¹⁰
- xi. Non-obtaining/revalidation of performance/Additional performance security and bank guarantee – Rs 6,570.831 million in eleven cases¹¹
- xii. Non-receipt of aquifer charges, commercialization fee, penalties etc. – Rs 1,937.325 million in seven cases¹².
- xiii. Excess consumption of diesel in dump truck/conversion factor – Rs 56.734 million in two cases¹³.
- xiv. Unequal distribution of funds in RAP-I and II¹⁴.
- xv. Loss due to failure to take measures for reduction in cost of subsidy¹⁵.
- xvi. Unsustainable financial position/deficit of WASA - Rs 35,100.94 million¹⁶.

f. Recommendations

- i. Non-production of record needs to be dealt with strictly in order to avoid its recurrence.
- ii. PAOs should strengthen their internal controls for safeguarding against fraud/misappropriation and take disciplinary action against the delinquents.

⁸ Para 3.4.6.2, 4.4.1

⁹ Para 2.4.1.7, 2.4.2.20, 3.4.6.17, 5.4.1.8, 7.2.8.2.3.8

¹⁰ Para 2.4.2.15, 3.4.1.15, 5.4.1.6

¹¹ Para 2.4.1.9, 2.4.2.22, 3.4.1.10, 3.4.1.11, 3.4.1.12, 3.4.2.5, 3.4.6.18, 4.4.16, 6.4.7, 6.4.8, 7.2.8.2.3.5

¹² Para 3.4.1.4, 3.4.1.5, 3.4.3.1, 3.4.3.2, 3.4.4.1, 3.4.5.1, 5.4.1.10

¹³ Para 4.4.19, 4.4.20

¹⁴ Para 7.1.8.2.3.1

¹⁵ Para 7.2.8.2.3.31

¹⁶ Para 7.3.8.2.3.2

- iii. Adherence to MRS rates as notified by Finance Department be ensured in letter and spirit.
- iv. Punjab Procurement Rules be followed in letter and spirit to promote fair competition and avoid recurrence of irregularities.
- v. Government taxes need to be recovered and deposited in government treasury immediately.
- vi. Effective mechanism and digitization of toll collection need to be ensured.
- vii. Systemic issues ensuing ineffective contract management need to be addressed.
- viii. Finance department's instruction be followed in letter and spirit to avoid overpayments.
- ix. Recovery of price de-escalation be made immediately.
- x. Recovery of JMF be made during running payments. Further, the JMF was required to be approved from government certified laboratories like Road Research & Material Testing Institute (RR&MTI), Lahore instead of through unauthorized sources.
- xi. Performance guarantees/additional performance guarantees be obtained as per contract agreement to avoid Government at risk.
- xii. Government revenues/recoveries need to be recovered and deposited in government treasury immediately.
- xiii. Recovery of excessive consumption of POL in machinery divisions of Irrigation department be made to avoid government from loss.\
- xiv. To reduced inequality, equal funds be distributed for less developed areas of the province without block allocation and full funded schemes.
- xv. Proper planning and strategy be developed after research and in-depth analysis by engagement of all stake holders and management rather than political maneuvering.
- xvi. Take necessary steps to increase revenue and reduce operating expenditure and should evolve into corporate culture as well as outcome oriented entity through innovative decisions.

CHAPTER – 1

PUBLIC FINANCIAL MANAGEMENT ISSUES

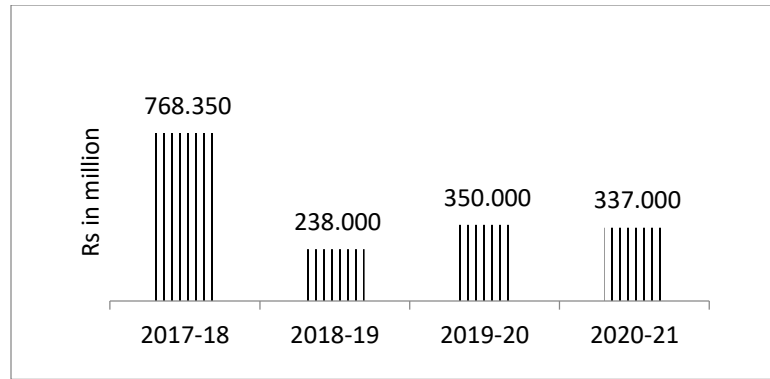
1.1 SECTORAL ANALYSIS

General

- Punjab Growth Strategy 2023 states “Sustainable economic growth and attaining regional equalization is the mainstay of strategy of Government of Punjab for development. Punjab has a strong economic record and contributes about 54.2 percent to the national GDP. This makes the national economic performance highly dependent on Punjab’s economy¹⁷. The Government of the Punjab has claimed to invest “*heavily*” in infrastructure such as roads, energy, mass-transit and the provision of social services such as education and health to sustain growth.
- The development work in Punjab largely depends on, inter alia, the performance of C&W, Irrigation, HUD&PHE, Energy and LG&CD departments. Besides, there are development authorities and agencies which execute development projects with government funds as well as own generated funds. Such bodies include LDA, GDA, RDA, FDA, MDA, BDA, CDA, KSDA, IDAP, WASAs and PHAs.
- The Government of Punjab allocated Rs 337 billion for the development sector during the year 2020-21¹⁸. A four year’s trend in this context was manifested below:

¹⁷ Punjab Growth Strategy 2023

¹⁸ MTFD/ADP 20120-21



- The Government of Punjab has been allocating funds for Public Private Projects (PPP) in Medium Term Development Framework (MTDF). During the FY 2019-20 forty-eight (48) projects were identified on PPP mode. However, only four (4) projects have been proposed on PPP mode during FY 2020-21, which reflects a subdued attitude towards the PPP initiatives in government policy and planning.
- In the nine (9) development sectors, Government of Punjab released an amount of Rs 292.63 billion. The departments could not utilize Rs 48.306 billion (16.51%) against the released amount. This was a manifestation of inadequate fiscal management and planning, on the part of executing departments.
- Five-years data trend for non-utilization of development budget shows that the departments concerned have struggled over the years to arrest this negative impact on development programme.

Sr. No.	Department	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1	Roads	6.41%	10.07%	2.38%	0.69%	29.12%
2	Buildings	6.41%	9.15%	5.06%	1.43%	0.88%
3	HUD	6%	8%	35.09%	46.49%	38%
4	PHE (Water Supply)	13.85%	1.41%	2.79%	0.59%	0.59%
5	Irrigation	46.85%	33.76%	12.51%	4.29%	18.08%
6	LG&CD	39.99%	16.67%	12.30%	13.72%	23.27%

- SAP figures (FY 2016-17 to 2019-20)

- Departmental figures (FY 2020-21)

Sector-wise

Communication & Works Department

The C&W Department is responsible for planning, execution, development and maintenance of all provincial roads and bridges through ADP¹⁹. The main functions of the C&W Department include efficient management of technical and financial affairs related to all development schemes. Data from principal statistics of MTDF and accounts of C&W Department was reviewed and a comparative analysis under some significant areas including asset management, achievement of highlighted objectives, toll collection receipts was discussed below:

- C&W Department has a net road asset of 115,236 km having worth of trillions of rupees. The Finance Department agreed to approve annual maintenance and repair of roads with a yardstick of Rs 176,000 per km/10 ft width. The M&R budget of C&W needs to be reviewed on the actual need basis and requirement of department to avoid early deterioration of road assets.
- Due to unequal distribution of funds in Rural Accessibility Programme resulting in disparity/inequality among the different areas of the province²⁰.
- The project of Lahore Ring Road Southern Loop-III was awarded to concessionaire but after the lapse of three years the project could not be even started on ground. This would result in time and cost overrun²¹.
- Implementation of road projects on PPP mode had been prioritized by the Government of the Punjab in order to benefit the public while relieving its exchequer from the associated burdens. C&W Department could not initiate working on a single PPP project to realize its objectives of ADP 2020-21.

¹⁹ https://www.punjab.gov.pk/communication_works

²⁰ Para 7.1.8.2.3.1

²¹ Para 2.4.2.24

- Audit persistently emphasized on less revenue earning on account of right of way charges from the services sector such as electric supply companies, private telecom and cable companies and WASAs but the department did not seem to have initiated any effective measures in this regard.

Housing, Urban Development & Public Health Engineering (HUD&PHE) Department

Housing, Urban Development and Public Health Engineering (HUD&PHE) Department in Punjab is the leading departments for planning, funding, service delivery, regulating, monitoring the development of urban and rural *abadies* as well as sanitation sector in the province. For five major cities of the Punjab, Autonomous Development Authorities and Water and Sanitation Agencies (WASAs) have been created that lead the management and development of infrastructure, water supply, sanitation & water, sanitation and hygiene (WASH) services.²²

- In larger cities of Punjab responsibility of city administration is distributed among the local governments, cantonment boards, development authorities and private or cooperative housing societies. These jurisdictions have a significant footprint within the city boundary and have caused disparities to grow significantly in the absence of long-term housing policies or a unified master plan.
- In the housing sector, the government has not come up with adequate measures to cater to the increasing needs of housing commensurate with the rising population.
- The ADP schemes are launched by the Government with the vision to extend benefits of the schemes to the public. Due to insufficient funds released by Finance Department, completion period of number of schemes had to be extended. Resultantly, the targeted benefits of the schemes could not be achieved. This is an issue frequently observed throughout the development sector. Timely and

²² Punjab Growth Strategy 2023

effective interventions at the policy and planning level are imperative, otherwise, issues of cost and time overrun will keep on burdening the public exchequer. To present an illustration, a scheme “Establishment of Project Management Unit for WASH” was approved in 2017 for Rs 20 million with completion period of 18 months from January 2017 to June 2018. Later on, the scheme was revised 3rd time at a cost of Rs 34.480 million with completion period up to December 2021. Later on, the scheme was reflected in ADP 2020-21 costing Rs 55 million and with allocation of Rs 10 million to extent of salary component only. The completion report (PC-IV) had not yet been prepared.

- In spite of heavy spending on operations and maintenance, WASAs of Punjab have failed to devise an effective mechanism to mitigate the threat of flooding due to torrential rains.
- During FY 2020-21, MTDF target provided for the Government of Punjab funded development schemes worth Rs 4,925.765 million and foreign aided component of Rs 10,134.235 million. The utilization of funds was Rs 3,846.744 million (78%) and Rs 259.196 million (0.026%) from both fund components. Hence, the target fixed in MTDF was not achieved.

Punjab Irrigation Department

Punjab Irrigation Department has a reported long term vision for Irrigation Sector to provide adequate, equitable and reliable irrigation supplies to the cultivable lands of Punjab aiming at enhanced agricultural productivity with focus on broad based institutional reforms. After review and annual audit of Irrigation department, the following sectoral analysis was presented:

- Planned outlays for development in the sector in year 2020-21 was Rs 17.270 billion. In overall, the 133 Nos. schemes included in MTDF 2020-21 (comprising 127 on-going and 06 new schemes) with an allocation of Rs 16.770 billion (97.100%) for on-going and

Rs 0.5 billion (2.899%) to new schemes. Total 34 schemes (30 on-going and 04 new) are targeted to be completed during 2020-21.

- The execution and completion of schemes during FY 2020-21 were not up to the mark, as evident from a lapse of huge funds of Rs 1.785 billion due to slow progress at the work sites. This also resulted in time and cost overrun, also the benefits envisaged in PC-1 could not be extended to general public²³.
- Open state land was available with the Irrigation Department but there was neither any utilization of this land nor revenue was earned through auction. There were also incidents of encroachments on Irrigation land by various parties/persons ²⁴.
- There were multiple inquiries pending against the Officers of Irrigation Department but same were not finalized after a lapse of considerable period, apparently, just to extend undue benefit to culprits and in contravention of PEEDA Act 2006²⁵.

Local Government & Community Development (LG&CD) Department

The primary aim of the LG&CD department is to ensure effective and efficient delivery of municipal services. The policy envisaged to strengthen the local governments by improving the financial and institutional capacity of various concerned institutions/bodies. Such improvements were imperative for effective and efficient delivery of municipal services and community development. These objectives were to be achieved through multiple initiatives including improving basic infrastructure, endeavoring for cleaner and greener environment, efficient use of land through master planning of urban areas, developing public transport systems for providing easier and economical mobility, efficient solid waste management through waste to energy initiatives, and an overall

²³ Para 4.4.26

²⁴ Para 4.4.27

²⁵ Para 4.4.25

capacity building of local government institutions. Record of the department was reviewed and analysis was made in the light of new Local Government Act, 2019, Punjab Finance Award 2017, ADP, and MTFD 2020-21.

- Under section 189 of Punjab Local Government Act, 2019 the provincial allocable amount shall constitute not less than 26% of the general revenue receipt of the province during the financial year 2020-21. The allocable amount and share of Local Government came to Rs 77.806 billion against which FD released only Rs 33.598 billion. Hence, less share of Local Government for Rs 44.208 billion was released in contravention of Local Government Act, 2019²⁶.
- The Local Government Department did not prepare budget, accounts and works rules in the light of new Punjab Local Government Act, 2019.
- Local Government and Community Development (LG&CD) department is performing the planning, funding and service delivery under Asian Development Banks assisted project “Punjab /intermediate Cities Improvement Programme (PICIP)” for construction of waste water treatment plants, rehabilitate/improve water supply & Sewerage system, Development package for provision of basic infrastructure at the local level and establishment of model graveyards.
- For FY 2020-21, there was an allocation of Rs 13,197 million for 213 schemes²⁷ for execution out of which 110 schemes were targeted to be completed within the financial year. Funds utilization was Rs 12,241.362 million. Hence, the funds utilization came 92% only of the allocation.
- The Walled City Lahore Authority, working under the administrative control of Secretary LG&CD Lahore, did not make substantial efforts for execution of development works on Public Private Partnership mode²⁸.

²⁶ Para 5.4.1.13

²⁷ MTFD F.Y 2020-21

²⁸ Para 5.4.2.4

Energy Department

The Energy Department was established on 5th July, 2011, as a response to the energy crisis, to spearhead Punjab Government's efforts to exploit its energy sources, and to initiate power projects in the public and private sector. The purview of the department was constantly expanding, with more responsibilities and powers being devolved to the provinces in the wake of 18th Amendment to the Constitution of Pakistan.

As per MTDF (2020-23), the target of Energy department was to solarization of the province by providing low cost energy to the consumers. But the objectives of the department could not be achieved due to poor financial management, capacity of the department, inefficiency and ineffectiveness of the concerned offices.

In mega project, contract management was a real challenge to the employer as well as to the contractors/consultants. The contract implementation and monitoring through its deliverables needs to be strengthened.

CHAPTER – 2

COMMUNICATION AND WORKS DEPARTMENT

2.1 Introduction

A. Communication and Works (C&W) Department, Government of the Punjab has two departments i.e. Buildings and Highways. Both departments are divided into three zones each (North, Central and South) which are headed by Chief Engineers. Buildings Department has 98 formations while 85 pertains to Highways Department. The Lahore Ring Road Authority also comes under the administrative control of C&W Department and the Secretary C&W is the Principal Accounting Officer of the department.

B. Comments on Budget and Accounts

The budget of C&W Department comprises of development as well as non-development allocations. The non-development budget was allocated under Grants No. PC-21010, PC-21024, PC-21025 and PC-24024. The development budget was provided through Grants No. PC-12041 and PC-12042. Overall budgetary position for the Financial Year 2020-21 was as follows:

(Rs in million)

Grant No. and Nature	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development					
PC-21010 (LQ4071)	263.05	398.92	394.28	(4.64)	(1.16)
PC-21024/PC-24024	8,998.00	10,686.00	9,959.00	(727.00)	(6.80)
PC-21025	12,821.00	15,183.00	14,744.00	(439.00)	(2.89)
PC-21031(LQ551)	0.66	10.00	10.00	0	0
Sub Total	22,082.71	26,277.92	25,107.28	(1,170.64)	(4.45)
Development					
PC-12041	57,971.00	64,826.00	45,950.00	(18,876.00)	(29.12)
PC-12042	32,310.00	24,593.00	24,376.00	(217.00)	(0.88)
Sub Total	90,281.00	89,419.00	70,326.00	(19,093.00)	(21.35)
Grand Total	112,363.71	115,696.92	95,433.28	(20,263.64)	(17.51)

Source: Departmental figures for the year 2020-21

During financial year 2020-21, department could not utilize 21.35% of its development and 4.45% of its non-development budget.

C. Sectoral analysis on the achievements against targets agreed under MTFD/MTBF

Brief comments on targets achieved under MTFD were given in Chapter No. 1 “Sectoral Analysis”.

Audit profile of C&W department

(Rs in million)

Sr. No.	Description / Formations	Total Nos	Audited	Expenditure audited	Revenue/ Receipts audited
1.	Formations:				
	Phase-I (2021-22)				
	Buildings	98	13	12,066.09	113.01
	Highways	85	23	28,526.53	22.57
	Sub-total		36	40,592.62	135.58
	Phase-II (2020-21)				
	Buildings		13	6,451.82	0.67
	Highways		12	5,770.86	338.36
	Sub-total		25	12,222.68	339.03
	Grand Total		61	52,815.30	474.61
2.	Authorities/ Autonomous Bodies	01	-	-	-
3.	Foreign Aided Projects	-	-	-	-

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,961.466 million were included in this Audit Report. This amount also included recoverable amount of Rs 756.674 million as pointed by the Audit. Summary of the audit observations classified by nature was as under:

(Rs in million)

Sr. No.	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	259.368
2	Irregularities:	-
(i)	Irregularities resulting in overpayments	420.562
(ii)	Irregularities resulting in non-recoveries	336.112
(iii)	Irregularities relating to undue financial benefits	1,555.199
(iv)	Irregularities resulting in loss to government	89.277
(v)	Irregularities relating to procurements	300.948

2.3 Brief comments on the status of compliance with PAC directives

An effective monitoring mechanism to watch compliance of PAC directives on regular basis did not seem to be in place in the Administrative Department. Resultantly, compliance of only five (5) PAC directives pertaining to Highways department was reported. Whereas, a total number of 744 and 1780 PAC directives pertaining to previous audit reports were pending for compliance as detailed below with Punjab Buildings and Punjab Highways Departments respectively.

BUILDINGS DEPARTMENT

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Reported	Compliance Awaited	Percentage (%)
1	1956-57 to 1999-2000	521	-	521	-
2	2000-01	31	-	31	-
3	2001-02	22	-	22	-
4	2003-04	02	-	02	-
5	2005-06	17	-	17	-
6	2006-07	07	-	07	-
7	2009-10	09	-	09	-
8	2010-11	11	-	11	-
9	2011-12	15	-	15	-
10	2012-13	44	-	44	-
11	2013-14	65	-	65	-
Total		744	-	744	-

HIGHWAYS DEPARTMENT

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Reported	Compliance Awaited	Percentage (%)
1	1956-57 to 1999-2000	1446	-	1446	-
2	2000-01	39	-	39	-
3	2001-02	08	-	08	-
4	2003-04	07	-	07	-
5	2005-06	14	-	14	-
6	2006-07	27	-	27	-

7	2008-09	01	-	01	-
8	2009-10	55	-	55	-
9	2010-11	36	-	36	-
10	2011-12	103	-	103	-
11	2012-13	6	01	5	-
12	2013-14	22	-	22	-
13	2015-16	02	02	-	-
14	2016-17	19	02	17	-
Total		1785	05	1780	-

2.4 AUDIT PARAS

2.4.1 BUILDINGS DEPARTMENT

Reported cases of fraud, embezzlement and misappropriation

2.4.1.1 Fraudulent payment on account of M&R works without execution at sites - Rs 7.549 million

As per rule 2.33 of PFR Volume-I every person is personally responsible for any loss sustained by the government due to fraud or negligence on the part of the government servant. Further, according to Section 13(7) of Punjab Employees Efficiency, Discipline and Accountability Act 2006, the competent authority was required to decide the matter after receipt of inquiry report within 60 days.

During scrutiny of accounts record of the Secretary C&W Department Lahore it was revealed that the Executive Engineer, M&R Buildings Division No. 2 Faisalabad made payment to a contractor through cheque dated 20.04.2021 for Rs 7,549,087 and expenditure was charged to G-10113 PW Deposits. Audit observed that as per SAP document No.401066955, Dated: 19.04.2021 the cheque was issued to contractor but accountal was not shown in manual monthly account of April, 2021. Further, the expenditure was charged to M&R deposit works of Special Education under Head G-10113 without placing advertisement on PPRA website and without execution of work at site.

Weak administrative and supervisory controls resulted in fraudulent payment of Rs 7,549,087.

Audit pointed out lapse in August 2021.

The para was discussed in the SDAC meeting held on 22.11.2021. The department explained that the said para had been forwarded to XEN, M&R Building Faisalabad to take further necessary action. Audit informed that payment was made without calling tenders and execution of works at

site. Further, the matter needed to be probed by the administrative department. The Committee directed the department to update the latest position and get the record verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends recovery besides initiating disciplinary action under PEEDA Act 2006 against the delinquents.

DP No. 294(2021-22)

Irregularities

Irregularities resulting in overpayments

2.4.1.2 Overpayment due to application of higher rates of material, labour & carriage etc. – Rs 73.540 million

According to the instructions issued by the FD, vide Letter No. RO(Tech)FD-18-23/2004, dated 21.09.2004, rate analysis for the non-standardized items would be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer and on the basis of input rate of relevant quarter placed at website of the FD.

2.4.1.2.1 In twenty-nine (29) cases, Executive Engineers, Building Divisions paid non-standardized items of works "*Providing & laying pre-polished tile master, Granite tiles, pre-polished marble flooring, pre-polished marble slab China Verona, pre-polished porcelain tiles, single layer of tile with polythene sheet 500 gauge, 60 mm thick tuff paver*" by taking incorrect rates of materials and labour than FD's template.

Violation of FD's instructions resulted in overpayment of Rs 27,590,373.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department stated that the matter regarding standardization of the items already referred to Technical Wing of the FD was shown to Audit. The Committee directed the department to seek clarification from FD at the earliest. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early clarification from FD or to effect recovery.
(Annex-I)

2.4.1.2.2 In nineteen (19) cases, Executive Engineers, Building Divisions paid a non-standardized item of work "*P/F fair face gutka cladding of various sizes*" by incorporating excess quantities of material and labour than FD's template in the rate analyses.

Violation of FD's instructions resulted in overpayment of Rs 23,769,087.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department stated that the matter regarding standardization of the items already referred to Technical Wing of the FD was shown to Audit. The Committee directed the department to seek clarification from FD at the earliest. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early clarification from FD or to effect recovery.
(Annex-II)

2.4.1.2.3 In seventeen (17) cases, Executive Engineers, Building Divisions paid a non-standardized item of work "*Termite proofing of buildings by spraying anti-termite liquid with water*" by incorporating excess rate than MRS in rate analyses.

Violation of FD's instructions resulted in overpayment of Rs 10,309,608.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department stated that the matter regarding standardization of the item already referred to Technical Wing of the FD was shown to Audit. The Committee directed the department to seek clarification from FD at the earliest. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early clarification from FD or to effect recovery.
(Annex-III)

2.4.1.2.4 In six (06) cases, Executive Engineers, Building Divisions made payment of a non-standardized item of work "*P/L structural pad*". Audit observed that the department got approved the rate analyses by providing excess rates and quantities of gravel, carriage and labour than those recommended by Building Research Station, Lahore.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	216 (2020-21)	BD, Bahawalnagar	2,256,862
2	101 (2020-21)	BD, M.B Din	1,612,452
3	97 (2020-21)	BD, Narowal	952,708
4	213 (2020-21)	BD, Bahawalnagar	770,156
5	337 (2021-22)	BD, DG Khan	736,792
6	525 (MFDAC 2020-21)	BD, Khushab	457,410
Total			6,786,380

Violation of FD's instructions and Building Research Station recommendations resulted in overpayment of Rs 6,786,380.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and November 2021. In four cases (DP 97,101,337&525), the department

explained that rate had been provided in the TS estimate after approval by the competent authority and paid accordingly. In two cases (DP 213&216), the department had admitted actual recovery. Audit informed that the department did not produce the record to Audit for verification. The Committee directed the department to effect recovery, produce complete record and get it verified by Audit within 07 days. Compliance of Committee's directives was not reported till finalization of the report.

Audit recommends early recovery as well as verification of record.

2.4.1.2.5 In five (05) cases, Executive Engineers, Building Divisions paid for non-standardized items of works "*P/F M.S sheet hollow pressed frame of doors (Chowkat only) and P/F M.S grill*" by applying incorrect rates and excess labour than FD's template in the rate analyses.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	391 (2021-22)	BD No.1, Gujranwala	2,241,920
2	405 (2021-22)	BD No.1, Gujranwala	1,849,260
3	509 (2021-22)	BD Mianwali	615,900
4	373 (2021-22)	BD No.1, Multan	327,212
5	430 (2021-22)	BD Sahiwal	49,896
Total			5,084,188

Violation of FD's instructions resulted in overpayment of Rs 5,084,188.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in November and December 2021. In three cases (DP 391,430,509), the department stated that payment was made as per TS estimate. In (DP 373), department stated that item executed at site was different from MRS item. In (DP 405), department stated that item executed at site was of rich specification which provided greater safety. Audit informed that the department was paid item on higher rates with minor changes as compared with MRS item. The Committee directed the department to get the record re-verified within 07 days.

Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of record or to effect recovery.

2.4.1.3 Overpayment due to non-utilization of available earth - Rs 31.792 million

As per specification No.411 of Book of Specifications of Roads & Bridges, 1971, available useable material from excavation was to be used in the new work first before using material from outside source.

In twenty (20) cases, Executive Engineers, Building Divisions paid for item of works "*Excavation in foundation of buildings, bridges and other structures etc.*" but did not adjust the excavated earth against the new earth brought from outside.

Violation of specification resulted in overpayment of Rs 31,791,997.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. In fourteen cases, the department admitted to effect actual recovery of Rs 13,145,480 and in the remaining cases, the department explained that earth was not useable in the works. Audit informed that the department did not produce soil investigation reports to Audit for verification. The Committee directed the department to effect actual recovery in fourteen cases, produce complete record in five cases and in one case, refer to FD for clarification and get it verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of record and to effect actual recovery.

(Annex-IV)

2.4.1.4 Overpayment due to application of higher rates than MRS – Rs 23.821 million

As per Finance Department letter No. RO(TECH)/FD-18-23/2004 dated 21.09.2004, the available input rates of material, labour and equipment shall be the same as placed by the FD. Standard analysis shall be used to work out the rate of an item as far as possible.

2.4.1.4.1 In three (03) cases, Executive Engineers, Building Divisions paid for items of works “*Excavation of organic wastage material and disposal with lead of 5 miles, regular excavation dressed including lead and earthwork excavation in open cutting up to 5 feet depth complete in all respect*” by applying higher rates than MRS and allowing inadmissible items.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1.	725 (MFDAC 2022-21)	BD No.1, Bahawalpur	15,265,047
2.	356 (2021-22)	BD Chakwal	2,005,454
3.	383 (2021-22)	BD No.1, Multan	1,129,766
Total			18,400,267

Violation of MRS resulted in overpayment of Rs 18,400,267.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in November 2021. In (DP 383), the department admitted to effect recovery. In (DP 356), the department explained that item pointed out by Audit was applicable on the irrigation works only. In (DP 725), the department explained that rate was correctly incorporated in the estimate which was applicable for all type of soils. Audit contended that inadmissible items were paid instead of relevant items. The Committee in two cases, (DP 383&725) directed the department to effect recovery and in the remaining case (DP 356) produce complete record and get it verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC directives.

2.4.1.4.2 As per acceptance letter, the rate of item “*Providing & Cast in situ bored reinforced concrete piles (nominal mix 1:2:4)*” was Rs 2,383 per rft.

Executive Engineer, Building Division No. 4, Lahore paid for item of work “*P/C in situ bored reinforced concrete piles (nominal mix 1:2:4)*” for a quantity of 26572 rft @ Rs 2,587 per rft which was at higher side instead of approved rate of Rs 2,383 per rft. Hence, the department paid excess rate of Rs 204 per rft.

Violation of contractual obligation resulted in overpayment of Rs 5,420,688.

Audit pointed out overpayment during March 2021.

The para was discussed in SDAC meeting held on 06.10.2021. The department explained that the item was replaced with RCC 1:1.5:3 during the execution of work and revision of TS estimate was under process. Audit informed that in 4th running bill item providing and laying in situ bored reinforcement piles with 1:2:4 using 10% extra cement in dry mix was measured and paid @ Rs 2,587 per rft instead of Rs 2,383 per rft. Further, the payment was made without prior approval from the competent authority and paid higher rate than accepted by the contractor. The Committee directed the department to remain vigilant in making payment of unapproved quantity and get the variation statement along with original IPCs and revised TS estimate. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early compliance of the SDAC’s directives.

DP No. 71 (2020-21)

2.4.1.5 Overpayment due to allowing 20% contractor’s profit & overhead - Rs 10.549 million

As per FD’s letter No. RO(Tech)FD-18-29/2006 dated 03.03.2005, plant, machinery and other items like generator, turbines, lifts, electric

motors, electrical and electronics items are required to be procured/ purchased as per procedure prescribed in Purchase Manual instead of through the contractors, so that 20% contractor profit and overheads in its price could be saved. As per clarification issued by Finance Department dated 05.10.2018, 20% contractor's profit & overhead is not admissible on street/LED lights.

In nine (09) cases, Executive Engineers, Building Divisions paid for the items “Air conditioner, Diesel generator set, turbines, HVAC system, cables of different sizes and firefighting system” to the contractor. Audit observed that the department got approved rate analyses by including 20% contractor's profit & overheads which was not admissible on finished products like machinery, electrical and mechanical items.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	377 (2021-22)	BD, Mianwali	3,249,338
2	331 (2021-22)	BD, DG Khan	2,808,000
3	495 (2021-22)	BD GOR M&R, Lahore	1,041,278
4	271 (2020-21)	BD, MB Din	998,594
5	185 (2021-22)	BD No.5, Lahore	981,170
6	390 (2021-22)	BD No.1, Gujranwala	400,047
7	362 (2021-22)	BD, Chakwal	378,356
8	223 (MFDAC 2020-21)	BD No.1, Faisalabad	356,751
9	244 (MFDAC 2020-21)	BD, Chakwal	335,058
Total			10,548,592

Violation of FD's instructions resulted in overpayment of Rs 10,548,592.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meeting held in November and December 2021. In three cases (DP 185,271,390), department admitted the recovery. In six cases (DPs 331,362,377,495,223&244), department explained that contractor's profit had been provided in the estimate and sanctioned by the competent authority. Audit informed that rate analyses were approved by including 20% contractor's profit & overhead which was not admissible as per FD's instructions. The Committee directed the

department to get the record re-verified by Audit within 07 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC’s directives.

2.4.1.6 Overpayment due to execution of inadmissible items – Rs 8.947 million

According to FD’s clarification issued vide letter No. RO (Tech) FD-II-47/2004 dated 24.02.2005, composite rate of RCC covered all shapes and design.

In four (04) cases, Executive Engineers, Building Divisions paid for items of works “*Extra shuttering of waffle slab, height for pyramid, scaffolding at any height for windows cills as per architectural design, extra cost of additional shuttering and labour for arch of RCC*” which was not admissible as per FD’s clarification.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	363 (2021-22)	BD, Chakwal	5,229,486
2	634 (MFDAC 2020-21)	BD No.1, Bahawalpur	1,666,623
3	385 (2021-22)	BD No.1, Multan	1,529,109
4	100 (2020-21)	BD, MB Din	521,828
Total			8,947,046

Violation of FD’s instructions resulted in overpayment of Rs 8,947,046.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held in October and November 2021. In (DP 100), the department admitted the recovery. In two cases (DPs 385&634), the department explained that waffle slab and pyramid required extensive shuttering and labour. In (DP 363), the department explained that elevations of buildings were inclined. Audit contended that FD categorically refused to allow extra shuttering and labour because the cost of architectural features had already been included in the

composite rate of the RCC work. The Committee directed the department to seek clarification from FD against (DP 634) and in two cases (DP 363,385) to produce the rate analyses. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early clarification from FD and verification of rate analysis.

Irregularities resulting in non-recoveries

2.4.1.7 Non-recovery of price de-escalation - Rs 30.086 million

According to Clause 55(2) of contract agreement, where any variation (increase or decrease) to the extent of 5% or more in the price of item of work takes place after acceptance of tender and before completion of work, the amount payable should be adjusted to the extent of actual variation in the cost of item of work.

In twelve (12) cases, Executive Engineers of Building Divisions paid the items involving price de-escalation. Audit observed that the base price of “*diesel, labour, crush bajri and steel*” at the time of tenders was on higher side but during execution of works the rates of the same were decreased by more than 5%. The department did not recover the amount of de-escalation of diesel, labour, crush bajri and steel from the contractors.

Violation of contractual obligations resulted in non-recovery of de-escalation for Rs 30,086,180.

Audit pointed out non-recovery during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. In eleven cases, the department admitted to effect actual recovery and in remaining case, complete record was not produced to Audit for verification. The Committee directed the department to effect balance recovery, produce relevant record and get it verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery as well as verification of record.

(Annex-V)

2.4.1.8 Non-recovery due to use of undersized bricks - Rs 29.693 million

According to Finance Department's Material rates of item No. 07.001, standard size of bricks is 9" x 4-1/2" x 3" and crushing strength is 2000 PSI. Further, as per MRS remarks in chapter "Brick Works", if 2nd & 3rd class bricks are used, the rate of bricks may be reduced by 7% and 14% respectively of the composite rate.

In nine (09) cases, Executive Engineers, Building Divisions paid for the item of works "*Pacca brick work cement sand mortar*". Audit observed that, as per test reports, the bricks used in the works were either undersized or were of lesser crushing strength.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	378 (2021-22)	BD No.1 Multan	13,643,096
2	123 (2020-21)	BD, Mianwali	4,796,000
3	221 (MFDAC 2020-21)	BD No.1, Faisalabad	4,672,392
4	37 (2020-21)	BD, Bhakkar	2,029,370
5	130 (2020-21)	BD GOR M&R Lahore	1,751,698
6	347 (2021-22)	BD, Chakwal	1,296,249
7	112 (2020-21)	BD No.3, Lahore	911,385
8	109 (2020-21)	BD No.3, Lahore	374,603
9	248 (2021-22)	BD No.1, Bahawalpur	218,516
Total			29,693,309

Violation of MRS resulted in non-recovery of Rs 29,693,309.

Audit pointed out non-recovery during 2021.

The paras were discussed in SDAC meetings held in October and November 2021. In all the cases, the department stated that the bricks used in the works were duly tested by authorized laboratories. Audit informed that the bricks were found undersized and understrength as per lab test reports. The Committee directed the department to effect recovery in cases

having less crushing strength and size. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

Irregularities relating to undue financial benefit to contractors

2.4.1.9 Undue financial benefit due to non-obtaining of the performance guarantees and additional performance guarantees – Rs 1,016.652 million

As per Clause 7 of contract agreement read with item (h) memorandum of work and FD notification vide letter No.RO (Tech)FD-1-2/83(V)(P) dated 06.04.2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Furthermore, as per Clause-26(A) of the contract agreement, in case the total tendered amount is less than 5% of the approved estimation (DNIT) amount, the lowest bidder will have to deposit additional performance security from a Scheduled Bank.

In thirteen (13) cases, Executive Engineers, Building Divisions awarded different works to contractors wherein performance/additional performance securities were required to be obtained. Audit observed that the department did not obtain the performance/additional performance securities from contractors.

Violation of contractual obligations resulted in undue financial benefit to contractors for Rs 1,016,651,670.

Audit pointed out lapse during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department stated that performance securities were obtained from contractors. Audit informed that department did not substantiate the reply with documentary evidence. The Committee in DP

No. 17 directed the department to get the matter probed by S.E of other than circle and in the remaining cases directed to produce valid performance/additional performance securities and get it verified from Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early provision of valid bank guarantees/regularization of the matter besides fixing responsibility against the delinquents.

(Annex-VI)

2.4.2 HIGHWAYS DEPARTMENT

Reported cases of fraud, embezzlement and misappropriation

2.4.2.1 Bogus payment of land compensation by tampering in Treasury Revenue Deposit Register – Rs 251.154 million

As per Rule 2.33 of PFR Vol-I, every government servant 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.

During scrutiny of record of Secretary C&W Department, it was revealed that LAC, Punjab Highway Department Multan made payment to bogus affectees on account of land compensation amounting to Rs 251.154 million during the period 14.09.2018 to June 2021. Audit observed that as per Challan 32-A deposited by LAC into District Accounts Office Multan on 27.06.2015 and 02.05.2011 in Revenue Head for Rs 15,260,500 and Rs 768,000 respectively. However, as per Treasury Revenue Deposit Register of DAO Multan the amount against RD Nos.1743 and RD 2748, dated 27.06.2015 and 30.06.2014 was written as Rs 115,260,500 and Rs 71,618,000. Further, an amount of Rs 80,304,000 was illegally withdrawn by using unfair means during June 2021. The LAC in connivance with Treasury Office made bogus payment to affectees through various vouchers and cheques and expenditure was charged to G-10113 head.

(Amount in Rs)

Amount of original Challan deposited in Treasury	Dates of deposit of original challans	Amount tempered by Treasury office/bogus payment	Bogus payment drawn
15,260,500	27.06.2015	115,260,500	100,000,000
768,000	02.05.2011	71,618,000	70,850,000
-	-	80,304,000	80,304,000
16,028,500	-	267,182,500	251,154,000

Weak financial and internal controls resulted in bogus payment of Rs 251,154,000.

Audit pointed out bogus payment in August 2021.

The para was discussed in SDAC meeting held on 22.11.2021. The department explained that the said para had been forwarded to LAC, Multan to take further necessary action. The Committee directed to transfer the matter to LAC, Multan for replies and same would be placed before SDAC. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery of the bogus payment from affectees besides fixing of responsibility under PEEDA Act 2006 against the delinquents.

DP No. 293(21-22)

Irregularities

Irregularities resulting in overpayment

2.4.2.2 Overpayment due to application of higher rate of Plum concrete – Rs 69.989 million

As per specification of schedule of rates for execution of works 1967, regarding plum concrete, "the shuttering is included in composite rate of plum concrete" read with clause 15 of the contract agreement, the contractor shall supply at his own cost all materials constructional plants, tools, appliances, implements, ladders, cordage, tackles, scaffoldings and temporary works.

In fourteen (14) cases, Executive Engineers, Highway Divisions, paid the items "P/L of Plum concrete using 40% plum and 60% P.C.C 1:3:6 type-D" and "P/L of Plum concrete using 40% plum and 60% P.C.C 1:2:4 type-C". Audit observed that the rate of MRS item P.C.C was a complete item which was required to be executed without shuttering. Whereas, the department had included the cost of shuttering in the rate analyses which was not admissible.

Violation of FD's instructions resulted in overpayment for Rs 69,988,656.

Audit pointed out overpayment during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department explained that rate analysis was prepared on FD's template with a provision of shuttering and got approved accordingly. Audit informed that component of shuttering was inadmissible as it was covered under the clause 15 of the contract agreement and the case regarding shuttering had already been referred to FD for clarification. The Committee directed the department to pursue the case with FD. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends to pursue the case with FD or effect early recovery.

(Annex-VII)

2.4.2.3 Overpayment due to application of incorrect rate and execution of inadmissible item – Rs 59.483 million

As per MRS item No 52 of chapter No.03, "*earthwork in excavation of drains, irrigation channels through excavator/drag lines in all kind of soil and conditions (dry, wet slush, daldal and under water) including its disposal and preparation of working pad for operation of machinery (Rates includes 100 feet)*" was available for work done with machinery.

In four (04) cases, Executive Engineers, Highway Divisions, paid for item of work, "*Excavation in open cutting up to 5 feet depth in ordinary soil, surplus material disposed of & dressed within 100 ft*". Audit observed that the rate of paid item of MRS was with manual labour whereas the works were done with machinery so, admissible and economical item i.e. "*earthwork in excavation of drains, irrigation channels through excavator/drag lines*" (Item No. 52 chapter 3 of MRS) was required to be paid.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	377 (21-22)	HD, Chakwal	33,059,000
2	439 (MFDAC 20-21)	RCD, Rawalpindi	23,130,356
3	299 (MFDAC 20-21)	HD, Jhelum	2,921,042
4	196 (21-22)	HD, Gujrat	372,695
Total			59,483,093

Violation of MRS resulted in overpayment of Rs 59,483,093.

Audit pointed out overpayment during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department explained that rate was approved by the competent authority and accordingly paid to contractors. The Committee directed the department to refer the case to FD for clarification. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends to refer the case to FD for clarification or effect early recovery.

2.4.2.4 Overpayment due to application of incorrect rate of concrete piles - Rs 49.816 million

According to the instructions issued by the FD vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rates of relevant period placed at website of the Finance Department.

In eleven (11) cases, Executive Engineers, Highway Divisions, paid for items "*RCC for bored piles of 33", 36", 39", 48", 66" and 78" dia*" at higher rates than the admissible rates based on mechanized mode for preparation of rates of non-standardized items.

(Amount in Rs)

Sr. No.	DP Nos.	RCC Board Piles (Dia)	Qty. (Rft)	Rate paid (per Rft)	Admissible rate (per Rft)	Diff. (per Rft)	Overpayment
1	645	36"	13546.96	5009.17	3578.05	1431.12	19,387,325.40
2	668	36"	4276	5080.24	3660.28	1419.96	6,071,748.96
		39"	110	5786.02	3660.28	2125.74	233,831.40
		48"	190	8242.09	5367.10	2874.99	546,248.10
3	393	54"	2640	8218.51	7080.66	1137.85	3,003,924.00
		54"	2640	7384.51	6663.63	720.88	1,903,123.20
4	423	48"	480	6664	5012.57	1651.43	792,686.40
			492.208	6861.82	5012.57	1849.30	910,215.64
		39"	3600	5028	4240.04	787.96	2,836,656.00
5	77	48"	1520	6579.24	5147.17	1432.07	2,176,746.40
		78"	230	17030.81	10938.97	6091.84	1,401,123.20
6	554	48"	906.74	7175.71	4411.07	2764.64	2,506,809.67
7	515	48"	660	8563.79	5012.57	3551.22	2,343,805.20
8	157	33"	667	4806.66	3023.26	1783.40	1,189,527.80
9	418	48"	1395	6500	5221.59	1278.41	1,783,381.95
10	56	36"	1721.88	3716.64	3051.37	665.27	1,145,515.11
		24"	1988	2245.86	2039.14	206.72	410,959.36
11	591	36"	6528	3606.9	3427.25	179.65	1,172,755.20
Total							49,816,382.99

Violation of FD's instructions resulted in overpayment for Rs 49,816,383.

Audit pointed out overpayment during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department explained that payments were made to contractors on the basis of rates approved by the competent authority. Audit contended that rates were approved on higher side than admissible rates which were also accepted and endorsed by the committee of Chief Engineers of C&W Department. The Committee accepted the view point of Audit and directed the department to adjust the recovery on account of difference of rates. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

(Annex-VIII)

2.4.2.5 Overpayment due to excess rate of shuttering – Rs 23.594 million

As per template item No.6(a)(ii) of Chapter 6, RCC in slab of rafts/strip foundation, base slab, 1 No. carpenter was provided for the purpose of shuttering for a volume of 0.16 Cft, Further, as per template for the purpose of shuttering in item No. 6(a)(i) RCC in roof slabs, beams, Columns etc. 1 No. carpenter for a shuttering volume of 1.62 Cft was provided.

In three (03) cases, Executive Engineers, Highway Divisions, paid the item “*shuttering of plum concrete*”. In the analysis of rate of shuttering the item RCC raft/strip foundation was provided in which 1 No. carpenter and 1 No. helper was provided for 0.16 cft shuttering. Whereas, in the rate of item RCC in roof slab there was also provided 1 No. carpenter and 2 No helper where 1.62 cft shuttering was involved. Audit was of the view that shuttering for raft/strip foundation was 90% less than shuttering for roof slab so, labour component should also have been 90% less. Actual labour 0.1 No. carpenter and 0.2 helper were required for raft/foundation. Hence, the department had taken excess labour which caused higher rate paid to contractors.

(Amount in Rs)

Sr. No.	DP No	Name of Formation	Qty (cft)	Raid paid (% cft)	Rate admissible (% cft)	Diff. (% cft)	Amount
1	783 (MFDAC 20-21)	HD, Jhelum	1219271	1,986.24	695	1,291.24	15,743,715
2	785 (MFDAC 20-21)	HD, Attock	609763.34	1,485	592.14	892.86	5,444,333
3	790 (MFDAC 20-21)	HD, Attock	186337	1,986.24	695	1,291.24	2,406,058
Total							23,594,106

Violation of MRS resulted in overpayment for Rs 23,594,106.

Audit pointed out overpayment in March 2020.

The paras were discussed in SDAC meeting held on 14.01.2021. The department explained that matter of admissibility of shuttering in Plum

Concrete had already been referred to FD for clarification. Audit informed that the labour for shuttering in the item RCC raft/strip foundation was equivalent in FD's template to the item RCC in roof slab so, the rate of labour for shuttering should also have been reduced for RCC raft due to the reduced shuttering. The Committee directed the department to pursue the case in FD for clarification. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early pursuance of the case in FD for clarification or to effect recovery.

2.4.2.6 Overpayment due to application of higher rates – Rs 17.216 million

According to Rule 7.28 and 7.29 of DFR Vol-I, before signing the bill, sub divisional officer should compare the quantities in the bill with those recorded in measurement book and see that all the rates were correctly entered and that calculation were checked arithmetically to be correct.

2.4.2.6.1 Executive Engineer, Highway Division, Murree made payment for Rs 8,916,523 for item of work i.e. "*P/L course filter material shingle behind retaining wall*" for a quantity of 4798.99 cu.m @ Rs 1,858 per cu.m. Audit was of the view that the department was required to be dumped shingle gravel behind retaining walls, therefore, admissible rate came to Rs 719.78 per cu.m instead of Rs 1,858 per cu.m. Hence, department was paid excess rate of Rs 1,138.22 per cu.m.

Violation of DFR resulted in overpayment of Rs 5,462,306.

Audit pointed out overpayment in August 2021.

The para was discussed in SDAC meeting held on 13.12.2021. The department explained that the item filter material was spread in layers and compacted as per design of NESPAK. Audit informed that the costly item was filled in retaining walls without getting the approval of design from RR&MTI which was not admissible. The Committee directed the

department to produce relevant record and get it verified by Audit within 07 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early production of record or to effect recovery.

DP No. 651(21-22)

2.4.2.6.2 Executive Engineer, Road Construction Division, Faisalabad calculated the rate of “*Asphaltic wearing course and Asphaltic base course*” by dividing with 187.5 cu.m instead of 188 cu.m, as the material was incorporated in the rate analysis with 188 cu.m. Hence, the rate was incorrectly calculated resultantly overpayment was made to contractor.

(Amount in Rs)

Sr. No.	Items	Quantity paid (cu.m)	Excess rate	Amount
1	ABC	55278.009	42.456	2,346,883
2	AWC	37827.800	48.508	1,834,951
Total				4,181,834

Violation in template of rate analysis resulted in overpayment of Rs 4,181,834.

Audit pointed out overpayment in August 2020.

The para was discussed in SDAC meeting held on 13.11.2020. The department admitted to effect actual recovery. The Committee directed the department to effect recovery within 15 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No.240 (MFDAC 20-21)

2.4.2.6.3 Executive Engineer, Highway Division, Rawalpindi made payment for item of work “*RCC 1:2:4 for slab*” for quantity of 41577 cft @ Rs 392.74 per cft. Audit observed that as per cross section, slab was constructed on 1.25 feet stone masonry walls on both sides with the total

span of 4.5 feet wide. Therefore, the department was required to be paid rate @ Rs 292.22 per cft for quantity of 25987.5 cft without shuttering

Violation of rule resulted in overpayment of Rs 2,612,264.

Audit pointed out overpayment in September 2021.

The para was discussed in SDAC meeting held on 07.12.2021. The department explained that the shuttering was required in full width of drain. Audit informed that shuttering was not admissible on the area of stone masonry walls. The Committee upheld the contention of Audit and directed the department to rationalize of rate analysis for wooden shuttering in the light of MRS template. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early rationalization of rate analysis in the light of MRS template and to effect actual recovery.

DP No. 533(21-22)

2.4.2.6.4 Executive Engineer, Highway Division, Attock paid for item "*concrete class A3 (4000 PSI) elevated*" @ Rs 84,387.80% cft. In the rate analysis, quantities of sand, aggregate bajri and cement were taken as 21 cft, 42 cft and 400 bags. Whereas, the actual quantities came to 18.90 cft, 37.80 cft and 363 bags respectively in rate analysis of 45 cu.m. By application of relevant factors, actual rate came to Rs 80,631.67 per % cft. Hence, excess rate of Rs 3,756.13 % cft was paid for a quantity of 67378.11 cft.

Violation of rules resulted in overpayment for Rs 2,530,809.

Audit pointed out overpayment in March 2020.

The para was discussed in SDAC meeting held on 04.12.2020. The department explained that payment was made at approved rates. Audit contended that the quantities of materials were taken at excessive side for preparation of rate analysis. The Committee directed the department to

review the rate analysis as per standard practice of this item and effect actual recovery. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 500 (MFDAC 20-21)

2.4.2.6.5 Executive Engineer, Highway Division, Murree made payment for an item of work "*P/F cast in situ heavy duty barrier comprising of reinforced cement concrete 1:1.5:3 steel G-60*" for the quantity 3586.22 rft @ Rs 5,763.98 per rft. Audit observed that the department prepared the rate analysis of said item of work by taking the rate of RCC 1:1.5:3 @ Rs 317.23 per cft which included the horizontal shuttering. Further, the cost of steel shuttering @ Rs 11,880.49 for 10 meter length was added in rate analysis separately. Hence, the contractor was overpaid due to double shuttering.

Violation of rule resulted in overpayment of Rs 1,331,456.

Audit pointed out overpayment in September 2020.

The para was discussed in SDAC meeting held on 13.11.2020. The department admitted the actual recovery. Audit informed that actual recoverable amount came to Rs 1,689,508. The Committee directed the department to effect actual recovery within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 195 (MFDAC 20-21)

2.4.2.6.6 Executive Engineer, Highway Division, Chakwal paid an item of work, "*Furnishing/Fabrication of 8 mm thick MS Lining as per drawings complete in all respect*" for quantity of 58030 kg @ Rs 12,692.85% kg. Audit observed that the department had taken excess rate of material and labour while approving the rate analysis. The admissible rate of Rs 11,419.33 % kg as worked out by Audit on the basis of input rates

of 2nd bi-annual 2017 for District Chakwal. Hence, the department paid excess rate of Rs 1,273.52 per % kg.

Violation of rule resulted in overpayment for Rs 739,024.

Audit pointed out overpayment in September 2021.

The para was discussed in SDAC meeting held on 30.11.2021. The department explained that the scheme was initiated in 2017-18 and the rate of NS item was incorporated after approval from the competent authority. Audit informed that the rate prepared by department on higher side. Further, the rates proposed by the committee of (5) C.Es endorsed the audit stance and same item had been standardized by FD in 2nd bi-annual 2021. So, the recovery for the difference of rates should have been made as the work was done by mechanical means. The Committee directed the department for verification of rate analysis based on mechanical equipment used for the item MS lining within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early production of rate analysis for verification or to effect recovery.

DP No. 392 (21-22)

2.4.2.7 Overpayment due to non-utilization of available surplus earth – Rs 14.813 million

As per specification No 17.1(A)(11)(i) for execution of works 1967 Volume-I Part-II, if cutting and filling are being done simultaneously all suitable materials obtained from cutting shall be used in filling after recording X-Sections in Measurement Books.

In eleven (11) cases, Executive Engineers, Highway Divisions, made payment for the item of work "*Structural excavation*", "*Excavation in open cutting*" and "*Regular excavation*". Audit observed that the department had not utilized the available earth, retrieved after excavation, in the item "*Earthwork for making embankment*".

Violation of specifications resulted in overpayment for Rs 16,485,923.

Audit pointed out overpayment during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department in seven cases, admitted recovery of Rs 9,320,768, in two cases, effected recovery of Rs 1,672,665, in the remaining cases, the department did not produce relevant record. The Committee directed the department to effect balance recovery and get it verified by Audit within 07 days. The amount of para was reduced to Rs 14,813,258. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery as well as verification of record.

(Annex-IX)

2.4.2.8 Overpayment due to applying higher rate of unsuitable material – Rs 8.875 million

As per Finance Department's Notification No. RO (TECH) FD 2-3/2004 dated 02.08.2004, Chief Engineers would, on the basis of input rates fixed/notified by the Finance Department on its website, fix the rate of each item of work for rough cost estimate, for administrative approval and for TS estimate.

In six (06) cases, Executive Engineers, Highway Divisions, paid for item "*excavation undressed unsuitable material*" and its disposal with different lead at higher rates than admissible as per MRS. Hence, department paid higher rate to contractors.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	365 (MFDAC 20-21)	HD, Mianwali	3,544,850
2	403 (21-22)	HD, Mianwali	2,491,983
3	114 (MFDAC 20-21)	HD, Kasur	1,610,862
4	134 (21-22)	HD, Nankana Sahib	748,998
5	116 (21-22)	HD, Nankana Sahib	256,370
6	136 (21-22)	HD, Nankana Sahib	222,158
Total			8,875,221

Violation of FD's instruction resulted in overpayment of Rs 8,875,221.

Audit pointed out overpayment in 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. In two cases DP No. 365 (20-21) & 403 (21-22), the department explained that such unsuitable earth was excavated as per actual site requirements and rates were accordingly approved by the competent authority. About the remaining cases, the department admitted the recovery of Rs 2,838,388. Audit informed that department had incorrectly paid for item of excavation of ordinary soil instead of admissible item i.e. excavation in soft soil for unsuitable material which was disposed off. The Committee upheld the view point of Audit and directed the department to review the rate analysis and recover the actual overpayment within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery besides review of rate analysis.

2.4.2.9 Overpayment due to double payment of dressing – Rs 7.974 million

As per clarification issued by Finance Department vide RO(Tech) FD 2-6/85 dated 16.03.1988, the activity of leveling and dressing was included in the item of compaction, hence separate payment of dressing was not allowed.

In eight (08) cases, Executive Engineers, Highway Divisions, paid for item of work "*Regular excavation dressed*" along with execution of item of work "*Compaction of earthwork with power road roller 95% to 100%*". Audit observed that dressing was paid twice, once in regular excavation dressed and later in compaction of earthwork. The detail was as under:

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	314 (21-22)	HD, Sialkot	2,189,045
2	425 (21-22)	HD, Sargodha	2,164,320
3	221 (21-22)	HD, Pakpattan	1,233,837
4	453 (MFDAC 20-21)	HD, Khushab	818,352
5	845 (MFDAC 20-21)	HD, Layyah	771,068
6	620 (21-22)	HD, Gujranwala	363,274
7	467 (21-22)	HD, Jhang	317,782
8	176 (21-22)	HD, Bahawalpur	116,277
Total			7,973,955

Violation of FD's instruction resulted in overpayment of Rs 7,973,955.

Audit pointed out overpayment during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. In four cases, DP No. 314, 425, 620 (21-22) & DP No. 845 (20-21), the department admitted recovery of Rs 7,204,746. About the remaining cases, department explained that payment was made as per approved provisions. Audit informed that dressing was paid twice as one in the component of regular excavation and 2nd in compaction of earthwork. The Committee directed the department to effect recovery. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

2.4.2.10 Overpayment due to allowing excess lead – Rs 7.138 million

As per condition No. 5 of the FD's letter No. RO(Tech) F.D 2-3/2004 dated 02.08.2004, the material of sub-base course and base course available from nearest quarry shall be carried and shortest route should be used/adopted for carriage.

In five (05) cases, Executive Engineers, Highway Divisions, paid for item "*Carriage of stone, bajri*" by taking excess lead instead of adopting the shortest route. Audit observed that due to longer distance for carriage of stone and bajri, the department paid higher rates.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	577 (21-22)	HD, Bhakkar	2,278,886
2	552 (21-22)	HD, M.B Din	1,599,063
3	446 (21-22)	HD, Hafizabad	1,316,118
4	682 (21-22)	HD, Khanewal	1,012,000
5	273 (21-22)	HD, Bahawalpur	931,573
Total			7,137,640

Violation of FD's instructions resulted in overpayment of Rs 7,137,640.

Audit pointed out overpayment during 2021.

The paras were discussed in SDAC meetings held during 2021. The department in DP No. 577 (21-22) admitted recovery of Rs 2,278,886 and about the remaining cases explained that lead was paid as per approved lead chart. Audit contended that the department had adopted longer route instead of shortest route. The Committee directed the department to effect actual recovery and get it verified complete record by Audit within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery as well as verification.

2.4.2.11 Overpayment due to application of higher rate of dismantling of dry-stone masonry – Rs 7.077 million

As per MRS 2nd bi-annual 2017, Murree, item No. 1 chapter 4, the rate of item "*dismantling stone masonry*" @ Rs 500 % cft included 4.42% above the TS Estimate i.e. payable rate came to Rs 522 % cft which was required to be paid.

In three (03) cases, Executive Engineer, Highway Division, Murree made payment for item of work i.e. "*dismantling of dry stone masonry*" @ Rs 1,922.67% cft. Whereas, payable rate as per acceptance letter and MRS chapter 4, item No. 01, by adding 4.42% cushion came to Rs 522.00% cft.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	327 (21-22)	HD, Murree	3,705,192
2	328 (21-22)	HD, Murree	2,981,914
3	331 (21-22)	HD, Murree	390,264
Total			7,077,370

Violation of MRS resulted in overpayment of Rs 7,077,370.

Audit pointed out overpayment in August 2021.

The paras were discussed in SDAC meeting held on 24.11.2021. The department explained that payment was made to contractors as per TS estimate which was approved by the competent authority. Audit contended that the department was paid excess rate instead of actual rate as per MRS chapter No. 4, item No. 1. The Committee accepted view point of Audit and directed the department to effect recovery within 7 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

2.4.2.12 Overpayment due to excess measurements – Rs 5.938 million

As per rule 7.29 of DFR Vol-I, before signing the bill, the Sub-Divisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all rates are correctly entered and all calculations have been checked arithmetically.

2.4.2.12.1 Executive Engineer, Highway Division, Gujrat measured and paid 2nd layer of sub-base course @ Rs 7,930.14% cft at RD 630+000 to 657+000 for a quantity of 58500 cft (2 x 2700 x 26 x 5/12) which was again measured and paid at same RD for a quantity of 52000 cft. Hence, 2nd layer of sub-base course was measured twice on RD 633+000 to 657+000.

Violation of DFR resulted in overpayment for Rs 4,123,673.

Audit pointed out overpayment in August 2021.

The para was discussed in SDAC meeting held on 15.10.2021. The department explained that recovery would be made in next running bill. The Committee directed the department to effect recovery and get it verified by Audit within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery besides fixing of responsibility against the delinquents.

DP No. 191(21-22)

2.4.2.12.2 Executive Engineer, Highway Division, Rawalpindi paid for item "*construction of RCC covered drain with 4 inch thick slab*" for quantity 41577 cft @ Rs 392.74 per cft. Audit observed that the department measured said item of work with the thickness of 4½ inch instead of 4 inches. The actual payable quantity with 4" thickness came to 36957 cft. Hence, the department paid extra quantity of 4620 cft @ Rs 392.74 per cft.

Violation of DFR resulted in overpayment of Rs 1,814,459.

Audit pointed out overpayment in September 2021.

The para was discussed in SDAC meeting held on 07.12.2021. The department explained that executed RCC slab 4½ " thick due to crossing of heavy load and accordingly the payment was made to contractor. Audit contended that the department did not produce the relevant record i.e. TS Estimate and measurement books. The Committee directed the department to produce complete record and get it verified by Audit within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early production of record or to effect recovery.

DP No. 532(21-22)

Irregularities resulting in non-recoveries

2.4.2.13 Less-recovery of Toll Tax – Rs 68.116 million

As per clause 22 of the contract agreement, the contractor is required to deposit the bid sum in equal monthly installments, and in case the lessee fails to pay in full the monthly installment beyond 5th of every month, a fine @ 15% of the amount due for the particular month for each day of delay after 5th day of every month.

In four (04) cases, Executive Engineers M&R, Highway Divisions, leased out “Right to Collect Toll Tax at Mianwali Muzaffargarh road khansar chowk, Mustafabad Lahore - Kasur road, Bridge over River Jhelum District Khushab. Audit observed that the contractors did not deposit the full amount in Govt. account as per contract.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	834 (MFDAC 20-21)	HD, M&R, Lahore	37,492,272
2	708 (MFDAC 20-21)	HD, M&R, Bahawalpur	16,759,492
3	691 (MFDAC 20-21)	HD, M&R, Sargodha	11,941,000
4	840 (MFDAC 20-21)	HD, M&R, Sargodha	1,923,495
Total			68,116,259

Violation of contractual obligations resulted in less recovery for Rs 68,116,259.

Audit pointed out less recovery during 2020.

The paras were discussed in SDAC meeting held on 21-22 December, 2020. The department explained that the contractors had been directed to deposit the installments of toll tax. Audit contended that the contractors did not deposit the installments as per contract agreement. The Committee in two cases, i.e. DP No. 840 & 691 directed the Administrative Department to probe the matter within 15 days, in the remaining cases, the Committee directed to effect recovery and get it verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery along with interest.

2.4.2.14 Non-recovery of dismantled material not used as sub-base course – Rs 56.072 million

As per Communication and Works Department letter No. SOH-I (C&W) 1-42/97(Misc.) dated 28th November 1997, material extracted from dismantling of brick soling/brick edging or road pavement would be used for laying of sub-base course in full and 90% respectively.

In fourteen (14) cases, Executive Engineers, Highway Divisions, paid for item of work, “*dismantling of existing road pavement*”. The 90% of this dismantled material was required to be reused in item sub-base course but the department neither utilized the 90% quantity as sub-base course nor recovered from the contractors.

Violation of specification resulted in non-recovery of dismantled material for Rs 56,071,506.

Audit pointed out non-recovery during 2021.

The paras were discussed in the SDAC meetings held during 2021. The department explained that the works were still in running condition and admitted to consume/adjust the old road pavement in upcoming bills. The Committee directed the department to effect recovery and get it verified by Audit within 07 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery as well as its verification.

(Annex-X)

2.4.2.15 Non-recovery due to less use of bitumen – Rs 52.064 million

As per FD’s Notification No. RO (Tech)FD-2-3/2004 dated 02.08.2004, the payment of carpet was to be made to the contractor as per Job Mix Formula (JMF) or actual bitumen used in the work.

In two (02) cases, Executive Engineers, Highway Divisions, paid for items “P/L plant premixed carpeting”. Audit observed that the ratio of bitumen contents was lesser than that available in estimates. Further, recovery on account of less use of bitumen as per JMF reports was not made from the contractors.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	590 (MFDAC 20-21)	HD, Lodhran	46,987,582
2	174 (21-22)	HD, Bahawalpur	5,076,893
Total			52,064,475

Violation of FD’s instruction resulted in non-recovery of Rs 52,064,475.

Audit pointed out non-recovery during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. In DP No.174 (21-22), the department had effected recovery of Rs 826,696 and committed to recover the actual amount of Rs 7,417,528 in next running bill. In DP No. 590 (20-21), the department explained that the same para was already in Audit of 2018-19 and 2019-20. Audit contended that this issue was different, in the rate analysis, the factor of bajri was enhanced to 67.5% whereas in templates of FD the factor of bajri was 62% for all ranges of bitumen 3% to 6%. Only filler (stone dust) was to be changed with the change of bitumen contents. So, the department should prepare rate analysis with constant factor of bajri of 62% in the light of FD’s template and recover actual amount. The Committee directed the department to effect actual recovery in DP 174 and referred the case for DP No. 590 (2020-21) to FD for clarification. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC’s directives.

2.4.2.16 Less recovery of dismantled material – Rs 31.644 million

According to Para 9(i) of Chapter 18.1 of Book of Specifications 1967, the dismantled material was the property of the government and cost

of it should either be recovered from contractor as credit of dismantled material or it should be counted, measured and recorded for open auction.

In thirteen (13) cases, Executive Engineers, Highway Divisions, made payment on account of “*Dismantling of road edging, brick work and RCC*”. Audit observed that the department recovered less cost of dismantled material from the contractors.

Violation of specifications/agreement resulted in less recovery of Rs 48,269,054.

Audit pointed out less recovery during 2021.

The paras were discussed in SDAC meetings held during 2021. In four cases, the department had effected recovery of Rs 16,624,702 and in other four cases, admitted actual recovery of Rs 7,626,751. Audit informed that balance recovery was required to be made from contractors. The para was reduced to Rs 31,644,352. The Committee directed the department to effect balance recovery and get it verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery.

(Annex-XI)

2.4.2.17 Non-recovery of theft of cable from concessionaire – Rs 21.074 million

As per clauses 20.1.1 and 20.2.1 of Concession Agreement between FWO/PRIME and LRRA on 22.06.2016, the Concessionaire shall at its sole and expense, procure and maintain the premises of Ring Road during the construction and maintenance period, that are necessary and required to be procured by the Concessionaire in accordance with the Financing Documents and Applicable Laws.

Director Operations & Maintenance, Lahore Ring Road Authority, Lahore made payment for inadmissible item “*Supply and erection of copper conductor cables for services connection in pre-laid pipe/G.I wire/trenches*”

etc.” to a contractor on account of M&R works. Audit observed that the cable was stolen alongside of Ring Road and concessionaire was responsible to cover the loss of stolen cable at his own cost but the LRRRA made the payment of said stolen cable from Authority’s accounts, which was not admissible.

Violation of contractual obligations resulted in non-recovery of cost of theft cable from concessionaire for Rs 21,073,968.

Audit pointed out non-recovery of theft cable in April 2021.

The para was discussed in SDAC meeting held on 24.11.2021 The Authority explained that electrical cables were stolen and FIR was registered. Audit contended that the authority was responsible to safeguard its assets. Hence, the loss be recovered from the concessionaire. The Committee directed the department to probe the matter within 30 days and devise an effective mechanism to prevent such incidents in future. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery of stolen cables from concessionaire besides fixing responsibility against the delinquents.

DP No. 261(21-22)

2.4.2.18 Non-recovery due to use of under sized bricks – Rs 19.626 million

As per section 801 read with section 1041-8 of Standard Specification for Road & Bridge Construction 1971 and according to Finance Department’s Material rates of item No. 07.001, standard size of bricks is 9” x 4-1/2” x 3” and their crushing strength is 2000 PSI. Further as per MRS remarks in chapter “Brick Works”, if 2nd & 3rd class bricks are used, the rate of bricks may be reduced by 7% and 14% respectively of the composite rate.

In eleven (11) cases, Executive Engineers, Highway Divisions, paid for item “*Pacca brick work cement sand mortar and road edging*”. In nine cases, brick test reports were not produced to Audit, whereas for the remaining cases, lab tests indicated that the department used under sized bricks in the works. It was evident that 1st class bricks were not used but rate of 1st class bricks was paid to the contractors. Hence, recovery @ 7% of the composite rate was required to be made from the contractors.

Violation of specification and MRS resulted in non-recovery of Rs 25,226,937.

Audit pointed out non-recovery during 2021.

The paras were discussed in SDAC meetings held during 2021. In two cases (DP Nos. 111 & 162), the department had effected recovery of Rs 1,951,477, in other two cases (DP Nos. 298 & 613), partial record was verified for Rs 3,649,046 and about the remaining paras explained that brick work was measured and paid in cubic feet. Audit informed that in most of the cases, the department did not produce lab test reports. The Committee reduced the para to Rs 19,626,414 and directed the department to effect actual recovery, produce lab test reports and get the record verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC’s directives.

(Annex-XII)

2.4.2.19 Non-recovery of imbalance rate – Rs 17.727 million

As per Clause 47-A of “Standard Contract Form for Execution of Works”, if a contractor quotes such disproportionate rates in his tender which deviate from the rates provided in the technically sanctioned estimate, the payment of items whose rates are lower will be made at tendered rates in full on the execution of items. But the payment of items whose rates are higher shall be made at the rates depicted in technically sanctioned estimate.

Executive Engineer, Highway Division, Sahiwal awarded a work “Construction of Flyover at Jhall Road Railway Crossing to Sahiwal City” to the contractor, wherein the contractor quoted disproportionate rates. Audit observed that the department made payments of certain items at higher quoted rates instead of estimated rates.

(Amount in Rs)

Sr. No.	Description of items	Qty	Estimate rate	Paid rate	Diff.	Amount
1	Fabrication of mild steel	231495.4	163.1	167	3.9	902,832
2	Abutment piles, pier piles & test piles (4’-0” dia)	200	5836	8000	2164	432,800
3	-do-	1489.66	5836	7887	2051	3,055,293
4	Abutment piles, pier piles & test piles (3’-0” dia)	1370	3882	5000	1118	1,531,660
5	-do-	5415	3882	4887	1005	5,442,075
6	Furnishing/Fabrication of mild steel	422505.8	148.8	154.5	5.7	2,408,283
7	Member laid in situ of pre-cast laid in position	35900.89	504.74	570	65.26	2,342,892
8	-do-	90033.63	448.62	460	11.38	1,024,583
9	Fabrication of high tensile steel pre-stressing cables	21163	406.77	415	8.23	174,171
10	Lifting, transporting and placing precast pre-stressed concrete beam	17080	25.86	50	24.14	412,311
Total						17,726,900

Violation of contractual obligations resulted in non-recovery of Rs 17,726,900.

Audit pointed out non-recovery during 2021.

The para was discussed in SDAC meeting held on 24.11.2021. The department explained that work was in running condition and recovery would be made in final bill. Audit contended that the overpaid amount in excess of the TS estimate rates be withheld immediately and responsibility

be fixed for violation of the contract. Furthermore, financial statement was required to ascertain the actual overpayment. The Committee directed the department to effect actual recovery and get it verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early production of financial statement on finalization of the work and to effect actual recovery.

DP No. 373 (21-22)

2.4.2.20 Non-recovery of price de-escalation – Rs 10.010 million

As per clause 55(1) of the contract agreement where any variation (increase or decrease) to the extent of 5% or more in the price of any of the item mentioned in sub-clause (2) take place after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of the actual variation in the cost of the item concerned.

In four (04) cases, Executive Engineers, Highway Divisions, paid the items involving price de-escalation. Audit observed that the base price of diesel and bitumen at the time of tenders was on higher side but during execution of works, the rates of the same were decreased by more than 5%. The department did not recover the amount of de-escalation of diesel and bitumen from the contractors.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	316 (21-22)	HD, Sialkot	4,138,906
2	570 (21-22)	HD, Layyah	2,677,741
3	341 (MFDAC 20-21)	HD, Khushab	2,151,267
4	454 (MFDAC 20-21)	HD, Khushab	1,042,000
Total			10,009,914

Violation of contractual obligations resulted in non-recovery of Rs 10,009,914.

Audit pointed out non-recovery during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department explained that due recovery would be made from next running bills of the contractors. The Committee directed the department to effect actual recovery and get it verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery as well as its verification.

Irregularities relating to procurements

2.4.2.21 Irregular enhancement of agreements in violation of PPRA Rules – Rs 300.948 million

As per rule 59 of PPRA Rules 2014, repeat orders should not exceed more than fifteen per cent of original procurement.

In five (05) cases, Executive Engineers, Highway Divisions, awarded various works to different contractors. Audit observed that the department enhanced the scope of works more than 15% of the original agreement cost and made payment to contractors accordingly without calling fresh tenders.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	60 (21-22)	HD, Bhakkar	175,744,000
2	445 (21-22)	HD, Hafizabad	68,528,000
3	372 (21-22)	HD, Sahiwal	42,697,040
4	463 (21-22)	HD, Jhang	12,104,925
5	213 (21-22)	HD, Pakpattan	1,874,000
Total			300,947,965

Violation of PPRA Rules 2014 resulted in irregular enhancement of agreements without calling tenders amounting to Rs 300,947,965.

Audit pointed out irregularity during 2021.

The paras were discussed in SDAC meetings held during 2021. The department explained that payment was made to contractors as per enhanced scope of works. Audit informed that the enhancement was more than 15% which violated the PPRA Rules. The Committee directed the department to get the matter regularized from the FD in 01 case and referred the remaining cases to PPRA for clarification. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early regularization from FD/clarification from PPRA besides fixing responsibility against the delinquents.

Irregularities relating to undue financial benefit to contractors

2.4.2.22 Undue financial benefit to contractors due to non-obtaining/revalidation of performance and additional performance securities – Rs 538.547 million

As per Clause 7 of contract agreement read with item (h) memorandum of work and FD notification vide letter No.RO (Tech)FD-1-2/83(V)(P) dated 06.04.2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Furthermore, as per Clause-26(A) of the contract agreement, in case the total tendered amount is less than 5% of the approved estimation (DNIT) amount, the lowest bidder will have to deposit additional performance security from a Scheduled Bank.

In nine (09) cases, Executive Engineers, Highway Divisions awarded various works to different contractors wherein performance/additional performance guarantees were required to be obtained. Audit observed that department did not obtain performance/additional performance securities and its revalidation from the contractors.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	207 (21-22)	HD, Pakpattan	167,888,368
2	614 (21-22)	HD, Gujranwala	114,562,000

3	387 (MFDAC 20-21)	HD, Khushab	94,679,254
4	564 (21-22)	HD, M.B Din	51,458,000
5	61 (21-22)	HD, Bhakkar	50,860,000
6	212 (21-22)	HD, Pakpattan	29,000,000
7	124 (21-22)	HD, Nankana Sahib	17,494,948
8	307 (21-22)	HD, Sheikhupura	8,149,000
9	67 (21-22)	HD, Bhakkar	4,455,673
Total			538,547,243

Violation of contractual obligations resulted in undue financial benefit to contractors of Rs 538,547,243.

Audit pointed out irregularity during 2020-21.

The paras were discussed in SDAC meetings held during 2020-21. The department explained that performance securities had been obtained from the contractors at the time of issuance of acceptance letter. Audit contended that valid performance/additional performance securities were not produced to Audit for verification. The Committee in two cases, directed to get the matter probed by S.E, in one case, referred the para to PPRA for clarification and in the remaining cases directed to produce the record and get it verified by Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

Irregularities relating to loss to Government

2.4.2.23 Loss to government due to allowing higher input rates in MRS – Rs 89.277 million

As per condition No. 5 of Finance Department's Notification No. RO (TECH) FD 2-3/2004 dated 02.08.2004, the material from nearest approved quarry shall be used, however, if rate of the finished product from another quarry is cheaper, then lowest rate shall be used.

2.4.2.23.1 Executive Engineer, Highway Division, Lodhran awarded two works in May 2017 and paid price variation on sub-base course of crushed stone. Audit observed that the rate of sub-base course was @ Rs 800 %cft in 1st bi-annual 2017. In the month of July 2017, the rate of sub-base course was enhanced to Rs 1700 % cft as depicted on the website of the Finance Department. Audit was of the view that the enhancement of rate of sub-base course was extraordinarily high. Audit observed that the rate which was @ Rs 800 % cft in 1st bi-annual 2017 was enhanced to @ Rs 1,700 % cft in 2nd bi-annual 2017 without any rationale, because the same was reduced in 1st bi-annual 2019 @ Rs 900 %cft and further reduced in 2nd 2019 was @ Rs 800 %cft.

Violation of FD's instructions resulted in loss to government for Rs 47,608,062.

Audit pointed out lapse in October 2020.

The para was discussed in SDAC meeting held on 13.01.2021. The department explained that price variation of sub-base course was calculated on the basis of input rate of Finance Department. Audit informed that in 1st bi-annual 2017 the material rate of sub-base course was Rs 800 per %cft and in 2nd bi-annual 2017 it was increased to Rs 1,700 per % cft which was an abnormal increase. In all other districts including Lahore the rate of said item remain unchanged. The Committee directed to refer the case to FD regarding discrimination of MRS rates for the specific bi-annual. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early rectification of discrimination of rates and to effect the recovery.

DP No.738(MFDAC 20-21)

2.4.2.23.2 In five (05) cases, Executive Engineers, Highway Divisions, executed the items "*P/L of sub-base course of pit run or bed run gravel, base course of crushed stone aggregate (W.B.M) and stone for plum concrete*" and applied the rates in TS estimate from FD web site during 2nd

bi-annual 2017 to 2nd bi-annual 2018. The applied rates were exorbitantly higher and irrational as compared to other districts.

(Amount in Rs)

Sr. No.	DP Nos.	Name of Formation	Item	Rates applied % Cft	Rates applied in other districts % Cft	Amount
1	863 MFDAC 20-21	RCD Rawalpindi	Base course	2,400	1,800	19,941,165
			Pit run gravel	950	325	
2	729 MFDAC 20-21	HD Rahim Yar khan	Sub-base	1,700	800	11,059,960
3	781 MFDAC 20-21	HD Jhelum	Sub-base of pit run gravel	950	325	6,769,645
4	737 MFDAC 20-21	HD Lodhran	Sub-base	1,700	800	2,994,521
5	791 MFDAC 20-21	HD Attock	Dumping of stone	2,562.80	350	903,546
Total						41,668,837

Violation of FD's instructions resulted in loss to government for Rs 41,668,837.

Audit pointed out lapse in March, September and October 2020.

The paras were discussed in SDAC meeting held in January 2021. The department explained that estimate had been prepared on the basis of MRS duly sanctioned by the competent authority. The correct input rates of MRS of Finance Department were applied. Audit informed that the rate of item No. 18.003 of input material rates of FD 2nd bi-annual 2017, i.e. sub-base of crushed stone (quarry site) for Districts Rahim Yar Khan and Lodhran was @ Rs 1,700 %cft whereas for other Districts including Lahore, it was @ Rs 800 %cft. Audit was of the view that increase in input rates was extra ordinarily high and without any rationale. The Committee directed to refer the case to FD regarding discrepancy in MRS/input rates for the specific bi-annual. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early rectification of discrimination of rates and to effect the recovery.

Miscellaneous Irregularities

2.4.2.24 Cost over-run and time over run due to non-execution of work at SL-III (Adda Plot to Multan Road) by contractor M/s NLC

M/s NLC, In the event the Concessionaire fails to achieve Substantial Completion by the Scheduled Substantial Completion Date, then the Concessionaire shall pay to the LRRRA damages in a sum calculated at the rate of one point zero per cent (1.0%) of the amount of Construction Performance Security for each full day of delay in achieving Substantial Completion beyond the Scheduled Substantial Completion Date up to a maximum of ninety percent (90%) of the amount of the Construction Performance Security.

Director Admin & Finance, Lahore Ring Road Authority, Lahore awarded to the concessionaire M/s NLC on 13.6.2020 with construction period of 9 months but the contractor did not even start the work at site. Audit observed that without complete land acquisition due to which LRRRA was not able to fulfill its Conditions Precedent (CP) as of now in accordance with the section-3 of concession Agreement. Escalation in rates of the materials and other financial indicators taken into consideration at the time of bidding by the Concessionaire will be borne by the Government in future.

Violation of the rule resulted in cost over-run and time over-run due to non-execution of work at SL-III.

Audit pointed out violation in April 2021.

The para was discussed in SDAC meeting held on 13.12.2021. The authority explained that agreement between LRRRA and M/s NLC was signed on 13.06.2020 for Lahore Ring Road southern loop (SL-III) and the concessioner was to achieved financial close within 3 months before

commencement. However, status quo in the meanwhile was granted by Honorable Lahore High Court dated 26.06.2020, therefore, neither conditions precedent was met nor the financial close had been achieved for commencement of the project. Audit informed that the authority did not execute the work within stipulated time. The Committee directed the department to pursue the matter and early resolve the issue and get it verified from Audit.

Audit recommends pursuance of the case vigorously in court of law.

DP No. 627(21-22)

CHAPTER - 3

HOUSING, URBAN DEVELOPMENT & PUBLIC HEALTH ENGINEERING DEPARTMENT

3.1 Introduction

A. The HUD&PHE Department is the administrative department of Rawalpindi Development Authority, Gujranwala Development Authority, Faisalabad Development Authority, Lahore Development Authority, Multan Development Authority, Punjab Housing and Town Planning Agency, Parks and Horticulture Authorities, Fort Munro Development Authority and Public Health Engineering Department. The Secretary HUD&PHE Department is the Principal Accounting Officer. The functions of HUD&PHE Department are regulated by the Government of Punjab Rules of Business 1974 and the Punjab Development of Cities Act 1976. The HUD&PHE Department has 249 formations.

The HUD&PHE Department, Government of the Punjab mainly deals with matters of urban development/town planning, housing, physical planning and public health engineering.

B. Comments on Budget and Accounts (Variance Analysis)

B(i). Housing Urban Development (HUD)

Sixteen (16) Development Authorities and five (5) Agencies under the HUD are autonomous bodies. For financial resources, these bodies rely on their own sources as well as ADP funds received from the government. The budgetary position for the year 2020-21 was as under:

(Rs in million)

Nature of Budgetary Allocation	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development	34,822.82	34,822.82	29,706.55	(5,116.27)	(14)
Development	32,173.83	32,173.83	19,651.32	(12,522.51)	(38)
Total	66,996.65	66,996.65	49,357.87	17,638.78	52

Source: Departmental figures for the year 2020-21

During financial year 2020-21, development authorities could not utilize 38% of their development budget and 14% of non-development budget.

B(ii). Public Health Engineering (PHE) Department

The non-development Grant No. PC-21017 was utilized for payment of salaries, repair and maintenance works etc., whereas, funds for development schemes were allocated under the budgetary Grant No. PC-22036.

(Rs in million)

Grant No. and Nature	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant					
PC-21017	2,663.22	2,578.80	1,383.97	(1,194.83)	(46.33)
Development Grant					
PC-22036	11,566.12	21,392.85	21,265.49	(127.37)	(0.59)
Total	14,229.37	23,971.66	22,649.46	1,322.19	(46.92)

Source: Departmental figures for the year 2020-21

During 2020-21, department could not utilize 0.59% development budget and 46.33% of its non-development budget.

C. Sectoral analysis on the achievements against targets agreed under MTFD/MTBF

Brief comments on targets achieved under MTFD were given in Chapter No. 1 “Sectoral Analysis”.

Audit Profile of HUD & PHE Department

(Rs in Million)

Sr. No.	Description / Formations	Total Nos	Audited	Expenditure audited	Revenue/ Receipts audited
1	Formations:				
	Phase-I				
	HUD	199	9	5,755.39	-

	PHE	51	13	7,453.37	144.62
	Sub-total		22	13,208.76	144.62
	Phase-II				
	HUD		16	7,812.72	-
	PHE		5	1,621.41	-
	Sub-total		21	9,434.13	
	Grand Total		43	22,642.89	144.62
2	Foreign Aided Projects	1	1	8.6	-

3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 9,875.349 million were included in this Audit Report. This amount also included recoverable amount of Rs 3,326.686 million as pointed by the Audit. Summary of the audit observations classified by nature as under:

(Rs in million)

Sr. No.	Classification	Amount
1	Non-production of record	115.061
2	Irregularities:	-
(i)	Irregularities resulting in overpayments	243.901
(ii)	Irregularities resulting in non-recoveries	3,082.785
(iii)	Irregularities relating to procurements	135.048
(iv)	Irregularities relating to undue financial benefit	2,399.647
(v)	Miscellaneous irregularities	3,898.907

3.3 Brief comments on Status of Compliance with PAC directives

An effective monitoring mechanism to watch compliance of PAC directives on regular basis was not in place in the Administrative Department. Resultantly, a total number of 1751 PAC directives pertaining to previous audit reports were pending for compliance with HUD&PHE Department. The department reported compliance of only three (03) PAC directives during the year.

Public Health Engineering

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1960-61 to 1999-2000	536	-	536	-
2	2000-01	15	-	15	-
3	2001-02	15	-	15	-
4	2009-10	22	-	22	-
5	2010-11	39	-	39	-
6	2011-12	27	-	27	-
7	2013-14	55	-	55	-
Total		709	-	709	-

Lahore Development Authority (LDA)

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1982-83 to 1999-2000	265	-	265	-
2	2000-01	5	-	5	-
3	2001-02	3	-	3	-
4	2003-04	4	-	4	-
5	2005-06	7	-	7	-
6	2006-07	9	-	9	-
7	2009-10	26	-	26	-
8	2010-11	24	-	24	-
9	2011-12	42	-	42	-
10	2012-13	62	-	62	-
11	2013-14	30	-	30	-
Total		477	-	477	-

PHATA

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1968-69 to 1999-2000	166	-	166	-
2	2000-01	1	-	1	-
3	2001-02	9	-	9	-
4	2009-10	4	-	4	-
5	2010-11	7	-	7	-
6	2013-14	21	-	21	-
Total		208	-	208	-

Faisalabad Development Authority (FDA)

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1985-86 to 1999-2000	159	-	159	-
2	2000-01	3	-	3	-
3	2001-02	5	-	5	-
4	2003-04	2	-	2	-
5	2005-06	2	-	2	-
6	2006-07	2	-	2	-
7	2009-10	6	-	6	-
8	2010-11	7	-	7	-
9	2011-12	9	-	9	-
10	2012-13	1	-	1	-
11	2013-14	16	-	16	-
Total		212	-	212	-

Multan Development Authority (MDA)

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1982-83 to 1999-2000	57	-	57	-
2	2000-01	4	-	4	-
3	2001-02	1	-	1	-
4	2003-04	2	-	2	-
5	2006-07	1	-	1	-
6	2010-11	19	-	19	-
7	2011-12	1	-	1	-
8	2013-14	35	-	35	-
Total		120	-	120	-

Gujranwala Development Authority (GDA)

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1995-96	9	-	9	-
2	2000-01	1	-	1	-
3	2011-12	4	-	4	-
4	2013-14	3	-	3	-
Total		17	-	17	-

Rawalpindi Development Authority (RDA)

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1997-98	1	-	1	-
2	2011-12	2	-	2	-
3	2012-13	5	-	5	-
Total		8	-	8	-

3.4 AUDIT PARAS

3.4.1 LAHORE DEVELOPMENT AUTHORITY (LDA), LAHORE

Non-production of record

3.4.1.1 Non-production of record pertaining to POL, Vehicles Maintenance & Daycare Center - Rs 115.061 million

As per section 14 (2) and (3) of Auditor-General of Pakistan's (Functions, Powers, Terms & Conditions of Services) Ordinance 2001, the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection.

3.4.1.1.1 Director Coordination and Implementation, LDA UD Wing, Lahore, incurred an expenditure on account of maintenance of vehicles, POL and Daycare Centre amounting to Rs 53.901 million, Rs 55.067 million and Rs 2.949 million respectively but did not produce the record i.e. payment vouchers in respect of vehicles, daycare centre and log books of serviceable/unserviceable vehicles and Daycare Centre.

Violation of AGP's Ordinance resulted in non-production of record of Rs 111,917,000.

Audit pointed out non-production of record in September 2021.

The para was discussed in SDAC meeting held on 29.11.2021. The Authority explained that all requisite record had been produced. Audit informed that the Authority produced record for Rs 2.949 million out of 111.917 million. The Committee reduced the para to Rs 108.968 million and directed the Authority to produce complete record within 07 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early production of record for audit scrutiny.

DP No. 363(2021-22)

3.4.1.1.2 Director, Coordination and Implementation, LDA UD Wing, Lahore issued purchase orders to various contractors/suppliers for Rs 6.093 million but did not produce the record i.e. paid vouchers, quotations & invoices of procured items, comparative statements and deduction of GST & Income Tax etc. In the absence of such record the expenditure was not authentic.

Violation of AGP's Ordinance resulted in non-production of record of Rs 6.093 million.

Audit pointed out non-production of record in September 2021.

The para was discussed in SDAC meeting held on 29.11.2021. The Authority did not produce the relevant record for verification. The Committee directed the Authority to produce complete record to Audit. Compliance of SDAC's directives was not reported till finalization of report.

Audit recommends early production of record for audit scrutiny.

DP No.360 (2021-22)

Irregularities

Irregularities resulting in overpayment

3.4.1.2 Overpayment due to incorrect rate - Rs 48.536 million

As per FD No.RO (tech) issued by FD No RO (tech) FD 18-23/2004 dated 21.09.2004, rate analysis for non-standardized item shall be prepared on the basis of input rates of relevant quarter placed at web site of Finance Department. Copy of each analysis (non-standardized item) approved by the competent authority shall be sent to technical cell of FD for scrutiny. As per FD's instructions vide letter dated 08.08.2005 and 30.03.2006, Plant & Machinery and other store items like generators, lifts, air conditioners electric motors turbines, pipes etc. are required to be purchased as per procedure prescribed in Purchase Manual instead of allowing 20% profit

and overheads to contractors by adopting works procedure and 5% services charges + income tax admissible only.

3.4.1.2.1 In seventeen (17) cases, Director Building-I, ADS-I & II and Finance LDA UD-Wing, Lahore got executed various items i.e. *“RCC 5000 PSI, Supply and fill sand, supply and filling selected fill of sub-base course and sand, granular back fill with sand, excavation and removal of melba, Supply of pit sand, electrical items, mixed carpet using 4.5% bitumen”* and paid accordingly. Audit observed that the Authority calculated higher rates by making rate analysis at higher side instead of applying MRS item.

Violation of FD’s instructions resulted in overpayment of Rs 46,714,426.

Audit pointed out overpayment in April, July and August 2021.

The paras were discussed in SDAC meetings in November and December 2021. In sixteen (16) cases, the Authority admitted recoveries as pointed out by Audit and effected partial recovery of Rs 1,306,319 in three cases out of sixteen and in one case did not produce the record. The Committee reduced the para to Rs 45,408,102 and directed the Authority to effect admitted balance recovery in sixteen cases and in one case, to produce record within 7 days. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early compliance of SDAC’s directives.

(Annex-XIII)

3.4.1.2.2 As per MRS, the item of *“Earthwork excavation in open cutting for storm water channels, drains etc., shuttering and timbering the trenches dressed to designed level and dimensions, trimming, removal of surface water from trenches, back filling and surplus excavated material disposed of within 50 feet”* include cost of dressing and backfilling @ Rs 115 per cu.m.

Director ADS-I, LDA UD-Wing, Lahore paid the item “*Earthwork excavation of structure, piles, drains etc.*” and made disposal of the same for a quantity of 22486.765 cu.m but did not deduct the rate of dressing and backfilling.

Violation of MRS instructions resulted in overpayment of Rs 2,585,977.

Audit pointed out overpayment in August 2021.

The para was discussed in the SDAC meeting held on 29.11.2021. The Authority admitted the recovery and explained that the adjustment would be made in final bill. The Committee directed the Authority to effect the admitted recovery within 07 days. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early recovery.

DP No.289 (2021-22)

3.4.1.2.3 Director Engineering ADS-II, LDA UD-Wing, Lahore got approved and paid the item “*cold milling of asphaltic surface*” @ Rs 96.84 per Sq.m instead of the MRS item “*dismantling of road metaling*” and was to be paid @ Rs 260.90 %sft. In this way, the authority used expensive item due to which the contractor was overpaid.

Violation of FD’s instructions resulted in overpayment of Rs 541,666.

Audit pointed out overpayment in March 2021.

The para was discussed in the SDAC meeting held on 16.12.2021. The Authority explained that the function of the NS item of the cold milling was only dismantling of the bituminous pavement up to required thickness 2” to 3” and function of scarifying was only to scratch/erasing the top superficial surface of the pavement. Audit informed that an economical and relevant MRS item “*dismantling of road metaling*” for similar function was

applied by Punjab Highway Department whereas, the Authority paid expensive non-standardized item. The Committee directed the Authority to prepare the comparison of both items and difference thereof be recovered and get verified from Audit. Compliance of committee’s directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No.374(2020-21)

3.4.1.3 Overpayment due to non-utilization of available earth and incorrect calculation - Rs 3.573 million

As per section 411 of standard specification for Road and Bridge Construction 1971, available useable material from excavation was to be used in the new work first before using material from outside source.

3.4.1.3.1 In two (2) cases, Director Building-I, LDA UD-Wing, Lahore paid the items “*Excavation in foundation of swimming pool*” and also paid the item “*Earth filling from outside*”. Audit observed that the Authority did not adjust the 2/3 quantity of available earth in the item earth filling brought from outside.

(Amount in Rs)

DP No.	Excavated quantity (cft)	Quantity of new earth (cft)	Quantity available (cft)	Rate paid for new earth per %cft	Amount
251	520735	203740	203740	8,786.63	1,790,188
246	113859	241283	113859	3,575.65	407,120
Total					2,197,308

Violation of specification and TSE resulted in overpayment of Rs 2,197,308.

Audit pointed out overpayment in July 2021.

The paras were discussed in SDAC meeting dated 15-16 December, 2021. In both cases, Authority explained that as the work was in progress so available earth would be adjusted/recovered in due course of time. In

both cases, the Committee directed the Authority to adjust the available earth or effect recovery. Compliance of SDAC's directives was not reported till finalization of report.

Audit recommends early adjustment of available earth or recovery.

DP No. 251& 246(2021-22)

3.4.1.3.2 Director Building-I, LDA UD-Wing, Lahore paid a non-standardized item "*Earth filling i/c mixing, ploughing and compaction complete*" for Rs 832,243 whereas, actual amount came Rs 83,224. Hence, due to wrong calculations, the contractors were overpaid.

Violation of instructions resulted in overpayment of Rs 780,178.

Audit pointed out overpayment in July 2021.

The para was discussed in SDAC meeting held in December 2021. The Authority admitted the recovery. The Committee directed the authority to effect the admitted recovery and get it verified from Audit. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No. 252(2021-22)

3.4.1.3.3 Director ADS-II, LDA UD-Wing, Lahore made payment of item "*Excavation surplus common material*" for a quantity of 5299.40 cu.m @ Rs 114.10 per cu.m and also paid item "Formation of embankment from roadway excavation" for a quantity of 7548.75 cu.m @ Rs 264.90 per cu.m. The retrieved excavated earth for 5299.40 cu.m was not utilized in formation of embankment. Therefore, excess quantity of 2249.35 cu.m was got executed and paid accordingly @ Rs 264.90 per cu.m.

Violation of specification resulted in overpayment of Rs 595,852.

Audit pointed out overpayment in July 2021.

The para was discussed in the SDAC meeting held on 29.11.2021. The Authority explained that work was in progress and recovery would be

made before final payment. The Committee directed to effect recovery. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No. 273(2021-22)

Irregularities resulting in non-recoveries

3.4.1.4 Non-recovery of annual commercialization and late surcharge fees - Rs 1,005.730 million

According to Rule 28 of the LDA Land Use Rules 2014, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 20% of the value of the commercial land as per valuation table or 20% of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table was not available.

In twenty five (25) cases, Director Town Planning I, II, III & IV LDA, Lahore allowed permanent commercialization to the various owners against residential plots but did not recover the annual commercialization fee and late surcharge fee @ 17.5% from the owners of properties for the gap period from annual commercialization to permanent commercialization.

Violation of land use rules resulted in non-recovery of Rs 1,101,478,165.

Audit pointed out non-recovery in August 2021.

The paras were discussed in the SDAC meetings held in November and December 2021. In twenty five (25) cases, the Authority admitted the recovery Rs 1,103.586 million and in fourteen (14) cases made partial recovery of Rs 97.856 million. The Committee reduced the para to Rs 1,005.730 million and directed the Authority to recover the remaining

amount along with surcharge @ 17.50%. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery along with surcharge.

(Annex-XIV)

3.4.1.5 Non-imposition of penalty on account of building surcharge and un-authorized commercial use - Rs 691.437 million

As per Para 10.10.3 of LDA Building and Zoning Regulations (2019), the Authority may compound and impose penalties for violation of the provision of these Regulations. Further, as per section 38 of LDA Act 1975, if a person converts a property to a different use or purpose than the one provided under a scheme/master plan etc. or classification map without the previous approval of the authority, he shall be liable to punishment of fine which may extend to Rs 10,000 per day from date of its conversion till the default continuous or imprisonment for a term which may extent to one year or with both.

In nineteen (19) cases, Director Town Planning-I, II, III & IV LDA, Lahore did not impose the penalty on the owners of various plots who violated the approved building plan. Further, several residential properties were used for commercial purposes without obtaining approval from the Authority.

Violations of law resulted in non-recovery of penalty for Rs 697,123,000.

Audit pointed out non-recovery in August & September 2021.

The paras were discussed in the SDAC meetings held in November and December 2021. In seven (7) cases out of nineteen (19) cases, the Authority effected partial recovery of Rs 5.686 million. The Committee reduced the para to Rs 691.437 million and directed to effect the admitted balance recovery along with @ 17.50% (if any) within 30 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery along with surcharge.

(Annex-XV)

3.4.1.6 Non-receipt of vouched accounts and non-mutation of land in favour of government – Rs 593.180 million

According to appendix 17 read with Rule 3 of the Punjab Financial Rules (Vol-II), the land acquisition collector is required to submit the vouched account to the client on Form- AA, Form-C and Form CC showing the payment of awarded amount of the land compensation to the owners of land.

Director Finance, LDA UD Wing Lahore paid an amount of Rs 593,180,430 to the LAC-I LDA Lahore and XEN Irrigation Lahore for acquisition of land but neither the Authority obtained vouched accounts nor the land was transferred in the name of LDA in revenue record.

Document No.	Date	Amount (Rs)	Paid to
2600003193	08.01.2020	82,000,000	LAC-I LDA LHR
2600003283	11.01.2020	44,031,176	LAC-I LDA LHR
2600004951	11.03.2020	450,666,600	LAC-I LDA LHR
2600006427	04.06.2020	7,482,654	LAC-I LDA LHR
2600006480	10.06.2020	9,000,000	XEN Irrigation LHR
Total		593,180,430	

Violation of rules resulted in non-obtaining of vouched account for Rs 593,180,430 and non-mutation of land in favour of government.

Audit pointed out unjustified payment in March 2021.

The para was discussed in SDAC meeting held on 15.11.2021. Authority explained that various letters/reminders were issued but no response was received. Audit informed that after the lapse of considerable period i.e. 1¾ years, Authority did not produce vouched account for verification. The Committee directed to produce vouched account within 15

days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early production of vouched account and transfer of ownership of land in the name of authority.

DP No.190 (2020-21)

3.4.1.7 Non-recovery of GST - Rs 219 million

As per FBR No.1(42)STM/2009/99638-R dated 24.07.2013, the contractors engaged should make purchases only from Sales Tax registered persons. The contractors carrying out government works against public tender are required to have a bill of quantities. The contracting department/organization must require such contractors to present Sales Tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment was released to them.

In thirteen (13) cases, Directors Engineering Building, ADS-I & II, C&I, and Finance LDA UD-Wing, Lahore paid different items i.e. *"Fabrication of mild steel, turbines, electrical motors and various supply items"* during 2019-21 but neither the Authority obtained GST invoices nor deducted GST before making payments to the contractors.

Violation of FBR's instructions resulted in non-recovery of Rs 219,000,000.

Audit pointed out non-recovery in April & July 2021.

The para was discussed in SDAC meeting held on 15-16.12.2021. In one case, the Authority admitted the recovery of Rs 2.517 million and in remaining twelve (12) cases did not produce record i.e. GST invoices for verification. In one (1) case, the Committee directed to effect recovery and in remaining twelve (12) cases, directed to produce invoices within 7 days otherwise effect recovery. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

(Annex-XVI)

3.4.1.8 Non-recovery of cost of retrieved material – Rs 7.693 million

According to item No. 9 of Chapter 18.1 of specifications for execution of works Volume-I, the dismantled material is the property of the Government & as such it is required to be recovered/adjusted or accounted for accordingly.

In six (6) cases, Director Engineering ADS I &II, LDA UD-Wing, Lahore got executed various items i.e. “*Special heavy riveted structural steel, dismantling of RCC, Brickwork, Road Crust and road pavement*” during the execution of various works but did not recover the cost of retrieved material from the contractors.

Sr. No.	DP Nos.	Formation	Item	Amount (Rs)	Admitted (Rs)	DAC's directives
1	400	ADS-II LDA	structural steel	4,027,659	-	FD clarification be sought.
2	290	ADS-I LDA	Dismantling of road pavement	2,056,026	-	to re-verify the record
3	271	ADS-II LDA	Excavation surplus common material	732,122	732,122	to effect recovery.
4	296	ADS-I LDA	Dismantling of RCC and brick work	398,641	398,641	to effect recovery.
5	288	ADS-II LDA	Dismantling of RCC	361,964	361,964	to effect recovery.
6	235	ADS-I LDA	Dismantling of road crust	116,461	116,461	to effect recovery.
Total				7,692,873	1,609,188	

Violation of specification resulted in non-recovery of retrieved material of Rs 7,692,873.

Audit pointed out non-recovery during March, July & August 2021.

The paras were discussed in the SDAC meeting held during November & December 2021. In four cases, the Authority admitted to effect recovery and in one case, stated that the available material would be used

after tests and in remaining one case, stated that the credit of wastage was not added by FD. In four (4) cases, the Committed directed to effect admitted recovery, in one case, referred to FD for clarification and in remaining one case, directed to get the record re-verified within 7 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

3.4.1.9 Non-recovery of receivables and Long term & Short term advances worth millions of rupees

As per Balance Sheet of LDA as on 30.06.2021 an amount of Rs 12,078,091,407 shown as receivables from various property owners, departments/agencies.

3.4.1.9.1 Examination of the record of Director Finance, LDA UD-Wing, Lahore revealed that as per Balance Sheet as on 30.06.2021, an amount of Rs 12,078.091 million had been shown as receivable (from various property owners/departments), which were not recovered since long.

Violation of rules resulted in non-recovery of account receivables for Rs 12,078.091 million.

Audit pointed out non-recovery in July 2021.

The para was discussed in SDAC meeting held on 29.11.2021. The Authority explained that a balance of Rs 12,078.091 million was depicted as receivables while party wise detail had not been mentioned in notes to balance sheet. These receivables were from property owners and various departments. Audit informed that the authority did not recover the long outstanding receivable. The Committee directed the authority to effect actual recovery. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

DP No. 301(2021-22)

3.4.1.9.2 Examination of the record of the Director Finance, LDA UD-Wing, Lahore revealed that as per Balance Sheet as on 30.06.2021 long/short terms advances for Rs 732.418 million were given to various parties. Whereas, detail of advances showing name of party from whom amount was recoverable had not been mentioned in notes to balance sheet. Hence, the accounts did not depict a clear picture.

Violation of financial rules resulted in non-recovery of long term/short term advances of Rs 732.418 million.

Audit pointed out non-recovery in July 2021.

The para was discussed in SDAC meeting held on 29.11.2021. The Authority explained that the missing details of long/short term advances had been provided to Audit. Audit argued that the authority did not recover the long term and short term advances from the different parties. The Committee directed to re-verify the record of effected recovery of advances within 07 days. Compliance of the Committee's directives was not reported till finalization of report.

Audit recommends early production of detail of advances and to ensure recovery.

DP No.302 (2021-22)

Irregularities resulting in undue financial benefit

3.4.1.10 Irregular payments of mobilization advances against invalid bank guarantees - Rs 1,369.346 million

According to Rule 7.36 of DFR and FD's Notification No.RO(Tech)FD 18-44/2006, dated 07.12.2007, mobilization advance may be sanctioned against irrevocable bank guarantee on form DFR(PW)28-A in favour of the Government from any scheduled bank.

In three (3) cases, Director Finance, LDA UD-Wing, Lahore paid mobilization advance to the contractors against conditional Bank

Guarantee(s). Audit observed that the bank guarantees were not obtained on government approved Form DFR (PW) 28-A whereas, the invalid bank guarantee(s) was obtained containing the illegal dubious condition i.e. *“the guarantee shall be valid and only became operative upon receipt of the amount of mobilization advance, after credit of the same amount of mobilization advance in contractor’s bank account maintained in the bank”*. This dubious condition of the bank guarantee was against the interest of the government because the contractor did not pledge/mortgage any asset in banks prior to the issuance of bank guarantee(s). In case, the contractor became defaulter, such Invalid bank guarantee(s) cannot be encashed.

Sr. No.	DP Nos.	Amount (Rs)	Invalid Condition
1	194	866,178,634	Two guarantees Rs 433,089,317 and Rs 433,089,317 the guarantee will become effective after receipt of Rs 433,089,317 in contractors account No.57537-0 NBP Faisalabad.
2	193	500,000,000	Guarantee shall only be effective operative and enforceable on receipt of clear funds of Rs 2,140,988,445 in customer account No.656919 of JS Bank Lahore.
3	195	3,167,009	Payment of mobilization advance will be received in contractors account in Al-Baraka Bank Gujranwala.
Total		1,369,345,643	

Violation of FD’s instructions resulted in irregular payment of mobilization advance against invalid guarantees of Rs 1,369,345,643.

Audit pointed out irregularity in March 2021.

The paras were discussed in SDAC meeting held on 15.11.2021. Audit informed that the Authority did not obtain irrevocable bank guarantee(s) on the prescribed form of the Government and mobilization advances were granted against invalid bank guarantee(s) with favorable conditions. Audit further informed that the same issue was highlighted in WASA FDA Faisalabad in March 2020 which was printed in Audit Report FY 2020-21 vide Para No. 3.5.2.10. The Committee directed the Authority to get the matter probed by the administrative department within 30 days. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early fixation of responsibility under PEEDA Act 2006 for the lapse besides strengthening internal controls for the stoppage of such illegal practice in future.

DP No. 193, 194 & 195 (2020-21)

3.4.1.11 Non-encashment of performance bond of a defaulting contractor - Rs 903.289 million

As per conditions of the insurance bond dated 28.09.2015 issued by Jubilee General Insurance Company Limited, the employer shall be the sole and final judge for deciding whether the contractor has duly performed his obligations under the contract or has defaulted in fulfilling the said obligation and guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the employer.

Director Finance LDA, UD-Wing Lahore obtained Performance Bond of Jubilee Insurance Co. for Rs 903,288,659 from a contractor for the work "Lahore Orange Line Metro Train Project Chaburgi Chowk to Ali Town package-II". Audit observed that the contract was rescinded but the Performance Bond was not encashed.

Violation of contractual obligations resulted in non-encashment of performance bond of a defaulting contractors for Rs 903,288,659.

Audit pointed out lapse in March 2021.

The para was discussed in the SDAC meeting held on 29.11.2021. The Authority explained that the contract was rescinded and its performance bank guarantee was encashed. Audit informed that Authority did not get encashment of performance bond from Jubilee Insurance Co. The Committee directed to submit a report on instant case by DG, LDA along with record for verification of encashment of performance bond within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early encashment of performance bond and its verification.

DP No. 261(2020-21)

3.4.1.12 Undue financial benefit due to non-revalidation/non-obtaining of performance/additional performance guarantee – Rs 18.384 million

According to clause 7 of the contract agreement, the performance security in the shape of bank guarantee @ 5% of the accepted tender price was required to be obtained within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Further, as per FD's Notification No.RO(Tech)FD-1-2/83(V)(P) dated 06.04.2005, in case the total tendered amount is less than 5 % of approved estimate (DNIT) amount, the lowest bidder will have to deposit additional performance security from the scheduled bank equal to 5 % below to onward, shall be valid till expiry of three months from the date of issuance of completion certificate.

The Chief Engineer, LDA awarded two (02) works for Rs 283.057 million and Rs 18.430 million respectively. Audit observed that in one case, Authority did not get revalidation of performance bank guarantee for Rs 14.153 million and in other case, Authority did not obtain additional performance guarantee for Rs 4.231 million.

(Rs in million)

DP No.	Description	Amount	Status
402	Performance guarantee	14.153	Expired on 04.02.2018 but not revalidated
392	Additional Performance guarantee	4.231	Tender was accepted on 22.95% below but additional performance guarantee was not obtained
Total		18.384	

Violation of contract resulted in undue financial benefit due to non-revalidation/non-obtaining of bank guarantee(s) for Rs 18.384 million.

Audit pointed out irregularity in March 2021.

The para was discussed in the SDAC meeting held on 16.12.2021. In DP 402, the Authority explained that amount of bank guarantee was deducted from next running bill of the contractor. In DP 392, the Authority

did not submit reply. In DP 402, Audit informed that the Authority did not substantiate its stance with the documentary evidence and in DP 392, the Authority did not submit reply, hence Audit stressed for early reply and verification of record. The Committee directed the Authority to get the record re-verified within 3 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends fixing of responsibility under PEEDA Act 2006 against the defaulters.

DP No.392 & 402(2020-21)

Irregularities relating to procurement

3.4.1.13 Irregular enhancement of agreements in violation of PPRA Rules – Rs 21.001 million

As per rule 59 of PPRA Rules 2014, repeat orders should not be exceeded more than fifteen percent of the original procurement.

In four (4) cases, Director Engineering ADS-I&II, LDA UD-Wing, Lahore enhanced various works beyond the permissible limit of 15% under PPRA Rules *ibid*.

(Rs in million)

Sr. No.	DP No.	Years	Formation	Agreed cost	Paid cost	Irregular Enhanced cost	Enhancement % above
1	401	2020-21	Dir ADS-II	39.076	49.562	10.486	26.834
2	415	2020-21	Dir ADS-I	21.415	26.427	5.012	23.404
3	430	2020-21	Dir ADS-I	14.949	18.895	3.946	26.396
4	375	2020-21	Dir ADS-II	7.336	8.893	1.557	21.23
Total				82.776	103.777	21.001	

Violation of rules *ibid* resulted in irregular enhancement of agreement Rs 21.001 million.

Audit pointed out irregularity in March 2021.

The paras were discussed in SDAC meeting held on 16.12.2021. In all cases, the Authority explained that enhancement of agreements was approved from the competent Authority. Audit informed that the

enhancement more than 15% was not admissible. In all cases, the Committee directed to inquire the matter by XEN PHE Kasur and submit the report to Secretary HUD within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early inquiry under PEEDA Act 2006 against the delinquents.

DP No. 375,401,415 & 430 (2020-21)

Miscellaneous irregularities

3.4.1.14 Lapse of funds due to non-utilization – Rs 3,474.796 million

According to rule 14.3 of the Punjab Budget Manual, the Statement of Excesses and Surrenders was required to be prepared and submitted to Administrative Department and FD, before 31st March of each financial year. Further, as per rule 17.20 of Punjab Financial rules (PFR) Vol-I, the department incurring the expenditure should be made responsible for seeing not only that grant is not exceeded but also that anticipated savings should be surrendered in time.

Director Finance, LDA UD-Wing, Lahore received ADP Govt. funds for development works of Rs 5,922.058 million during F.Y 2019-20 and incurred an expenditure for Rs 2,447.262 million. Hence, the funds for Rs 3,474.796 million were neither utilized nor surrendered to the Government through the 2nd statement of excesses and surrenders.

Violation of rules resulted in lapse of funds due to non-utilization of Rs 3,474.796 million.

Audit pointed out irregularity in March 2021.

The para was discussed in SDAC meeting held on 15.11.2021. Director Finance stated that the development works were executed by the Chief Engineer, LDA hence, the para be shifted to the quarter concerned. During verification the Authority produced funds utilization statements sent

to the CE LDA along with, the detail of surrendered amount of Rs 313.089 million duly signed by the treasury office. Audit informed that the detail of excesses and surrenders statement of funds with bifurcation of each project was not produced. Director Finance and Chief Engineer both were responsible for non-surrender of un-utilized funds. The Committee directed the Authority to transfer the para to Chief Engineer, LDA for production of said record of surrender funds along with reconciled statement within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early verification of requisite record.

DP No. 205 (2020-21)

3.4.1.15 Irregular payment due to non-obtaining of JMF duly approved by RR&MTI – Rs 230.657 million

As per FD's Notification No.RO(Tech)FD-2-3/2004 dated 02.08.2004, the payment of carpeting was to be made to the contractor as per JMF or actual bitumen used in the work.

In thirteen (13) cases, Director Engineering ADS I & II, LDA UD-Wing, Lahore made payments for the item "*P/L 2 inch thick plant premixed carpeting 4.5% bitumen*" to different contractors but did not obtain the JMF duly approved by RR&MTI.

Violation of FD's instructions resulted in irregular payment of Rs 230,656,712.

Audit pointed out irregularity in March 2021.

The paras were discussed in the SDAC meeting held on 16.12.2021. In thirteen cases, Authority explained that the asphaltic work was executed as per JMF approved by the Deputy Director. Audit informed that JMF was not got approved by the Government Certified Labs whereas, the JMF was required to be approved from RR&MTI, Lahore. The Committee directed the Authority that the Executive Engineer PHE Division Kasur would

submit a report on the issue raised by Audit within 30 days besides the approval of JMF by RR&MTI for verification from Audit. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early inquiry.

(Annex-XVII)

3.4.1.16 Non-maintenance of Account Form-27 schedule of work worth millions of rupees

According to section 30 of the LDA Act 1975, the Authority shall maintain proper accounts and other relevant records and prepare annual statement of accounts in such a form as may be prescribed and according to Article 215 of Account Code Vol-III, schedule of works expenditure should be prepared on Form-27 and Form-33 separately for each and every Development and maintenance works.

Director ADS-II, LDA UD-Wing, Lahore incurred expenditure on development schemes funded by the ADP/own sources/deposit works during F.Y 2019-20 for Rs 1,735.483 million but the month wise Account Format PWA-27 & PWA-33 in respect of each and every development and maintenance works was not maintained.

Violation of Act resulted in non-maintenance of Account Form-27 and Form-33 schedule of work expenditure for Rs 1,735.483 million.

Audit pointed out lapse in March 2021.

The para was discussed in the SDAC meeting held on 16.12.2021. The Authority explained that maintaining of accounts was the responsibility of Director Finance. Audit informed that the Authority did not get approval of accounting procedure form AGP under section 5 of CGA Ordinance 2001. Hence, the Government approved accounts format PWA-27&PWA-33 prescribed in the "Accounts Code volume-III" needs to be prepared by all Engineering directorates and compiled by the Finance Directorate. The Committee directed that DG LDA would submit report on the maintenance

of accounts on prescribed Account format at every Directorate level. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early maintenance of prescribed Accounts Format.

DP No. 409(2020-21)

3.4.2 WATER AND SANITATION AGENCY (WASA), LAHORE

Irregularities

Irregularities resulting in overpayment

3.4.2.1 Overpayment due to application of incorrect rate – Rs 6.366 million

As per MRS Chapter No.16 item 42(e) and Chapter 21, item 18, the rate for the items “*Supply of bamboos size 3" dia to 4" dia*” & “*Manual desilting of sewer lines*” was Rs 193 each and Rs 894.60/cft respectively.

In four (4) cases, Directors Nishter Town and (O&M) Ravi Town, WASA, Lahore made payments for the items “*Supply of bamboos size 3" dia to 4" dia*” & “*Manual desilting of sewer lines*”, as non-standardized items whereas, similar items were available in MRS Chapter No.16 item 42(e) and Chapter 21, item 18 respectively.

(Amount in Rs)

Sr. No.	DP No.	Rate paid	Rate to be paid as per MRS	Diff	Qty	Over-payment	Remarks
1	68	26.29 p.cft	8.94 p.cft	17.35 p.cft	210238 cft	3,647,629	MRS rate was 8.94 per cft
2	70	992 each	193 each	799 each	1717 nos	1,371,883	In rate analysis, the rate of Bamboos was taken @ Rs 704 each instead of Rs 16.06 each
3	65	26.29 p.cft	8.94 p.cft	17.35 p.cft	40868.9 p.cft	709,075	MRS rate was 8.94 per cft
4	61	993 each	193 each	800 each	796.21 each	636,968	In rate analysis, the rate of Bamboos was taken @ Rs 704 each instead of Rs 16.06 each
Total						6,365,555	

Violation of MRS resulted in overpayment of Rs 6,365,555.

Audit pointed out overpayment in March 2021.

The paras were discussed in SDAC meeting held on 30.09.2021. In (4) cases, the Agency explained that payment of both items was made in

accordance with WASA approved rate analysis. In DP 61&70, Audit intimated that the specification of NSI and MRS items were same except length of bamboo which was 22 feet and in MRS item the length was 20 feet. Being 2 feet excess length of bamboo, the higher rate was applied @ Rs 704 for length of 22 feet instead of Rs 16.06 for length of 20 feet. In DP 65&68, the relevant MRS item rate was Rs 8.94 p cft. The Committee directed the Agency for reconciliation with Audit within 03 days. During re-verification, the Agency did not produce the record in support of its stance. Hence, the recovery needs to be effected. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early recovery.

DP No. 61, 65, 68 &70 (2020-21)

Irregularities resulting in non-recoveries

3.4.2.2 Less-recovery of PST - Rs 10.043 million and Income tax on PST- Rs 0.752 million

According to clarification issued by Punjab Revenue Authority, Lahore, dated August 16, 2017 “all M&R/Supply works are liable for deduction of 16% Punjab sales tax (PST) w.e.f. 01.07.2014. Furthermore, as per FBR’s clarification vide No.5/WHT-U-03 dated 20.04.2018, the income tax was required to be deducted from the contractors on the gross value of work done including PST u/s 153 of Income Tax Ordinance 2001.

In five (5) cases, Director (O&M) Nishter Town, Ravi Town & Allama Iqbal Town WASA, Lahore made payments to various contractors for several R&M works during 2018-20 but did not recover the PST @ 16% and income tax on PST.

(Amount in Rs)

Sr. No.	DP No.	Formation	Paid Amount	Less Recovered amount of PST @ 5% instead of 16%	Income tax to be deducted on PST	SDAC Directives
1	69	Ravi Town	48,060,994	5,286,709	396,503	Verification of record

2	83	Allama Iqbal Town	22121011	2,433,311	182,498	Verification of record
3	73	Ravi Town	9,590,859	1,552,318	116,423	Verification of record
4	66	Nishter Town	6,087,521	669,627	50,222	Reduced PST to Rs 279,599 and Income Tax for Rs 19,500 for
5	87	Allama Iqbal Town	3,066,427	490,628	36,797	Verification of record
Total			88,926,812	10,432,593	782,443	

Violation of PRA's instructions resulted in non-recovery of PST Rs 10,432,593 and income tax on PST for Rs 782,443.

Audit pointed out non-recovery in March & May 2021.

The paras were discussed in SDAC meeting held on 30.09.2021. In DP 69 & 73, the Agency explained that the work did not pertain to R&M works and PST @ 5% and income tax had already been deducted. In DP 83 & 87, the Agency explained that the PST and Income Tax was deducted as per TSE provision. In DP 66, explained that the PST and Income tax had already been deducted. In DPs 69,73,83&87, Audit informed that the Agency did not produce the record in support of its reply and in DP 66, informed that after verification of already deducted PST and Income Tax, the amount of PST reduced to Rs 279,599 and Income Tax to Rs 19,506. In 69,73, 83& 87, the Committee directed the Agency to produce the record for verification and in DP 66 directed to effect the reduced amount of recovery and reduced the amount of para to Rs 10,042,565 and PST amount to Rs 751,721. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

DP No. 66, 69, 73, 83 & 87 (2020-21)

3.4.2.3 Non-recovery of cost of retrieved material - Rs 7.173 million

According to Para 18.1 (9) (1), Chapter 18 of Book of Specification for Execution of Work, the cost of old/dismantled material retrieved during execution of work will be adjusted or recoverable from contractor.

Examination of accounts record of Director Nishter Town, WASA, Lahore revealed that in five cases, agency neither recovered the cost of old steel obtained from replaced manhole covers/CI Rings/RCC Slabs from the bills of contractors nor accounted for in RMS.

(Rs in million)

Sr. No.	DP No.	Formation	Item dismantled/replaced	Amount	Recovered	Reduced
1	57	Nishter Town,	CI frame, manhole cover, RCC slab	2.318	-	2.318
2	74	Ravi town	-do-	1.980	-	1.980
3	76	-do-	Electrical motors	1.656	0.447	1.209
4	78	-do-	-do-	1.324	0.937	0.387
5	84	Allama Iqbal town	CI frame, manhole cover, RCC slab	1.279	-	1.279
Total				8.557	1.384	7.173

Violation of specifications resulted in non-recovery of retrieved material of Rs 8,557,000.

Audit pointed out non-recovery in March 2021.

The paras were discussed in SDAC meeting held on 30.09.2021. In DP 57,74 &84, the Agency explained that rings/frames were rusted badly due to sewerage and in DP 76&78, stated that the retrieved material was deposited in central store. Audit informed that in DP 76&78, the Agency get verified partial recovery for Rs 1.384 million and in DP 57, 74 &84, did not produce the record for verification. In DP 57,74&84, the Committee directed the Agency to get the matter inquired through Managing Director, WASA as per ground reality and effect actual recovery within 10 days and in DP 76&78, reduced the amount to Rs 1.596 million (1.209 + 0.387) with the direction to effect the remaining recovery within 7 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early action through MD WASA and effect actual recovery.

DP No. 57, 74, 76,78 & 84 (2020-21)

3.4.2.4 Non-recovery of GST and non-obtaining of GST invoices - Rs 6.988 million

As per FBR's letter No. 1(42) STM/2009/99638-R, dated 24.07.2013, the contractors engaged should make purchases only from sales tax registered persons. The contractors carrying out government works against public tender are required to have a BOQ (Bill of Quantities). The contracting department/organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released to them.

3.4.2.4.1 Director Construction-I WASA, Lahore, in two works made payment for the item "*HDPE Pipe*" for Rs 15,856,033 but neither the Agency obtained GST invoices nor deducted GST @ 19% from the payment of the contractors.

Violation of FBR's instructions resulted in non-recovery of Rs 3,012,646

Audit pointed out non-recovery in March 2021.

The SDAC discussed these paras in its meeting held on 30.09.2021. The Agency got verified 2-Nos GST invoices regarding HDPE Pipe 500 MM PN-8 & HDPE Pipe 315 mm PN-8 obtained from PLASCO PVC Company along with approved rate analysis. Audit informed that Agency applied the rate of HDPE Pipe 500 mm & 315 mm PN-8, in rate analysis as Rs 4,552.27 & Rs 1,241.39 per rft respectively whereas, the rate of HDPE Pipe 500 mm & 315 mm PN-8 depicted in the GST invoices was Rs 2,565 & Rs 830.83 per rft respectively which was almost double of the rate of pipes paid to the contractor. Further, Annexure-C was not obtained from FBR regarding the amount of GST credited to Govt. revenue for the whole quantity of pipe procured. The Committee directed that the matter be probed by MD WASA, Lahore otherwise actual recovery be effected within 30

days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early probe by MD WASA otherwise effect actual recovery.

DP No.92(2020-21)

3.4.2.4.2 Director (O&M) Ravi Town, WASA, Lahore in different O&M works made payment for the item "*Fabrication of mild steel*" for Rs 3,975,002 but did not obtain the GST invoices of steel from the contractors to verify whether steel was procured from the sales tax registered firms.

Violation of instructions of FBR resulted in non-recovery of GST amounting to Rs 3,975,002.

Audit pointed out irregularity in May 2021.

The para was discussed in SDAC meeting held on 30.09.2021. The Agency explained that steel purchased by contractor from the market was used in the work. Audit informed that GST invoice were not produced for verification. The Committee directed the Agency to provide GST invoices otherwise effect recovery within 03 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early production of GST invoices otherwise effect the recovery.

DP No.77(2020-21)

Irregularities resulting in undue financial benefit

3.4.2.5 Undue financial benefit due to non-obtaining of performance/additional performance securities - Rs 25.119 million

According to clause 7 of the contract agreement, the performance security in the shape of bank guarantee @ 5% of the accepted tender price

was required to be obtained within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Further, as per FD's Notification No.RO(Tech)FD-1-2/83(V)(P) dated 06.04.2005, in case the total tendered amount is less than 5 % of approved estimate (DNIT) amount, the lowest bidder will have to deposit additional performance security from the scheduled bank equal to 5 % below to onward, shall be valid till expiry of three months from the date of issuance of completion certificate.

Director Construction-1 WASA, Lahore awarded three works wherein performance/additional performance securities were required to be obtained. Audit observed that the Agency did not obtain those guarantees from the contractors for Rs 25.119 million.

(Rs in million)

DP No.	Contract Amount	Performance Guarantee	Below Quoted Percentage	Amount of Additional Performance Guarantee
95	(i). 111.863	5.593	10% below	11.186
	(ii).102.042	5.102	-	-
106	8.587	-	27.387 % below	3.238
Total	122.492	10.695		14.424

Violation of contractual obligations resulted in non-obtaining of performance security/additional performance securities for Rs 25.119 million.

Audit pointed out non-obtaining of performance/additional performance securities in March 2021.

The paras were discussed in SDAC meeting held on 30.09.2021. In DP 95, the Agency informed that the performance guarantees of two works and Additional performance guarantee of one work had expired on 07.03.2021. In DP 106 the agency stated that performance guarantee was deposited @ 10% as per Punjab Procurement rules and the work was caped since long. In DP 95, Audit informed that the Agency produced performance guarantee(s) of both works which had expired on 07.03.2021. In DP 106 Audit informed that Additional performance guarantee(s) was required to be obtained equal to below percentage of 27.387% below for

Rs 3.239 million instead of 10% for Rs 11.856 million. The Committee directed the Agency to get revalidation of performance and Additional Performance guarantee(s) in all cases as pointed out by the audit besides the verification of record regarding closing of accounts of the scheme caped during December 2020. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

DP No. 95 & 106 (2020-21)

3.4.3 PARKS & HORTICULTURE AUTHORITY, LAHORE

Irregularities

Irregularities resulting non-recoveries

3.4.3.1 Non-recovery of advertisement fee - Rs 205.815 million

As per sub section 8 of the section 12 of the PHA Act 2012, the Authority may charge such fees for the grant of permission for installation of a billboard, sky sign or outdoor advertisement as the Authority may approve.

In twenty (20) cases, Director Marketing PHA, Lahore did not recover the advertisement fee from various advertising companies during the financial year 2020-21.

Violation of rules resulted in non-recovery of advertisement fee of Rs 227.944 million.

Audit pointed out the non-recovery in April 2021.

The paras were discussed in SDAC meeting dated 30.11.2021. The Authority stated that out of 10 cases, the partial recovery in (8) cases for Rs 22,128,868 has been got verified and in (10) cases, the balance recovery could not be made due to Covid-19 relief which was sub-judice in the court of law. In (9) cases, the Committee directed the Authority to effect balance recovery within 15 days, in (10) cases, kept the paras pending till decision of court and in one case, the para was pending for fact finding report of DG, LDA within 10 days regarding non-recovery of advertisement fee and reduced the amount of Para to Rs 205.815 million. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

(Annex-XVIII)

3.4.3.2 Non-recovery of advance rent from the lessees - Rs 3.901 million

As per sub section 9 of the section 12 of the PHA Act 2012, the Authority may lease, in the prescribed manner, any of its sites or poles, for outdoor advertisement, for such initial or extended period and on such terms and conditions as the Authority may determine or as may be prescribed.

Director Coordination PHA, Lahore in (4) cases, leased out “Edible stall, Canteens and boating rights in lake” located at various locations on annual basis with 10% increase for three years but did not recover the advance rent along with annual increase from the lessees.

(Rs in million)

Sr. No.	DP No.	Amount	Recovery admitted	Recovery Effected	Balance recovery	SDAC Directives
1	457	1.386	1.386	0.616	0.770	To effect balance recovery
2	473	0.712	0.712	0.457	0.255	To effect balance recovery
3	475	2.512	0	0	2.512	To effect balance recovery
4	476	1.093	1.457	1.093	0.364	To effect balance recovery
Total		5.703	3.555	2.166	3.901	

Violation of the contractual obligations resulted in non-recovery of advance rents from the lessees for Rs 5,703,488.

Audit pointed out non-recovery in June 2021.

The paras were discussed in SDAC meetings held on 16.12.2021. In (3) cases, the Authority made partial recovery of Rs 2.166 million against total recovery of Rs 5.702 million and in one case, stated that the one contractor did not deposit the rent and its case referred to Competent Authority for approval of confiscation of security. The Offer was made to 2nd highest bidder with the approval of Worthy Director General PHA and the possession was handed over to 2nd highest bidder on 22.02.2018. Audit contended that the recovery of rent of intervening period was required to be recovered. In all cases, the Committee directed to effect balance recovery

of Rs 3.901 million within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No. 457, 473,475 & 476 (2020-21)

3.4.4 RAWALPINDI DEVELOPMENT AUTHORITY UD-WING

Irregularities

Irregularities resulting in non-recoveries

3.4.4.1 Non-recovery of building period surcharge from owners – Rs 2.544 million

According to HUD & PHE letter No. SO(H-II) 2-3/1992 dated 27.10.2010, the owners were required to construct their buildings within three years after the approval of layout building plans. Further, in case of non-completion within stipulated period, the penalty at notified rates would be imposed.

Director Admin & Finance, RDA Rawalpindi did not recover the building completion period surcharge from the owners who did not construct their buildings within the construction period *ibid*.

Sr. No.	Plot No.	Scheme	Amount (Rs)	Nature of Recovery
1	250	Saidpur Road	1,344,000	Late Construction penalty
2	10	Civil Lines	1200,000	Late Construction penalty
3	16	Ghazni Colony	72,993	Late Construction penalty
4	4-B	Mohan Pura	55,718	Excess Area
Total			2,672,711	

Violation of department's instructions resulted in non-recovery of surcharge for Rs 2,672,711.

Audit pointed out non-recovery in September 2020.

The para was discussed in SDAC meeting held on 10.11.2021. The Authority explained that an amount of Rs 128,711 against two plots had been recovered and credited in the RDA account which was got verified by Audit. The case of plot No.250 would be considered for assessment for late construction penalty and notices to the owner of plot No.10 for cancellation

of allotment were being issued. The Committee reduced the para to Rs 2,544,000 and directed the authority to effect the balance recovery of Rs 2,544,000 within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No.130 (2020-21)

3.4.4.2 Non-recovery of enhanced cost of land from the allottees – Rs 1.723 million

As per judgment of Supreme court of Pakistan dated 20.09.2001 in civil appeal No. 1463 to 1468/93 & 418 of 1999, titled Province of the Punjab and others Vs Ali Akbar etc., the rates of price of land of Saidpur scheme were enhanced @ Rs 3,490 per marla along with 13.50% surcharge.

Director Admin & Finance, RDA Rawalpindi did not recover the enhanced cost of land from 22 allottees of Saidpur scheme @ Rs 3,490 per marla along with 13.50% surcharge in compliance of the orders of Supreme Court of Pakistan.

Non-compliance of the court orders resulted in non-recovery of Rs 2,403,173.

Audit pointed out non-recovery in September 2020.

The para was discussed in SDAC meeting held on 10.11.2021. The Authority explained that an amount of Rs 679,587 of 09 plots had been recovered which was verified by Audit and notices had been served to defaulters for recovery of remaining amount of Rs 1,723,413. The Committee directed the Authority to recover the balance amount of Rs 1,723,413. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No.666 (2020-21)

3.4.5 PARKS & HORTICULTURE AUTHORITY, RAWALPINDI

Irregularities

Irregularities resulting in non-recoveries

3.4.5.1 Less recovery of advertisement charges fee – Rs 14.595 million

As per sub section 8 of the section 12 of the PHA Act 2012, the Authority may charge such fees for the grant of permission for installation of a billboard, sky sign or outdoor advertisement as the Authority may approve.

Director General PHA, Rawalpindi recovered an amount of Rs 108,011,977 against total recoverable amount of Rs 149,013,702 on account of advertisement charges of shop boards & sky sign, steamers, banners and floats etc., for the financial year 2019-20. In this way, the Authority made less recovery of Rs 41,001,725.

Violation of rules resulted in less recovery of Rs 41,001,725.

Audit pointed out less recovery in April 2021.

The para was discussed in SDAC meeting held on 10.11.2021. Authority explained that during the lockdown period of Covid-19 Lahore High Court ordered that the recovery of such period should not be effected till the decision of the Arbitrator. The recovery of the balance amount i.e. Rs 14.595 million would be effected. Out of Rs 149.013 million, the recovery for Rs 134.419 million had been effected. Audit informed that recovery of Rs 134.419 million had been got verified by Audit and remaining amount of Rs 14,595,049 was not recovered despite lapse of long time. The Committee reduced the amount of para to Rs 14,595,049 and directed the Authority to effect remaining recovery. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No. 144 (2020-21)

3.4.6 PUBLIC HEALTH ENGINEERING DEPARTMENT

Irregularities

Irregularities resulting in overpayment

3.4.6.1 Overpayment due to application of higher rates - Rs 49.344 million

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rate of relevant quarter placed at website of Finance Department.

3.4.6.1.1 In eight (08) cases, Executive Engineers, PHE Divisions paid items of work “*Plain Cement Concrete (PCC) 1:7:20*”, “*Sub-base course of crushed stone, pit run/bed run*”, “*Cement Concrete brick or stone ballast 1:6:12*” used under the bed of PCC 1:2:4 and tuff tile instead of admissible item of “*P/L watering and ramming brick ballast 1½" to 2"(40 mm to 50 mm) gauge mixed with 25% sand*” which was available with economical rates in MRS. Audit was of the view that both items were concrete items and execution of PCC 1:2:4 required compacted bed with sand or brick ballast, hence, execution of those costly items were not admissible.

Violation of FD’s instructions resulted in overpayment of Rs 23,797,111.

Audit pointed out the overpayment during 2021.

The paras were discussed in SDAC meetings held in October & December 2021. The department explained that items PCC 1:7:20, Cement Concrete brick or stone ballast 1:6:12 and sub-base course of crushed stone/pit run or bed run were executed as per approved TS estimates. Audit

informed that department had paid expensive items instead of economical item. The Committee directed the department to produce approved design of items PCC 1:2:4 & tuff tiles and justify the issue with specifications of items of PCC 1:7:20, sub-base course of crushed stone, pit run/bed run, and brick ballast with 25% sand and get it verified from Audit within 7 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of the SDAC's directives.

DP No. 24, 229, 230, 297, 299, 300, 317 & 328 (2021-22)

3.4.6.1.2 Executive Engineer, PHE Division-II, D.G. Khan paid a non-standardized item "*Boring of tube well in shingle, gravel and rock from ground level to 200 ft below 6 inch i/d*" @ Rs 716.16 per rft. Audit observed that the rate of aforesaid item was available in MRS for 12 inches to 18 inch i/d from ground level to 200 ft below for Rs 1,167 per rft and the department was required to derive the rate proportionately for 6 inch i/d as Rs 389 per rft. Hence, department paid excess rate of Rs 309.88 per rft.

Violation of FD's instructions resulted in overpayment of Rs 10,412,147.

Audit pointed out the overpayment in June 2021.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that payment was made as per provision of TS estimate. Audit informed that department paid higher rate of boring of 6 inch dia as compared to MRS. The Committee directed the department to get the record re-verified by Audit within 7 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early verification of record or recovery.

DP No.111 (2021-22)

3.4.6.1.3 In eight (08) cases, Executive Engineers, PHE Divisions paid items of work "*P/L crush stone 1/4" - 3/8" to 1" gauge under and around the*

RCC sewer pipe, Direct rotary/reverse rotary drilling of bore hole for tube wells in all types of soil except shingle grave and rock 15" to 18" dia ", "Cement concrete plain 1:2:4 on the top and side of gabian", "carriage of material with lead of 8 km", and "sub-base course of crushed stone with lead of 117 km". Audit observed that rate analyses of the items were got approved and paid on higher side by taking excess labour, material or lead.

Violation of FD's instructions resulted in overpayment of Rs 8,725,081.

Audit pointed out the overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that items of works were paid as approved by the competent authority. Audit informed that payment was made at higher rates. The Committee's directives have been detailed in Annex-XIX. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

Annex-XIX

3.4.6.1.4 Executive Engineer, PHE Division, TT Singh paid the item "*Sub-base course of crushed stone 100% compacted*". Audit observed that the works were executed in narrow streets, wherein, use of DRR road Roller for compaction was impossible. The Plate Compactor (EQ-26) was the relevant machine for compaction in narrow streets instead of DRR Roller. The rate was not reduced as per site requirement of the streets.

Violation of FD instructions resulted in overpayment of Rs 4,175,466.

Audit pointed out the overpayment in August 2020.

The para was discussed in the SDAC meeting held on 11.11.2020. The department admitted that actual recovery would be made from the next

running bills of the contractors. The Committee directed the department to effect recovery and get it verified from Audit. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No.45 (2020-21 MFDAC)

3.4.6.1.5 Executive Engineer, PHE Division, Rahim Yar Khan paid item of work "*Construction of Ground storage tank*" for different capacities. Audit observed that department paid rate of item "*RCC for roof slabs 1:2:4*" for base slab and core wall of tank instead of the admissible item "*RCC 1:2:4 in raft strip foundation*" with lesser rate.

Violation of MRS resulted in overpayment of Rs 2,235,039.

Audit pointed out the overpayment in August 2020.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that "*base slab*" was constructed above ground surface. So, the rate for RCC of slab could not be incorporated. Moreover, the approved rate for item RCC 1:2:4 for core wall was applied. Audit informed that the rate of item raft/strip foundation was applicable for base slab and core walls of ground storage tank. The Committee directed the department to produce record for verification to Audit within 10 days otherwise recovery be effected. During re-verification, the department could not substantiate its stance so, recovery be effected. Recovery was not reported till finalization of the report. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

DP No.285 (2020-21)

3.4.6.2 Overpayment due to allowing payment beyond agreed percentage – Rs 34.717 million

According to para 1(v) of FD's notification No. RO(Tech)FD1-2/83-VI dated 29.03.2005, the final cost of tender/payment shall be the same

percentage above/below the amount of revised TS estimate as it was at the time of approval of the tender, so as to pre-empt the excess payment.

Executive Engineers, PHE Divisions, Multan, Mianwali, Okara, DG Khan-I and Bahawalnagar awarded the works to different contractors who quoted disproportionate rates. Audit observed that the department made payment beyond agreed percentage while making payments to the contractors.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1.	245	PHE Division	21,738,090
2.	237	PHE Division Mianwali	7,870,580
3.	01	PHE Division Multan	3,433,670
4.	35	PHE Division No.I DG Khan	1,674,333
Total			34,716,673

Violation of FD's instructions resulted in overpayment of Rs 34,716,673.

Audit pointed out the overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that the works were in running condition and agreed percentage would be maintained at the time of finalization of works. Audit informed that the works were nearing finalization but the department did not maintain the agreed percentage. The Committee directed the department to produce complete record along with financial/comparative statements on the basis of final quantities of work done and effect actual recovery of imbalance rates at finalization of the works. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early production of financial statement on finalization of works and effect actual recovery.

3.4.6.3 Overpayment due to application of incorrect rate - Rs 33.821 million

As per comparative statement of item rate tender, the contractor quoted the below rates of items than the estimated rates in respect of the item “P/L of Standard RCC Cradle & PCC envelope” regarding the pipes of the 12”, 18”, 24”, 33”, 36”, 42” and 48” dia which came below the item rate @ 9.81%, 21%, 42.44%, 34.35%, 35.49%, 35.58%, 16.39% below respectively.

Executive Engineer, PHE Division, Bahawalnagar paid the items “Crush bajri, RCC, fabrication of mild steel & PCC 1:2:4” for amounting to Rs 98,476,898 in place of composite item of “RCC cradle”. Audit observed that the contractor quoted higher rates than TSE against individual items and below rates against the composite item of RCC cradle. As per tender accepted rates, the actual cost of the item RCC cradle came to Rs 64,655,311, but making payment by inadmissible bifurcation of RCC cradle into four separate items crush bajri, RCC, fabrication of steel and PCC, an overpayment was made for Rs 33,821,587.

Violation of FD’s instructions resulted in overpayment of Rs 33,821,587.

Audit pointed out the overpayment in October 2020.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that design of item “RCC Cradle” was changed from 8 inch thick to 12 inch thick for laying under the pipe 33 inch i/d to 66 inch i/d, however, an overpayment of Rs 2,906,716 was committed and recovery would be effected accordingly. Audit informed that despite change of thickness of RCC cradle from 8 inch to 12 inch, the RCC cradle was required to be paid at the below rates accepted in agreement. Further, as per agreement, the rate of crush was @ Rs 122 per cft for 189417 cft came Rs 23,108,874, which was paid as per TSE rate @ Rs 63.83 per cft for Rs 12,090,487. In case of payment at the agreement rate @ Rs 122 per cft then the recovery would be Rs 22,652,293. The Committee directed the department to effect the actual recovery besides admitted recovery of

Rs 2,906,716 and produce complete record including final bill and record entries to Audit for verification within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

DP No.280 (2020-21)

3.4.6.4 Overpayment due to allowing 20% contractor's profit & overhead – Rs 16.041 million

As per FD's letter No. RO(Tech)FD-18-29/2006 dated 03.03.2005 plant, machinery and other items like generator, turbines, lifts, electric motors, electrical and electronic items are required to be procured/purchased as per procedure prescribed in Purchase Manual instead of through the contractors, so that 20% contractor profit and overheads in its price could be saved. As per clarification issued by Finance Department dated 05.10.2018, 20% contractor's profit & overhead is not admissible on street/LED lights.

Executive Engineers, PHE Divisions in four (04) cases made payment for the items "*Electric poles & LED lights*", "*diesel generators*" and "*pumping machinery*". Audit observed that the department prepared and got approved rate analyses by including 20% contractor's profit & overhead which was not admissible on finished products like machinery, electrical and mechanical items.

Sr. No.	DP No.	Formation	Name of Items	Amount (Rs)
01	108	PHE Division-II, DG Khan	Electric poles and street lights	12,833,247
02	133	PHE Division, Toba Tek Singh	Generators of 150 KVA	1,677,549
03	141	PHE Division, Muzaffargarh	<i>Diesel generating set 60/50 KVA</i>	1,070,000
04	174	PHE Division, Sialkot	<i>Pumping machinery</i>	460,549
Total				16,041,345

Violation of FD's instruction resulted in overpayment of Rs 16,041,345.

Audit pointed out the overpayment during 2021.

The paras were discussed in SDAC meetings held in December 2021. The department explained that payment of items was made as per approved rates. Further, direct purchase of machinery items was violation of PPRA Rules and was not possible as it was part and parcel of the contract. Audit informed that as per FD clarification, contractor Profit & overhead was not allowed on the street lights and electric poles. The Committee directed the department in DP No.108, to effect recovery @ 11% from the next running bill of contractor and for other cases, to produce complete record to Audit for verification within 07 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

3.4.6.5 Overpayment due to tempering in bidding document - Rs 12.496 million

As per Sr. No.9 (1) of general directions for the guidance of the tenderer of contract agreement, in case of discrepancy between the amounts in figures and in words, the amounts in words shall prevail.

Executive Engineer, PHE Division, TT Singh paid items "*PVC pipes of 6 inch dia*" by tempering the rate quoted in bid from Rs 293 to Rs 393 per rft. As a result of tempering, Rs 100 per rft was overpaid for a quantity of 124955 rft amounting to Rs 12,495,500. Moreover, the tenderer did not fill the rates in words in bidding documents.

Violation of the contract document resulted in overpayment due to tempering in bid for Rs 12,495,500.

Audit pointed out the overpayment in August 2020.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that no tempering was made. The contractor signed the bid before submitting the tender. Audit informed that in bid, rate of item

was changed from 293 rft to 393 rft. The Committee directed the department to produce all relevant record for verification. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early verification of record or to effect recovery besides fixing of responsibility under PEEDA Act 2006 against the delinquents.

DP No.293 (2020-21)

3.4.6.6 Overpayment due to excess measurements - Rs 11.034 million

According to Rule 7.29 of DFR, before signing the bill, Sub-Divisional Officer should compare the quantities in the bill with those recorded in MB and see that all the rates are correctly entered and that all calculations have been checked arithmetically.

In thirteen (13) cases, Executive Engineers, PHE Divisions paid items of works "*Earthwork excavation undressed*", "*carriage of sub-base course and RCC 1:2:4*", "*transportation of surplus earth with 3 KM lead*", "*RCC sewer pipe*", "*Sub-base course*", "*PCC 1:2:4*", "*earthwork excavation in open cutting for sewer for manhole*", "*Transportation & installation of solar panel*" and "*solar system for RO plants*" in excess over the actual admissible quantities by making excess measurements over TS estimates or arithmetical errors. Out of these, in four (04) cases, shrinkage was not deducted and excess quantity of earth was paid.

Violation of rules resulted in overpayment of Rs 11,033,980.

Audit pointed out the overpayment during the year 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that measurements of the items were made as per provision of TSE. Audit informed that excess measurements were made. Further, shrinkage was not deducted. The Committee's directives were detailed in Annex-XX. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

Annex-XX

3.4.6.7 Overpayment due to addition of income tax on PST in gross amount of bill - Rs 9.474 million

As per FBR's clarification vide No.5/WHT-U-03 dated 24.04.2018, the Income Tax was required to be deducted from the contractors on the gross value of work done including PST u/s 153 of Income Tax Ordinance 2001.

Executive Engineer, PHE Division No. I & II, D.G. Khan made payment for value of work done. Audit observed that the department added income tax on PST amount. Whereas, income tax on PST was required to be deducted from the gross amount of the bill.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1.	20	PHE Division No.I DG Khan	9,263,876
2.	43	PHE Division No.II DG Khan	210,279
Total			9,474,155

Violation of FBR's rules resulted in overpayment of Rs 9,474,155.

Audit pointed out the overpayment in June 2021.

The paras were discussed in SDAC meeting held on 08.10.2021. The department admitted recovery. The Committee directed the department to effect recovery within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

3.4.6.8 Overpayment due to application of incorrect MRS items - Rs 8.420 million

As per Item No.11 of Chapter No. 4 of MRS, the measurement mode of item dry brick masonry was in cubic feet. Further, as per Finance

Department letter No.RO (TECH)/FD-18-23/2004 dated 21.09.2004, the available input rates of material, labour and equipment shall be the same as placed by the FD. Standard analysis shall be used to work out the rate of an item as far as possible.

3.4.6.8.1 Executive Engineer, PHE Division No.1, DG Khan and Sialkot paid the item “*Dismantling of brick or flagged flooring without concrete foundation*” for old brick soling. Audit observed that the relevant item for dismantling of brick soling was “*Dismantling dry brick masonry*” vide item No.11 of Chapter-4 “Dismantling” of MRS. As the item brick soling was measured in cft with a thickness of 0.364 so its dismantling should have been measured in cft instead of sft. The department paid irrelevant item in sft which was applicable for items available in Chapter 10 “Flooring” of MRS which were measured in sft. So, the department paid 63.6% extra by measuring irrelevant item in sft.

Violation of MRS resulted in overpayment of Rs 3,359,671.

Audit pointed out the overpayment during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that the item of work dismantling of brick or flagged flooring without concrete and dismantling of dry brick masonry were two different items and option was adopted as per provision of estimate. Audit informed that as the item of brick soling was measured in cft with a thickness of 0.364 hence, dismantling was required to be measured in cft instead of in sft. In this way, the department measured/paid 63.6% extra quantity. The Committee directed the department to obtain clarification from Finance Department. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early clarification form FD or to effect recovery.

DP No. 31 & 176 (2021-22)

3.4.6.8.2 In four (04) cases, Executive Engineer, PHE Divisions paid items of work “*Providing laying cutting jointing testing and dis-infecting of*

HDPE pipe PN-10”, “*Reinforced cement concrete in roof slab, beams, columns lintels, girders and other structural in raft slab/strip*”, *wall of tank and column type B (1:1 ½:3)* and “*Cement plaster ½” thick in 1:2 up to 20 ft height*” at higher rates instead of admissible rates available in relevant MRS.

(Amount in Rs)

Sr. No.	DP No.	Name of Formation	Name of item	Rate paid	Rate to be paid	Over-payment
1.	107	PHE Division No.-I, D.G. Khan	<i>Providing laying cutting jointing testing and dis-infecting of HDPE pipe PN-10</i>	529.82	435.98	1,257,456
2.	289	PHE Division-I, D.G. Khan	<i>Reinforced cement concrete in roof slab, beams, (1:1 ½:3)</i>	390.17	293.62	396,145
3.	226	PHE Division No.II, D.G .Khan	<i>Cement plaster ½” thick in 1:2 up to 20 ft height</i>	2448	2248.55	372,806
4.	148 (2020-21) MFDAC	PHE Division R.Y Khan	<i>Cement concrete brick or stone ballast 1:6:12”</i>	12,449.68	10,391.63	303,995
Total						2,330,402

Violation of MRS resulted in overpayment of Rs 2,330,402.

Audit pointed out the overpayment in August 2020 & June 2021.

The paras were discussed in SDAC meetings held in November 2020 and December 2021. The department admitted the recovery. The Committee directed the department to effect recovery from next running bill and get it verified from Audit. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early recovery.

3.4.6.8.3 Executive Engineer, PHE Division, Lahore paid item of work “*Earthwork excavation undressed lead up to single throw of kassi and disposal of excavated material/malba up to three miles*” by applying the MRS rate of ordinary soil of item No.1 (b) of Chapter 3 (earthwork). Whereas paid item was debris and malba and admissible rate was required to be paid vide item No.1 (a) of chapter 3 i.e. ashes, sand soft soil or silt clearance.

(Amount in Rs)

Sr. No.	DP No.	Quantity Paid cft	Rate paid % cft	Admissible rate % cft	Difference % cft	Amount
1.	114	691890	7,940.14	6,236.52	1,703.62	1,178,718
2.		253518	8,976.60	8,430.90	545.70	138,345
3.		212274	9,362.65	8,793.72	568.93	120,769
4.		135596	8,976.60	8,430.90	545.70	73,995
5.		132134	12,062.45	11,516.75	545.70	72,106
Total						1,583,933

Application of incorrect rate resulted in overpayment of Rs 1,583,933.

Audit pointed out overpayment in July 2021.

The para was discussed in SDAC meeting held on 07.12.2021. The department explained that item executed for the removal of malba was categorized under MRS item No.1 (b) of Chapter No.3 and the same was approved in TS estimate by the competent authority. Audit informed that rate of ordinary soil was not admissible for removal of malba. The department was required to pay economical item No.1(a) of Chapter 3 for dispose of unsuitable material. The Committee directed the department to get the matter inquired by Superintendent Engineer, PHE Circle, Sahiwal and submit inquiry report within 15 days to Audit for verification. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early inquiry by the SE PHE and its verification.

3.4.6.8.4 Executive Engineer, PHE Division, TT Singh paid item of work “*Earthwork in open cutting for sewer and manholes with 0.7ft and 7-15ft*” for a quantity of 1757441 cft and 861403 cft respectively. Audit observed that the department measured wider width of trench in shape of slope than the width provided in TSE for laying of RCC pipes due to which the timbering and shuttering was not required. Hence, the composite rate was to be reduced to Rs 368.20 per % cft and Rs 579.60 % cft.

Application of incorrect rate resulted in overpayment of Rs 1,146,359.

Audit pointed out the overpayment in August 2020.

The para was discussed in the SDAC meeting held on 11.11.2020. The department admitted to effect the recovery from next running bill of the contractor. The Committee directed the department to effect the actual recovery and get it verified by Audit. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

DP No.51 (2020-21 MFDAC)

3.4.6.9 Overpayment due to non-deduction of available surplus earth - Rs 7.956 million

As per specification No 17.1(A)(11)(i) for execution of works 1967 Volume-I Part-II, if cutting and filling are being done simultaneously all suitable materials obtained from excavation shall be re-used in filling.

In four (04) cases, Executive Engineers, PHE Divisions did not deduct/utilize the available earth received from excavation/cutting under different heads of works whereas the available earth was required to be deducted/adjusted against borrowed earth used for filling. Further, the quantity of sand filling was not adjusted against barrowed earth.

Violation of the specification resulted overpayment due to non-utilization of available earth for Rs 7,955,849.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	126	PHE Division, Lahore	3,971,122
2	105	PHE Division No.I, DG Khan	2,622,850
3	81	PHE Division, Okara	786,404
4	47	PHE Division No.II, DG Khan	575,473
Total			7,955,849

Audit pointed out the overpayment in June & July 2021.

The paras were discussed in SDAC meetings held in October and December 2021. In three cases (DP Nos. 47, 81 &126), the department admitted recovery. In DP No. 105, the department explained that payment was made as per provision of TS estimate. The Committee in three (03) cases, directed the department to effect recovery and in fourth case directed the department to produce complete record for verification. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

3.4.6.10 Overpayment due to non-reduction of rate of dressing - Rs 2.123 million

According to Finance Department clarification issued vide letter No. RO(Tech)/FD/2.6/85 dated 16.03.1988, the rate for leveling and dressing is included in the unit rate for compaction of earthwork.

Executive Engineer, PHE Division, TT Singh paid the item of work “*Earthwork excavation up to a single throw of kassi lead 2 mile including compaction and dressing*” in addition to execution of item “*P/L dry brick pavement soling sand grouted laid in proper camber i/c preparation, watering compaction of bed to proper camber and sand cushion*”. Audit observed that the rate of dressing was inbuilt in execution of second item but department did not reduce the rate of dressing for Rs 362.25%o cft which was paid twice.

Violation of FD's clarification resulted in overpayment of Rs 2,122,606.

Audit pointed out the overpayment in August 2020.

The para was discussed in the SDAC meeting held on 11.11.2020. The department explained that recovery would be made from the next running bills of the contractors. The Committee directed the department to effect recovery and get it verified from Audit. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

DP No.52 (2020-21 MFDAC)

Irregularities resulting in non-recoveries

3.4.6.11 Non-forfeiture of performance security and non-recovery of risk & cost charges - Rs 145.525 million

As per clause 60 and 61 of "Standard Contract Form for Execution of Works", on default of a contractor to complete the work, his work will be rescinded and remaining work will be completed at risk and cost of original contractor, besides forfeiting his securities.

3.4.6.11.1 Executive Engineer, PHE Division, Okara awarded a work during March 2018 for Rs 394.433 million with completion period of 24 months up to March 2020 and made payment of Rs 57.665 million up to September 2018. Audit observed that contractor could not complete the work as per provision of contract agreement and his contract was rescinded on 08.12.2018 under clause 60 & 61 of the contract agreement. The balance work was awarded to another contractor on 07.10.2020 for Rs 403.77 million at the risk & cost of the original contractor. The department neither forfeited performance security of Rs 29.465 million nor recovered risk & cost amount of Rs 60.830 million from the defaulting contractor. Further, it was observed that the material amounting to

Rs 18.334 million against which secured advance had been paid was missing from the site.

Violation of contractual obligations resulted in non-recovery of Rs 108,629,310.

Audit pointed out the non-recovery in June 2021.

The para was discussed in SDAC meeting held on 08.10.2021. The department explained that out of total outstanding amount against the contractor of Rs 60.830 million, Rs 32.049 million had been recovered and Rs 28.781 million was still to be recovered. This office had served notices to various PHE divisions to recover the balance of outstanding recovery. The departments also requested Deputy Commissioner Okara to take action against contractor as per Land Revenue Act. Audit informed that department did not produce record in support of its explanation. The Committee directed the department to produce complete record to Audit for verification within 3 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

DP No.73 & 75 (2021-22)

3.4.6.11.2 Executive Engineer, PHE Division-II, D.G. Khan awarded a work to a contractor amounting to Rs 518.512 million with time limit of 24 months i.e. 27.05.2015 to 27.05.2017. The contractor did not complete the work and resultantly department had rescinded the work as per clause 60 & 61. The balance work was awarded at the risk and cost of the defaulting contractor. Audit observed that the department neither forfeited performance security of Rs 5,268,210 nor recovered the cost of risk & cost amounting to Rs 31,628,036.

Violation of contractual obligations resulted in non-recovery of Rs 36,896,246.

Audit pointed out the non-recovery in June 2021.

The para was discussed in SDAC meeting held on 08.10.2021. The department explained that agreement of the contractor was rescinded and contractor had lodged a petition in the court of law. Audit informed that the security deposits were not forfeited. The Committee directed the department to pursue the case in the court of law. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends to pursue the case in the court of law or to effect the recovery.

DP No.51 (2021-22)

3.4.6.12 Non-recovery of secured advance - Rs 67.366 million

According to clause 45 of "Standard Contract Form for Execution of Works", read with para 2.98 of B&R Department Code and C&W Department letter No.SO-III(C&W)2-14/97 dated 29.05.1997, secured advance will be given to the contractor on imperishable material brought at site @ 75% of the material supplied. Under normal circumstances, the secured advance was to be recovered within three months.

In three (03) cases, Executive Engineers, PHE Divisions granted secured advance amounting to Rs 11,664,597, Rs 11,455,992 & Rs 44,245,414 in July 2020 and June 2021 respectively to the contractors but did not recover the same despite lapse of considerable time.

Violation of contractual obligation resulted in non-recovery of secured advance for Rs 67,366,003.

Audit pointed out the non-recovery in July to September 2021.

The paras were discussed in SDAC meeting held in October and December 2021. The department explained that secured advance would be recovered in next running bills of contractors. Audit informed that in two cases, secured advance was to be recovered within three months but department did not recover the same after expiry of six months. In third case, secured advance was not recovered despite lapse of 17 months. The

Committee in two cases (DP No.131 & 278), directed the department to effect recovery of secured advance and get it verified from Audit. In DP No.228, the Committee directed the department to conduct inquiry by Chief Engineer (South) and make recovery of secured advance along with 12.5% interest for delayed period. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery along with 12% interest for the delayed period besides fixing of responsibility against the delinquents.

DP No.131, 228 & 278 (2021-22)

3.4.6.13 Non-recovery of old material and wastage - Rs 36.456 million

As per para 9 (i), Chapter 18.1 of Specification of Execution of Work 1967, all demolished material will be the property of government and shall either be disposed off or cost of dismantled material would be recovered from the contractor. Further, as per template of Finance Department of item No.9, Chapter 6 (Concrete), 8.267% cft wastage was provided for the item "Fabrication of mild steel" for calculation of rate.

In thirteen (13) cases, Executive Engineers, PHE Divisions paid the items "*Dismantling of brick work*", "*Dismantling of RCC*", "*Dismantling of road pavement*" and "*fabrication of mild steel*" but the recovery of cost of old bricks, brick bats, steel, stone ballast and wastage of steel was not made from the contractors.

Violation of specifications resulted in non-recovery of Rs 36,456,243.

Audit pointed out the non-recovery during 2020 & 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department in six cases, admitted the recovery and in seven cases, explained that recovery was not admissible. The Committee's

directives have been detailed in Annex-XXI. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

Annex-XXI

3.4.6.14 Non-recovery of General Sales Tax - Rs 32.216 million

As per FBR's letter No.1(42)STM/2009/99638-R dated 24.07.2013, in case of public works, it may be ensured that the contractors engaged make purchases only from sales tax registered persons. The contracting department/organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released.

In eleven (11) cases, Executive Engineers, PHE Divisions made payments for the items "*Pumping machinery, Ultra Filtration plants, Reverse Osmosis water filtration plants, PVC pipe, RCC pipe, AC Pipe and Steel etc.*" to different contractors. Audit observed that department neither deducted GST nor obtained sales tax invoices from the contractors to verify that items of works were procured from the sales tax registered firms.

Violation of FBR's instructions resulted in non-recovery of GST for Rs 32,215,744.

Audit pointed out the non-recovery during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that GST was applicable only on procurement/supply items. All contractors had been directed to produce general sales tax invoices for verification. Audit informed that invoices were required to be obtained prior to making payments. The department neither obtained GST invoices nor deducted GST from payments made to the contractors. The Committee's directives have been detailed in Annex-XXII. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

Annex-XXII

3.4.6.15 Non-recovery of PST and income tax thereon - Rs 11.470 million

As per FBR's clarification vide No.5/WHT-U-03 dated 24.04.2018, the Income Tax was required to be deducted from the contractors on the gross value of work done including PST u/s 153 of Income Tax Ordinance 2001. As per Finance Department letter No.SO(Tax) 5-24/2006 dated 05.07.2012, 5% PST would be charged on development schemes started after 01.07.2017.

Executive Engineer, PHE Division-II, DG Khan & Rahim Yar Khan made payment on the value of work done but did not recover PST @ 5% and 1% respectively. Further, income tax on PST was also not deducted.

(Amount in Rs)

Sr. No.	DP No.	Name of Formation	Recovery of PST	Recovery of income tax	Total
1.	38	PHE Division No.II DG Khan	10,569,060	792,680	11,361,740
2.	154 (MFDAC 2020-21)	PHE Division, R.Y. Khan	108,334	-	108,334
Total					11,470,074

Violation of FBR's instructions resulted in non-recovery of PST and income tax thereon of Rs 11,470,074.

Audit pointed out the non-recovery in August 2020 & June 2021.

The paras were discussed in SDAC meetings held in November 2020 and October 2021. In DP No.38, the department explained that PST & income tax thereon was deducted in 7th running bill paid vide Vr. No. 05 dated 05.12.2020. In DP No.154, the department admitted recovery. Audit informed that the department did not get verified the 7th running bill ibid. The Committee in DP No.38, directed the department to produce record showing the effected recovery within 03 days and in DP No.154, directed

the department to effect recovery within 03 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery.

3.4.6.16 Non-recovery due to use of substandard bricks – Rs 10.224 million

As per para No.7, Chapter - 4.1 "Clay Bricks" of Specifications for Material of Construction 1964, the first class bricks shall be 9"x4½"x3" in size, well burnt having water absorption more than 1/6th of their weight of water and compressive strength shall not be less than 2000 PSI. Further, as per remarks in MRS in respect of item No.1, chapter 7 (bricks work), the composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

In seven (07) cases, Executive Engineers, PHE Divisions got executed items of works "*P/L brick pavement soling*" and "*Pacca brick work*" but did not produce lab test reports of bricks showing that the bricks were of required specifications. Due to non-production of lab test reports Audit observed that sub-standard bricks were used and recovery @ 7% to 14% of the composite rate was required to be made.

(Amount in Rs)

Sr. No.	DP Nos.	Formations	7% recovery	14% recovery	Total recovery
1	27	PHE Division No-I, DG Khan	4,351,752	-	4,351,752
2	160	PHE Division, Sialkot	2,459,000	-	2,459,000
3	251	PHE Division, Mianwali	1,152,188	-	1,152,188
4	186	PHE Division, T.T Singh	-	811,921	811,921
5	279 (2020-21)	PHE Division, Sargodha	691,529	-	691,529
6	96	PHE Division, Sargodha	400,646	-	400,646
7	179	PHE Division, TT Singh	356,866	-	356,866
Total					10,223,902

Violation of specifications resulted in non-recovery of Rs 10,223,902.

Audit pointed out the non-recovery during 2021.

The paras were discussed in SDAC meeting held in December 2021. The department explained that payment was made in cft as per MRS item and number of bricks were not involved. Further, lab test reports were produced to Audit for verification. Audit informed that size/dimension was not mentioned on lab test reports and stressed on recovery for use of sub-standard bricks. Further, as per MRS standard thickness was 0.364' but department measured & paid with 0.345 inch and used undersized bricks. The Committee directed the department to obtain lab test report of bricks with proper format from Building Research Station (BRS), Lahore and get it verified from Audit within 07 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

3.4.6.17 Non-recovery of price de-escalation - Rs 8.954 million

According to clause 55 (2) of Standard Contract Form for execution of civil works, where any variation (increase or decrease) to the extent of 5% or more in the price of item of work took place after acceptance of tender and before completion of work, the amount payable would be adjusted to the extent of actual variation in the cost of item of work.

In four (04) cases, Executive Engineers, PHE Divisions awarded works to the contractors. Audit observed that the prices of PVC pipes, bitumen & diesel were decreased by more than 5% during the execution of works. But department did not make recovery on account of de-escalation of price from running payments.

Sr. No.	DP Nos.	Formations	Amount (Rs)
1.	239 (2021-22)	PHE Division, Mianwali	5,418,753
2.	239 (2020-21 MFDAC)	PHE Division, Mianwali	2,037,842
3.	65 (2020-21 MFDAC)	PHE Division, Rahim Yar Khan	906,677
4.	151 (2020-21 MFDAC)	PHE Division, Rahim Yar Khan	591,040
Total			8,954,312

Violation of contractual obligations resulted in non-recovery of Rs 8,954,312.

Audit pointed out non-recovery in August, October 2020 and October 2021.

The paras were discussed in SDAC meetings during 2020 and 2021. The department explained that the price de-escalation would be adjusted prior to finalization of works. Audit informed that recovery was required to be effected as and when becomes due. The Committee directed the department to effect the due recovery and produce complete record for verification along with final bills. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early recovery and its verification.

Irregularities resulting in undue financial benefits

3.4.6.18 Non-obtaining of performance /additional performance security - Rs 83.509 million

As per Clause 7 of contract agreement read with item (h) memorandum of work, and Finance Department Notification RO (Tech) FD-1-2/83 (V) (P) dated 6th April 2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Further, if contractor quotes his rates 5% or more below the estimated rates, additional performance security of schedule bank be obtained within 15 days of the receipt of the acceptance equal to below percentage than estimated cost. The performance security should be re-validated till completion of project and defect liability period.

3.4.6.18.1 In four (04), cases Executive Engineers, PHE Divisions, awarded works to the contractors which were more than 5% below than estimated cost but department did not obtain the additional performance security in violation of contract clause.

Sr. No.	DP No.	Name of Formation	Amount (Rs)
1	41	PHE Division No.II DG Khan	32,726,386
2	65	PHE Division Faisalabad	16,575,634
3	279	PHE Division Attock	4,312,103
4	355	PHE Division Muzaffargarh	2,205,000
Total			55,819,123

Violation of contractual obligations resulted in non-obtaining of additional performance securities of Rs 55,819,123.

Audit pointed out the irregularities during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department in DP No.41, explained that additional performance security was obtained but expired before completion of work. In second case (DP No.65), the department explained that contractors deposited Rs 5,807,000 through CDR dated 13.07.2021. In other two cases (DP No. 279 & 355), the department explained that additional performance securities had been received from the contractor in shape of CDR's. Audit informed that department obtained less amount of additional performance security against due amount and copies of CDRs were also not produced to Audit for verification. The Committee in DP No.41, directed to issue the displeasure to the XEN by the Chief Engineer and obtain revalidated additional performance security within 15 days and in DP No.65, directed to probe the matter regarding obtaining of less additional performance security from contractors within 15 days and obtain additional performance security equal to due amount within 03 days. In other two cases (DP No. 279 & 355), the Committee directed the department to obtain condonation from the Finance Department regarding obtaining of less amount of additional performance security and produce copy of CDRs/Challans to Audit for verification within 07 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

3.4.6.18.2 Executive Engineer, PHE Division, Lahore and Attock awarded works to the contractors at agreement cost of Rs 454,527,714 and

Rs 99,274,333 but did not obtain performance security @ 5% of the agreement cost amounting to Rs 22,726,386 and Rs 4,963,716 respectively.

Violation of contractual obligations resulted in non-obtaining of performance security for Rs 27,690,102.

Audit pointed out the issue in July 2021.

The paras were discussed in SDAC meetings held in December 2021. The department in DP No.120, explained that Rs 6.5 million on account of performance security was recovered from the contractor bills and for remaining amount of performance security of Rs 16.226 million, the contractor had submitted CDR dated 03.12.2021 for an amount of Rs 16.00 million. In DP No.276, the department explained that performance security was obtained but had expired and reminders were issued to contractor for revalidation of performance security. Audit informed that the contractors were required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter. Further, no deposit challan in support of CDR was produced to Audit for verification. The Committee in DP No.120, directed to get the matter probed by Superintendent Engineer, PHE Circle, Sahiwal within 15 days besides fixing responsibility for this irregularity and submit inquiry report to Audit within 15 days and produce the deposit challan in support of CDR within 3 days from Audit. In DP No.276, to produce valid performance guarantees and get the same verified from Audit. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC's directives.

DP No.120 & 276 (2021-22)

Irregularities relating to procurement

3.4.6.19 Irregular expenditure due to procurement from the unregistered firms - Rs 78.308 million

As per FBR's letter No.1(42)STM/2009/99638-R dated 24.07.2013, in case of public works, it may be ensured that the contractors engaged make

purchases only from sales tax registered persons. The contracting department/organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released.

In six (06) cases, Executive Engineers, PHE Divisions made payments for the items “*Pumping machinery, PVC pipe, Diesel Generator & Fabrication of mild Steel etc.*” to different contractors. Audit observed that the department did not obtain GST invoices from the contractors before release of payments to confirm whether the material was procured from sales tax registered firms.

Violation of FBR’s instructions resulted in irregular expenditure of Rs 78,308,173.

Audit pointed out the irregularity during 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that all items were procured from the sales tax registered firms and contractors had been directed to provide GST invoices. Audit informed that invoices were required to be obtained prior to making payments. The Committee directed the department to produce record for verification within 07 days. Compliance of Committee’s directives was not reported till finalization of report.

Audit recommends early verification of record.

Annex-XXIII

3.4.6.20 Irregular enhancement of agreement in violation of PPRA Rules – Rs 35.739 million

As per rule 59 of PPRA Rules 2014, repeat orders should not exceed more than fifteen per cent of original procurement.

Executive Engineer, PHE Division, Multan made payment of enhanced scope of work to the contractors without inviting fresh tenders for additional work which was more than 15% of original agreement cost.

(Rs in million)

Sr. No.	DP No.	Agreement Cost	Enhanced Scope of work	Difference	Percentage %
1.	15	64.956	93.703	28.747	44.256 %
2.		21.166	28.158	6.992	33.034 %
Total				35.739	

Violation of PPRA Rules resulted in irregular enhancement for Rs 35,739,000.

Audit pointed out the irregularity in March 2021.

The para was discussed in SDAC meeting held on 08.10.2021. The department explained that enhancement was made after getting approval from competent authority. Audit informed that enhancement of work beyond 15% of original agreement was violation of PPRA Rules. The Committee directed the Chief Engineer (South), PHE Department to conduct an inquiry and submit report within 15 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early compliance of SDAC directives.

Miscellaneous Irregularities

3.4.6.21 Non-rectification/recovery of substandard work - Rs 107.501 million

As per clause 31 of the contract agreement, the contractor shall rectify, or remove and reconstruct the work so specified in whole or in part, as the case may require or as the case may be, remove the materials as originally contracted or articles at his own proper charge and cost, and in the event of his failing to do so within a period to be specified by the engineer in-charge in his demand aforesaid, then the engineer in-charge

may rectify or remove and re-execute the work, remove and replace with other materials and articles complained of, as the case may be by his own workman or by other contractor and recover from the contractor.

Executive Engineer, PHE Division-II, D.G. Khan made payment of Rs 105,364,210 to the contractor. Audit observed that the contractor executed substandard work valuing Rs 105,364,210 as evident from departmental letter dated 29.07.2017. The quality of material used at work i.e. steel, crush, sand, bricks, manhole frames and tuff tiles was very poor. The brick work was done by the contractor for manhole 77688.26 cft for Rs 15,264,990 was also substandard because compressive strength of bricks was less than required as per test performed by the department. The department neither got the defective work rectified at the cost of original contractor nor made recovery @ 14 % amounting to Rs 2,137,099 on account of use of sub-standard bricks.

Violation of contract agreement resulted in non-rectification of substandard/defective work of Rs 105,364,210 and non-recovery on account of substandard bricks of Rs 2,137,099.

Audit pointed out the issue in June 2021.

The para was discussed in SDAC meeting held on 08.10.2021. The department explained that contract was rescinded and the contractor filed a writ petition in court. The Committee took it seriously and called the explanation of Executive Engineer regarding non-pursuance of case vigorously. The Committee also directed the department to pursue the case in court of law. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early pursuance of the case vigorously in court of law.

DP No.49 (2021-22)

3.4.6.22 Doubtful payment due to award of quotation works without locations/RD's - Rs 64.117 million

As per Rule 2.33 of PFR Vol-I, every government servant shall realize fully and clearly that he would be held responsible personally for any loss sustained by government due to negligence on his part.

Executive Engineer, PHE Division, Bahawalnagar booked an expenditure of Rs 64,116,554 under Grant PC 21017 on form 41 & 42 of monthly accounts for the month of April to June 2018 through suspected piece meal works in respect of funds released for backup support for operation & maintenance of rural water supply schemes. Audit observed that the work order of each doubtful piecemeal work was intentionally kept below Rs one lac, to deviate from the codal requirements i.e. to avert from the sale of blank Tender Forms, non-receipt of earnest money, without competitive tendering process/advertisement, which were mandatory. Locations/RD's/name of streets were not mentioned on suspected work orders, vouchers/MB's. All original work orders were taken over from the dispatcher by the SDO/SDC Chishtian. Each and every scheme was split into seven to ten work orders but the work orders were awarded to one contractor only. The procedure was not followed as evident that the measurement books, impact report/completion report, record entries of items repaired & replaced, improvement and sustainability level of the scheme, CBO reports and picture of work done were not maintained in Divisional and Sub-Divisional offices. Such violations substantiate the doubtful expenditure as well as misappropriations of govt. funds.

Violation of rules resulted in doubtful payment for Rs 64,116,554.

Audit pointed out the doubtful payment in October 2020.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that the officers/officials were charge sheeted on 07.09.2021 by the Administrative Secretary. The outcome of the enquiry proceeding was still awaited. Audit informed that probe report of the committee showed that no work was executed at sites as the complete record

i.e. measurement books, locations/RD's of the works, vouchers, work orders, verification reports of the works, completion reports of the works were neither produced to departmental probe committee as well as Audit nor any inquiry was initiated against the responsible sub divisional clerk (SDC's) who was the custodian of such non-produced record. The Committee directed the department to initiate fresh inquiry against the record custodians and also retrieve the complete record for verification besides finalization of existing inquiries within 30 days. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early departmental/legal proceedings besides fixing of responsibility against the delinquents.

DP No.281 (2020-21)

3.4.6.23 Non-employment of qualified engineer as per contract - Rs 13.010 million

According to clause 18 of contract agreement, the contractor shall employ for each contract whole time qualified technical personnel to the satisfaction of the personnel for engineer in-charge for the supervision of the work at the scale of work, on contracts valuing (1) up to Rs 7.5 million one diploma engineer (2) exceeding Rs 7.5 million one senior graduate engineer & one junior graduate engineer.

Executive Engineer, PHE Division-II, D.G. Khan did not make recovery from the contractor on account of non-employment of full-time qualified senior and junior graduate engineers in violation of contract amounting to Rs 2,640,000. Further, the contractor failed to submit work plan for execution of work against which the penalty @ 2% of contract agreement amounting to Rs 10,370,000 was due. The department neither took any action against the contractor nor imposed penalty on account of non-submission of work plan.

Violation of contractual obligation resulted in non-employment of qualified engineers Rs 13,010,000.

Audit pointed out non-employment of qualified engineer in June 2021.

The para was discussed in SDAC meeting held on 08.10.2021. The department explained that the contractor hired the services of senior engineer. Contract was rescinded on 12.10.2018 due to non-completion of work. Now, the matter was sub-Judice. Audit informed that two engineers were not deployed during the currency of the contract and department needs to effect recovery from the security deposit of contractor. The Committee directed the Executive Engineer to adopt effective measures and attend the court of law personally in this regard. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends to pursue the case in the court of law.

DP No.16 (2021-22)

3.4.6.24 Irregular payment in cash instead of cheque - Rs 7.480 million

As per FD letter No. FD(FR)-V-6/75(P) dated 17.09.2008, payments of Rs 100,000 and above to the contractors and suppliers shall not be made in cash by DDO.

Secretary, HUD & PHE Department, Lahore made payment of Rs 7,479,790 in cash during the financial year 2019-20 on account of purchase of POL, repair & maintenance of vehicles and various supplies items. Audit observed that the department made payment of Rs 7,479,790 in cash instead of cheques in violation of FD's instructions *ibid*.

Violation of financial rules resulted in irregular payment in cash instead through cheques worth Rs 7,479,790.

Audit pointed out the irregular payment in July 2020.

The para was discussed in the SDAC meeting held on 11.11.2020. The department explained that payment of POL and other store items was made through cheques except payment of repair and maintenance of

vehicles. Audit informed that department made payment in cash instead of cheques to different vendors. The Committee directed the department to get the matter condoned from FD. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early regularization of the matter from FD.

DP No.1 (2020-21 MFDAC)

**3.4.6.25 Less-deposit of tender sale fee into govt. treasury -
Rs 1.346 million**

As per Rule 2.33 of PFR Vol-I, every government servant shall realize fully and clearly that he would be held responsible personally for any loss sustained by government due to negligence on his part. Further, as per Executive Engineer, PHE Division Bahawalnagar letter No. 1609 dated 20.08.2020, a fraud for less deposit of tender sale fee into govt. revenue for Rs 149,600 instead of actual tender sale fee for Rs 1,496,000 was reported to the Superintending Engineer for inquiry under PEEDA act.

Examination of accounts record of Executive Engineer, PHE Division, Bahawalnagar revealed that an embezzlement of public money on account of tender sale fee amounting to Rs 1,346,400 was incurred by the officers and officials of division. The embezzlement was reported to the Superintending Engineer, PHE Circle Bahawalpur for inquiry under PEEDA Act 2006 vide letter No.1609 dated 20.08.2020. Audit observed that inquiry was not finalized despite lapse of a period of two months. Audit also observed that department did not maintain the tender sale register as per requirements of rules and the tender sale amount received from each contractor through receipts books on Form S.T.R.3-A was neither accounted for in tender sale register nor entered in cash book. The counter foil number 445010 of GR book depicted the sale of blank tender forms for Rs 149,600. Whereas, the other issue side of the GR book depicted the sale of tender fee for Rs 1,496,000. Thus, the tender fee for Rs 1,346,400 was embezzled.

Violation of rules resulted in less deposit of tender sale fee for Rs 1,346,400.

Audit pointed out the less deposit of tender sale fee in October 2020.

The para was discussed in SDAC meeting held on 09.12.2021. The department explained that the officers/officials had been charge sheeted by the Chief Engineer (South), Lahore on 04.05.21. The outcome of inquiry was still awaited. The Committee directed the department that the result of the inquiry along with complete record be produced to Audit and be got verified. Compliance of Committee's directives was not reported till finalization of report.

Audit recommends early departmental/legal proceedings besides recovery of embezzled amount.

DP No.291 (2020-21)

CHAPTER - 4

IRRIGATION DEPARTMENT

4.1 Introduction

A. Punjab Irrigation Department (PID) was established in 1854. Irrigation System in Punjab is divided into 11 territorial Zones, each headed by a Chief Engineer with the assistance of Superintending Engineers (in charge of circles), Executive Engineers (in charge of formations). Office of the Executive Engineer is the basic accounting unit assisted by a Divisional Accounts Officer. The zones include Lahore, Sargodha, Faisalabad, Multan, Bahawalpur, Sahiwal, Taunsa and D.G. Khan. In addition, there is one functional development zone, besides the miscellaneous wings such as PMO Barrages, Irrigation Research Institute, Directorate of Hydrology and Directorate of Land Reclamation. Irrigation Department has 149 formations out of which 14 were audited. The main functions of the department include:

1. Planning, prioritization and implementation of rehabilitation schemes of canals, barrages and head works and also water courses.
2. Operation and upkeep of irrigation system of the province.
3. Optimization of the use of water resources in the province by equitable distribution of irrigation water supplied through canal outlets.
4. Assessment of water rates based on actual field inspections by revenue staff of the department.
5. Implementation of the development programme portfolio and foreign aided projects.

B. Comments on Budget and Accounts

The development budget of the department was allocated under grant No. PC-12037 which was the main grant for civil works. The non-development budget was allocated under grant No. PC-21009 and PC-21010 which caters for repair & maintenance works and salaries.

(Rs in million)

Head	Original Budget	Final/Revised Budget	Expenditure	Excess/ (Saving)	Variation %
Non-Development					
PC-21009	19,584.222	20,555.490	19,459.273	(1,096.217)	(5.33%)
PC-21010	339.814	858.298	697.903	(160.395)	(18.68%)
Sub-Total	19,924.036	21,413.788	20,157.176	(1,256.612)	(5.87%)
Development					
PC-22036	133.310	31.310	51.410	20.100	64.20%
PC-12037	17,901.500	17,336.690	14,176.015	(3,160.675)	(18.23%)
Sub-Total	18,034.810	17,368.000	14,227.425	(3,140.575)	(18.08%)
Grand Total	37,958.846	38,781.788	34,384.601	(4,397.187)	(11.34%)

Source: Departmental figures for the year 2020-21

During financial year 2020-21, department could not utilize 18.08% of its development and 5.87% of its non-development budget.

C. Sectoral analysis on the achievements against targets agreed under MTFD/MTBF

Brief comments on targets achieved under MTFD were given in Chapter No. 1 "Sectoral Analysis".

Audit Profile of Irrigation Department

(Rs in million)

Sr. No.	Description/ Formations	Total Nos.	Audited	Expenditure audited	Revenue/ Receipts audited
1	Formations	149	14	6,133.995	-
2	Foreign Aided Projects	05	05	6,275.332	-

4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 4,983.715 million were included in this Audit Report. This amount also included recoverable of Rs 324.775 million as pointed out by the Audit. Summary of the audit observations classified by nature was as under:

(Rs in Million)

Sr. No.	Classification	Amount
1	Irregularities:	-
(i)	Irregularities resulting in overpayments	265.305
(ii)	Irregularities resulting in non-recoveries	59.470
(iii)	Irregularities resulting in undue financial benefit	2,170.643
(iv)	Irregularities resulting in loss to government	207.750
(v)	Irregularities relating to procurements	136.377
(vi)	HR/employees related issues	262.540
(vii)	Miscellaneous irregularities	1,881.630

4.3 Brief comments on the status of compliance with PAC directives

An effective monitoring mechanism to watch compliance of PAC directives on regular basis did not seem to be in place in the administrative department as evident from the fact that 2060 PAC directives pertaining to previous audit reports were pending for compliance with Irrigation Department. During the year no compliance of PAC directives was reported by the department.

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Received	Compliance Awaited	Percentage (%)
1	1956-57 to 1999-2000	1562	-	1562	-
2	2000-01	60	-	60	-
3	2001-02	41	-	41	-
4	2003-04	17	-	17	-
5	2005-06	32	-	32	-
6	2006-07	22	-	22	-
7	2009-10	69	-	69	-
8	2010-11	64	-	64	-
9	2011-12	72	-	72	-

10	2012-13	37		37	
11	2013-14	84	-	84	-
Total		2060		2060	

4.4 AUDIT PARAS

Irregularities

Irregularities resulting in overpayments

4.4.1 Overpayment by allowing payment beyond agreed percentage – Rs 79.319 million

As per FD's notification No. RO(Tech)FD1-2/83-VI dated 29.03.2005, the final cost of tender/payment shall be the same percentage above/below the amount of TSE as was at the time of approval of the tender, so as to pre-empt and avoid any excess payments.

In three (03) cases, Executive Engineers, Irrigation Divisions allotted the works to different contractors at percentages ranging from 11.44% to 14.31% below the estimated costs. The same percentages were to be maintained till the completion of works as per instructions of FD but department made payments for work done at higher percentages than the agreed percentage. Details were as under:

Sr. No.	DP No.	Name of Division	Agreed Percentage (below)	Paid Percentage (below)	Overpayment (Rs)
1	03 (2020-21)	Mailsi Syphon Division Thingi	14.31	7.11	74,433,380
2	75 (2020-21)	Rachna Drainage Division Sheikhupura	11.44	9.80	4,207,689
3	77 (2020-21)	Rachna Drainage Division Sheikhupura	12.11	11.61	677,548
Total					79,318,617

Violation of FD's instructions resulted in overpayment of Rs 79,318,617.

Audit pointed out overpayment in April and May 2021.

The paras were discussed in SDAC meeting held on 11.10.2021. The department explained that actual recovery would be effected at the time of finalization of works. Audit contended that the agreed percentage was required to be maintained on running payments. The Committee directed the department to finalize the works and effect recovery. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early production of financial statements on finalization of works and recovery of actual amount.

4.4.2 Overpayment due to application of higher rate – Rs 38.863 million

As per MRS item No 52 of chapter No.03, “*earthwork in excavation of drains, irrigation channels through excavator/drag lines in all kind of soil and conditions (dry, wet slush, daldal and under water) including its disposal and preparation of working pad for operation of machinery (Rates includes 100 feet)*” was available for work done with machinery.

In three (03) cases, Executive Engineers, Irrigation Divisions paid the items “*Earthwork excavation in ashes, sand or soft soil or sit clearance*” and “*earthwork excavation in irrigation channels, drains etc.*” which was based on manual labour vide items # 2 &10 Chapter 3 of MRS. Audit observed that the items were got executed with machinery, so the rate of relevant and economical item # 52 Chapter 3 of MRS i.e. “*Earthwork in excavation of drains, irrigation channels through excavator/drag lines in all kind of soil and conditions etc.*” was required to be paid. Detail was as under:

Sr. No.	DP No.	Name of Division	Amount (Rs)
1	216 (2020-21)	Muzaffargarh Canal Division Muzaffargarh	18,125,675
2	69 (2020-21)	Kalabagh , Head Works Division, Daud Khel	16,490,168
3	66 (2020-21)	Kalabagh , Head Works Division, Daud Khel	4,246,770
Total			38,862,613

Violation of rules resulted in overpayment of Rs 38,862,613.

Audit pointed out overpayment in May 2021.

The paras were discussed in SDAC meetings held in October and December 2021. The department explained that items were correctly paid as per provisions of TSE. Audit informed that rate applied by the department was for manual labour whereas, works were executed through machinery, therefore, item # 52 Chapter 3 of MRS was required to be applied and paid. The Committee directed the department to obtain technical advice/clarification from FD otherwise effect recovery. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends to obtain early clarification from FD otherwise effect recovery.

DP No.66, 69 & 216 (2020-21)

4.4.3 Overpayment due to non-deduction of below percentage & cost of shuttering - Rs 36.629 million

As per rule 7.29 of DFR Vol-I, before signing the bill, the Sub-Divisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all rates are correctly entered, and all calculations have been checked arithmetically.

Executive Engineer/Project Director Mailsi-Syphon Division Thingi, Vehari got executed the items "*reinforced cement concrete in roof slab, beams, column 1:2:4*" and "*P/L reinforced cement concrete in slab of raft/strip foundation 1:2:4*" and paid @ Rs 400 per cft and @ Rs 390 per cft respectively. Specification of the aforementioned items was changed through variation order No. 2 with nominal mix of 1:2.21:3.1 and paid @ Rs 437.23 per cft and Rs 427.24 per cft respectively. It was observed that department had not reduced the rates as per the below quoted percentage of 8.93% besides non-adjustment of shuttering component because both sides of barrel walls sheet piles were driven which worked as a form work and covered one side of wall by 16'.

(Amount in Rs)

Sr. No.	Item of Work	Quantity (cft)	Rate Paid (p.cft)	Amount	Below percentage @ 8.93%
1	P/L RCC in roof slab, beams, columns 1:2:4	499477.29	437.23	218,386,455.51	19,501,910.48
2	P/L RCC in raft/strip foundation	448904.90	427.24	191,790,129.48	17,126,858.56
Total					36,628,769.04

Violation of rules resulted in overpayment of Rs 36,628,769.

Audit pointed out the overpayment in May 2021.

The para was discussed in SDAC meeting held in November 2021. The department explained that work had been finalized. Audit contended that additional item of RCC with rich specification was executed, therefore, rate analysis along with breakup be produced to Audit for verification besides effecting recovery. The Committee directed the department to get the rate analysis duly vetted by FD verified from Audit within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of rate analyses duly vetted by FD or to effect recovery.

DP No.103 (2020-21)

4.4.4 Overpayment due to application of incorrect rate - Rs 24.428 million

As per rule 7.29 of DFR Vol-I, before signing the bill, the Sub-Divisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all rates are correctly entered and all calculations have been checked arithmetically.

In three (03) cases, Executive Engineer, Rachna Drainage Division Sheikhpura got executed the item "*Earthwork in excavation of drains,*

irrigation channels through excavator/drag lines in all kind of soil and conditions etc. by machines including 100 feet lead” for a quantity of 99,374,270 cft. Further, another item “extra for every 50 ft lead additional lead 400 ft” was paid at the higher rates for a quantity of 70,778,011 cft. Audit observed that department already allowed vertical and horizontal lead for earthwork excavation of drains etc. Hence, only horizontal lead was required to be paid as cut area height was included in rate of aforesaid item of excavation because work was done with the machinery.

(Amount in Rs)

Sr. No.	DP No.	Qty paid (cft)	Rate paid (% cft)	Rate admissible (% cft)	Diff. (% cft)	Amount
1.	74	49,926,912	440	110	330	16,475,881
2.	72	13,159,452	667.60	222.32	445.28	5,859,641
3.	73	7,691,647	382	110	272.00	2,092,128
Total		70,778,011	-	-	-	24,427,650

Violation of rules resulted in overpayment due to incorrect rate for Rs 24,427,650.

Audit pointed out the overpayment in April 2021.

The paras were discussed in SDAC meeting held on 11.10.2021. The department stated that horizontal and vertical lead was taken in TSE on the basis of taking lift from center to spoil area height. Audit contented that the department allowed inadmissible vertical lead and also informed that the same issue had already been referred to Finance Department by the Irrigation Research Institute for getting advice. The Committee directed the department to pursue the matter with FD otherwise effect recovery and get it verified from Audit within 30 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early clarification from FD otherwise effect recovery.

DP No.72,73&74(2020-21)

4.4.5 Overpayment due to application of higher rate - Rs 24.089 million

According to FD's letter No. RO(Tech)FD-18-23/2004, dated 21.09.2004, rate analyses for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate of relevant quarter and template placed at FD website.

4.4.5.1 Executive Engineer/Project Director, Mailsi-Syphon Division Thingi, Vehari got executed the item "*sheet piling*" for a quantity of 1,341,115 kg and paid @ Rs 320 per kg. The rate analysis was prepared by taking excess labour in the labour component. The correct rate came Rs 304.69 per kg. In this way, excess rate of Rs 15.31 per kg was got approved and paid accordingly.

Violation of FD's instruction resulted in overpayment of Rs 20,532,471.

Audit pointed out overpayment in May 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that labour rate was not a composite rate. Moreover, that rate was for a steel pile whereas, sheet pile was used during execution. Audit contended that the department got approved the rate analysis on higher side which was required to be rationalized by the Finance Department. The Committee directed the department to get the rate analysis rationalized from Finance Department within 30 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early rationalization of rate from FD or effect recovery.

DP No.203 (2020-21)

4.4.5.2 Executive Engineer, Kalabagh Headworks Division, Daud Khel got executed the item “*P/L crushed stone filter*” for a quantity of 372,100 cft and paid @ Rs 4,400 %cft instead of admissible rate of Rs 2,488.26 % cft. Audit observed that 50% quantity of stone aggregate comprised of size 1” to 2” and the rate of item 6.003 of material input rate of Finance Department i.e. stone ballast 1 to 1-1/2” size @ Rs 1,250 %cft was applicable. Actual rate of item worked out to Rs 2,488.26. In this way excess rate Rs 1,911.74 %cft of was paid for 50% quantity of stone aggregate for 186,050 cft.

Violation of FD’s instruction resulted in overpayment due to incorrect rate for Rs 3,556,792.

Audit pointed out overpayment in May 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that the payment was made to contractor as per approved rate analysis. Audit contended that the department did not get the rate analysis approved from the competent authority besides getting it vetted from the Finance Department. The Committee directed the department to get the approved rate analysis verified by Audit otherwise effect recovery within 07 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early verification of approved rate analyses or to effect recovery.

DP No.70(2020-21)

4.4.6 Overpayment due to application of higher rate – Rs 17.810 million

As per letter No. SE/MACH/2018/281-83/18-WB dated 23.01.2019 issued by Superintending Engineer, Machinery Circle, Lahore, the rate of item “*Earthwork excavation from outside borrow pits lead up to average lead 2 mile including dressing and leveling for all type of soil i.e. ordinary/soft/hard*” was Rs 5,551 %cft.

Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh got executed items of work “*Earthwork excavation from outside borrow pits lead up to 2.0 & 2.5 mile*” for quantities 2,600,781 cft & 1,640,270 cft and paid @ Rs 10,628.25 %cft & Rs 8,329.50 %cft respectively. Audit observed that work was required to be done with machinery. Therefore, the rates of item earth filling prepared by SE, Machinery Circle Lahore should have been applied by adding 20% contractor profit in TSE and accordingly was required to be paid.

Violation of rules resulted in overpayment due to application of higher rate for Rs 17,809,873.

Audit pointed out the overpayment in May 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that the work was awarded to contractor on MRS rates. Audit contended that the item was executed with machinery, therefore, rates should be prepared and paid by adding 20% contractor’s profit as notified by the Superintending Engineer, Machinery Circle, Lahore. The Committee directed the department to effect recovery and get it verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No.217(2020-21)

4.4.7 Overpayment due to excess consumption of plasticizer - Rs 14.777 million

As per specification 10.27.2, liquid plasticizer solution of vinsol resin salt is recommended 250 ml for 50 kg of cement or in powder form directly into mixer with 15-30 gram per 50 kg of cement.

Executive Engineer/Project Director, Mailsi-Syphon Division Thingi, Vehari got approved the TSE with a provision of item “consumption of plasticizer @ 0.2 liter per bag” which was enhanced to 0.5 liter per bag

through variation order. It was observed that plasticizer also used in precast cement concrete solid or face blocks (1:2:4) including cost of templates. The department made payment of 29,554.5 liters plasticizer @ Rs 500 per liter for 347,700 cft concrete for the blocks preparation at pre-casting yard which came from 59,109 bags. In this way, excess plasticizer was used in blocks.

Violation of rules resulted in overpayment to contractor for Rs 14,777,250.

Audit pointed out the overpayment in May 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that the plasticizer was used for 0.5 liter per bag to achieve the required mix-design as per permissible limit recommended by the manufacturer Sika Ment 0.21 to 0.65 liters per bag. Audit contented that 0.2 liters per bag plasticizer was required to be used to achieve strength of 3000 PSI as per provision of TS estimate. Moreover, quotations for procurement of plasticizer were also not produced. The Committee directed the department for re-verification of record within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of record or recovery.

DP No.204(2020-21)

4.4.8 Overpayment due to allowing excess carriage of stone – Rs 9.525 million

According to FD letter No. R.O (Tech) FD 2-2/2004 dated 02.08.2004 and R.O (Tech) FD 18-23/2001 date 21.09.2004, shortest route shall be used for carriage of material.

Executive Engineer, Kalabagh Headworks Division, Daud Khel paid an item "*carriage of stone from Mallakhel query with lead 30 km to lead 45 km*" for a quantity of 2,831,272 cft at different rates. Audit observed that department allowed lead for "filter material" from nearest crushing

plant i.e. 20 km and same lead was required to be taken for carriage of stone instead of 30 to 45 km.

(Amount in Rs)

Item	Lead paid	Qty paid cft	Rate paid % cft	Rate admissible % cft with lead 20 Km	Diff. % cft	Amount
<i>carriage of stone</i>	35 KM	1,428,037	1050	714.80	335.20	4,786,780
	30 KM	886,367	950	716.24	233.76	2,071,971
	45 KM	516,868	1200	684.12	515.88	2,666,419
Total		2,831,272	-	-	-	9,525,170

Violation of Finance Department's instructions resulted in overpayment of Rs 9,525,170.

Audit pointed out overpayment in May 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that crusher usually used stone excavated from natural river path, which was boulder of smaller size and did not meet the specifications for dumping or pitching. Audit informed that the department neither got verified the rate analysis nor produced evidence regarding approved quarry. The Committee directed the department to get the approved rate analysis verified from Audit within 15 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of record or recovery.

DP No.59(2020-21)

4.4.9 Overpayment due to allowing payment against inadmissible item – Rs 7.773 million

As per clause 9 (iv) of instructions to bidder if tenderer does not enter any unit rate and amount against any of the pay items of the bid schedule, the Engineer In-charge shall fill in the blanks by noting the word

“Nil” in such blanks at the time of opening of the tender. Such pay items shall be deemed to be covered by the rates of other items.

Executive Engineer/Project Director, Mailsi-Syphon Division, Thingi, Vehari got executed the items under the head “*watch and wards and guards huts*” and made payment of Rs 7,773,354. It was observed that contractor quoted “Nil” rates against the seven (7) items in the approved BOQ/DNIT under the head “watch wards and guards huts”, hence, payment was not payable to contractor through variation order.

Violation of rules resulted in overpayment of Rs 7,773,354.

Audit pointed out overpayment in May 2021.

The para was discussed in SDAC meeting held on 18 to 19.11.2021. The department stated that the contractor quoted “Nil” rates against seven (07) BOQ items. Audit contended that non-quoted rates against each item meant that the rates were included in the agreement as free of cost. Whereas, the department made the payment of free cost items. The Committee directed the department to effect recovery and get the matter probed by the Chief Engineer, Irrigation Bahawalpur Zone, Bahawalpur within 30 days and get it verified by Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early probe by the CE or recovery.

DP No.108(2020-21)

4.4.10 Overpayment due to application of incorrect rate – Rs 6.284 million

As per Finance Department’s Notification No. RO (TECH) FD 2-3/2004 dated 02.08.2004, Chief Engineers would, on the basis of input rates fixed/notified by the Finance Department on its website, fix the rate of each item of work for rough cost estimate, for administrative approval and for TS estimate.

In two (02) cases, Executive Engineer, Kalabagh Headworks Division, Daud Khel got executed the item “*Earthwork excavation in ashes, sand and soft soil or silt clearance, undressed lead up to 50 ft (15 meter)*” beside “*transportation of earth*” was paid. Audit observed that in presence of item “*transportation of earth*”, the relevant and economical MRS item vide No. 1(a) Chapter 3 “*Earthwork excavation undressed lead up to a single throw of Kassi, phaorah or shovel a) In ashes, sand, soft soil or silt clearance*” was required to be paid.

Sr. No.	DP No.	Qty paid	Rate paid % cft	Rate admissible % cft	Diff. % cft	Amount (Rs)
1.	51	2,189,031	4,000	2,727	1,273	2,786,636
2.	55	3,513,222	2,500	1,504.46	995.54	3,497,553
Total						6,284,189

Violation of FD’s instruction resulted in overpayment of Rs 6,284,189.

Audit pointed out overpayment in May 2021.

The paras were discussed in SDAC meeting held on 11.10.2021. The department explained in DP No.55 that same nature of para was already referred to Finance Department for technical advice and for DP No.51, it was not possible for the trucks/dumpers to enter the Nullah. The excavated material was stacked at the bank of Nullah with 50 feet lead and then disposed off with 1000 feet lead. Audit contended that irrelevant item was used instead of economical item, therefore, recovery be effected. The Committee directed the department to get the record re-verified from Audit within 07 days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early verification of record or recovery.

DP No.51&55(2020-21)

4.4.11 Overpayment due to non-utilization of available surplus earth - Rs 5.808 million

As per specification No 17.1(A)(11)(i) of Specification for Execution of Works 1967 Volume-I Part-II, if cutting and filling were to be done simultaneously, all suitable materials obtained from excavation would be used in filling.

Executive Engineer, Jampur Construction Division, Rajanpur got executed an item of work “*Excavation foundation of building, bridges and other structure etc.*” and paid for a quantity of 1,496,744 cft @ Rs 4,500 % cft. Another item of work “*Earth work excavation from outside borrow pit*” was executed for a quantity 118,628 cft and paid @ Rs 5,820.66 % cft. It was observed that 2/3rd quantity of available earth for 997,829 cft was not deducted/utilized from the quantity brought from outside.

Violation of rules resulted in overpayment due to non-utilization of available surplus earth for Rs 5,808,025.

Audit pointed overpayment in April 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that available earth was utilized in banks whereas the earth filling was executed at different reaches. Audit contended that detailed verification of reaches for earth filling and excavated earth was required along with verification of recovery of Rs 3,031,405 regarding re-filling component around structure as refilling around structure was not done at site. The Committee directed the department to effect recovery and get it verified from Audit. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No.213(2020-21)

Irregularities resulting in non-recoveries

4.4.12 Non-recovery of Toll Tax - Rs 19.325 million

As per clause 22 of the contract agreement, the contractor was required to deposit the bid sum in 12 equal monthly installments. In case the lessee fails to pay in full the monthly installment beyond 5th of every month, as per latest instructions of department as existed on the date of bidding on first working day of each calendar month to which it relates, a fine @ 15% of the amount due for the particular month for each day of delay after 5th day of every month in payment of monthly installment after which the contract shall stand rescinded automatically and the earnest money shall in that case stand forfeited to the government. In case lessee continues his possession after the automatic rescission of the contract he shall pay to the government Toll tax at a penal rent @ 15% of installment per day as provided in clause-18.

Executive Engineer, Balloki Headworks Division, Balloki auctioned right for collection of toll tax at Balloki Headworks to the contractor at an amount of Rs 77,300,000 for the period 01.07.2019 to 30.06.2020. The contractor did not deposit the installments for the months of April, May & June 2020 amounting to Rs 19,325,007. Audit observed that the department failed to recover the outstanding amount from contractor for Rs 19,325,007.

Violation of contractual obligation resulted in non-recovery of toll tax for Rs 19,325,007.

Audit pointed out the non-recovery in August 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that the matter for recovery of outstanding toll tax amount has been taken up with Revenue Authorities. Audit informed that the department did not take any action against the contractor except making requests to the Deputy Commissioner for the recovery of outstanding amount under arrear of Land Revenue Act. The Committee directed the

department to pursue the case regarding recovery with the Commissioner office. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends effective pursuance of the case of recovery with Commissioner office.

DP No.113(2020-21)

4.4.13 Non-recovery due to decrease in rates of items - Rs 14.019 million

As per SE Machinery Circle Lahore notification dated 10.09.2020 the rate of item excavation of drains/irrigation channels was Rs 1,257 %ocft for the month of May and June 2020. Further, the rate for the item excavation from outside borrow pit 2 miles lead was Rs 4,323 %ocft for the same period.

Executive Engineer, Irrigation Machinery Division, Lahore in two cases executed the item "*Earthwork excavation/bed clearance of all kind of soil within 100 feet lead (undressed)*" in different works @ Rs 1,881 %ocft Rs 1,448 %ocft to and Rs 5,726 %ocft. The rate of said item was decreased due to decrease in diesel price during May 2020 and June 2020. Audit observed that the department executed the work in May and June 2020 so the works should have been executed at reduced rates.

Violation of rules resulted in non-recovery due to decrease in rates for Rs 14,019,615.

Audit pointed out the non-recovery in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that the same nature para relating to Machinery Division, Multan had already been referred to Technical Committee of Finance Department for advice. Audit contended that the SE, Machinery circle Lahore had reduced the rates in May and June 2020 but the department received the job order on higher rates, hence, overpaid amount was required

to be recovered. The Committee directed the department to get POL procurement and consumption verified in DP No. 42 and obtain early advice from the Finance Department in DP No. 43 within 30 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends for early recovery.

DP No. 43 & 42(2020-21)

4.4.14 Non-recovery of general sales tax - Rs 13.248 million

According to Para-4(ii) of the FBR letter No.1(42)STM/2009/99638-R dated 24.07.2013, in case of public works, it may be ensured that the contractors engaged make purchases only from sales tax registered persons. Since contractors carrying out government work against public tender are required to have a BOQ (Bill of quantity), the contracting department/ organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released.

Executive Engineer, Kalabagh Headworks Division, Daud Khel got executed and paid an item of work "*P/Weaving G.I wire netting 4"&6"*" in three works amounting to Rs 77,931,098. Audit observed that the department neither recovered sales tax @ 17% on the material rate of G.I wire nor obtained invoices from the contractor.

Violation of FBR's instructions resulted in non-recovery of GST for Rs 13,248,287.

Audit pointed out the non-recovery in May 2021.

The para was discussed in SDAC meeting held on 11.10.2021. Audit informed that department did not produce any record during verification. The Committee took it seriously and directed to initiate action against the defaulter(s) regarding non-production of record. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No.63(2020-21)

4.4.15 Less recovery of PST and Income Tax - Rs 12.878 million

As per amendment letter No. PRA/MTN/6707 dated 24.08.2017, the rate of Punjab Sales Tax for construction works and maintenance & repair works was required to be deducted @ 5% and 16% respectively. As per FBR's clarification vide No.5/WHT-U-03 dated 24.04.2018, the income tax was required to be deducted from the contractors on the gross value of work done including PST u/s 153 of Income Tax Ordinance 2001.

Executive Engineer, Construction Division, D.G. Khan made payment to the contractor after deduction of income tax @ 7.5 % on value of work done without adding 5% PST. Audit observed that income tax was required to be deducted on the gross amount of the bill.

(Amount in Rs)

Value of work done (Rs)	PST @ 5%	Income Tax on PST @ 7.5%	Amount
99,990,000	4,999,500	374,962	5,374,462
98,554,615	4,927,731	369,580	5,297,311
28,196,361	1,409,818	105,736	1,515,554
184,142,872	*9,207,144	690,536	690,536
Total	11,337,049	1,540,814	12,877,863

* The amount was not involved in the amount of PST.

Violation of rules resulted in less recovery of PST for Rs 11,337,049 and non-recovery of Income Tax on PST for Rs 1,540,814.

Audit pointed out the overpayment in September 2021.

The para was discussed in SDAC meeting held on 18.11.2021. The department stated that PST had been applied and Income Tax had already been deducted after adding PST. Audit informed that the department did not get verified the deduction of income tax after adding the amount of PST in total value of work done as per FBR's instructions. The Committee directed the department to get the record verified within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of recovery.

DP No.150 (2021-22)

Irregularities relating to undue financial benefit to contractors

4.4.16 Undue financial benefit due to non-obtaining of additional and performance security – Rs 2,142.921 million

As per clause-7 of contract agreement read with item (h) memorandum of work, and FD's notification RO(Tech)FD-1-2/83(V)(P) dated 06.04.2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. Furthermore, as per clause-26-A of the contract agreement, in case the total tendered amount is less than 5% of the approved estimate/(DNIT) amount, the lowest bidder will have to deposit additional performance security from a Scheduled Bank.

In six (06) cases, Executive Engineers, Irrigation Divisions, awarded works to the contractors at quoted percentages, which were 5% below the estimated costs and in some cases awarded works valuing more than Rs 50.00 million. Audit observed that department did not obtain additional performance securities as well as performance securities and extended undue financial benefit to the contractors. In some cases, additional and performance securities were expired but department did not get bank guarantees revalidated from banks by the contractors. The detail was as under:

DP No.	Name of Formations	Amount (Rs)	SDAC Directives
172 (2021-22)	Mailsi Syphon Thingi	1,026,352,207	Verification of complete record
148 (2021-22)	Construction Division, D.G. Khan	596,249,581	Revalidate the Additional Performance Securities
52 (2020-21)	Kalabagh Headworks Division, Daud Khel	468,366,105	Action against the defaulters for not obtaining performance/additional performance besides verification
91 (2020-21)	Rachna Drainage Division Sheikhpura	21,985,786	Condonation from Finance Department

33 (2020-21)	Muzaffargarh Canal Division, Muzaffargarh	21,442,380	Verification of complete record
218 (2020-21)	Muzaffargarh Canal Division, Muzaffargarh	8,525,453	Condonation from Finance Department
Total		2,142,921,512	

Violation of contract and FD's instructions resulted in undue financial benefit to contractors for Rs 2,142,921,512.

Audit pointed out the undue financial benefit during April 2021 to September 2021.

The matter was discussed in SDAC meetings held in November and December 2021. The department explained that in three cases, performance/additional performance security was obtained, in one case the securities would be obtained and got verified and in remaining two cases performance securities had been deducted from the bills of contractors. Audit informed that in three cases, additional performance guarantees had expired and were not got revalidated, in one case, the department did not obtain the performance security, whereas in two cases condonation from Finance Department was required. The Committee directed the department to revalidate/obtain performance/additional performance securities in four cases, obtain condonation from the Finance Department in two cases and get these verified from Audit within 15 days. Compliance of the Committee directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC's directives.

4.4.17 Pre-mature release of security deposits to contractor - Rs 27.722 million

As per clause 50 of the contract agreement the amount retained as security deposit shall not be refunded to the contractor before the expiry of 6 months in the case of original work valuing up to Rs 5 million and 12 months, or even more as may be determined by the Engineer In-charge, with the prior approval of the Chief Engineer in case of the works valuing above

rupees 5 million after the issuance of certificate of completion of work under clause 40 of contract agreement.

Executive Engineer, Irrigation Canal Division, Bhakkar released the security deposit to contractor for Rs 27,722,230 without completion/finalization of the work. Audit observed that the work was incomplete despite lapse of stipulated period.

Violation of contractual obligation resulted in premature release of security deposit for Rs 27,722,230.

Audit pointed out lapse during March 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department admitted the recovery and promised to effect the same from next running bill. Audit contended that the responsibility should be fixed against the Executive Engineer. The Committee took it seriously and directed to call for explanation of the XEN for premature release of security besides verification of recoupment of security within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recoupment of security deposit besides fixing responsibility against delinquents.

DP No.15(2020-21)

Irregularities resulting in loss to government

**4.4.18 Loss due to less calculation of outturn in manufacture estimates
- Rs 117.236 million**

The Superintending Engineer, Machinery Division, Lahore approved the manufacture estimates of 19 machines with increased quantity of the Earthwork outturn for the year 2019-2020. During the period 2017-2018 to 2018-19, approved quantity of outturn of the same machines was less than the increased quantity of outturn approved for 2019-2020. The

consumption of HS diesel/POL etc. per hour was same during 2017-18 to 2018-19.

Executive Engineer, Irrigation Machinery Division, Lahore executed the earthwork of various works through 19 machines on the basis of manufacture estimates approved during 2019-2020 with increased outturn of earthwork on the same quantity of consumption of POL per hours which had been adopted in 2017-18 and 2018-19, but with less outturn of the machines. This situation indicated that the outturns of machines in the year 2017-18 to 2018-19 were intentionally kept on lesser side. Audit calculated the difference of outturn of 19 machines for the year 2017-18 and 2018-19 compared with the approved outturn of the same machines for the year 2019-2020. The cost of less shown outturn in 2017-18 and 2018-19 came to Rs 117,236,192 based on working hours entered in log books.

Violation of the provision of manufacture estimates resulted in loss due to less calculation of outturn for Rs 117,236,192.

Audit pointed out the loss in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that machinery got old and worn out, the average of the machine's changes over time and in 2019-20 the manufacture estimates were approved with the quantity of greater outturn as compared to previous years i.e. 2017-18 & 2018-19. Audit pointed out overpayment in previous years by calculating the difference of outturn of 19 machines for the year 2017-2019 & 2019-20 that showed payment of less outturn at higher approved rates. The Committee directed the department for technical probe by the Additional Secretary (Technical) within 60-days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early technical probe through Additional Secretary (Technical).

DP No.35(2020-21)

**4.4.19 Loss due to incorrect calculation of conversion factor -
Rs 32.210 million**

As per report of the Rate Rationalization Committee, constituted by the Secretary Irrigation to review and harmonize rate analysis of earth moving machinery vide No. works/2020/15092 dated 04.12.2020, the factor for calculating the specific fuel consumption was taken as 0.4 in the formula.

Executive Engineer, Irrigation Machinery Division, Lahore paid excessive POL for different machinery used in the earthwork during the financial years 2017-18 to 2019-20 by using the factor for calculating the specific fuel consumption as 0.5 in the formula. Audit observed that the Rate Rationalization Committee had ascertained the factor of 0.4 for calculating specific fuel consumption for the year 2020-21 which was required to be adopted instead of taking 0.5 factor.

Weak technical controls resulted in loss due to incorrect calculation of conversion factor for Rs 32,210,711.

Audit pointed out the loss in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. Audit informed that the department neither replied about admissible conversion factor 0.4 nor produced the relevant record during verification. The Committee directed the department to get the record verified within 07 days otherwise disciplinary action be taken against the defaulters under PEEDA Act. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery of loss besides fixing responsibility under PEEDA Act 2006 against the delinquents.

DP No.81(2020-21)

**4.4.20 Loss due to excess consumption of diesel in dump truck -
Rs 24.524 million**

As per manufacture estimates for the year 2018-19, the consumption of diesel per hour of dump trucks was 33.14 liter per hour whereas in the manufacture estimates of 2019-20 the consumption of diesel of dump trucks was approved as 26 liters per hour.

4.4.20.1 Executive Engineer, Irrigation Machinery Division, Lahore paid excess POL against thirty-two (32) dump trucks during the year 2017-18 and 2018-19. Audit observed that as per manufacture estimates of the year 2017-18 and 2018-19, the consumption of diesel per hour of dump trucks was 29.59 liter and 33.14 liter per hour whereas in the manufacture estimates of 2019-20, the consumption of diesel of dump trucks was approved as 26 liters per hour. The department was required to revise the same rates during 2017-18 and 2018-19. In this way, excess quantity of 3.59 liter per hour and 7.14 liter per hour was shown as consumed.

Violation of manufacture estimate resulted in loss due to excess consumption of diesel for Rs 23,514,131.

Audit pointed out the loss in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that machinery was old and worn out, therefore average run of machine was changed. Further, fuel consumption was approved by the competent authority during year 2019-20 @ 26 liter per hour. Audit contended that during financial years 2017-18 & 2018-19 fuel consumption was 33.14 liter per hour. Accordingly, department paid excess quantity of 3.59 liter per hour and 7.14 liter per hour during previous years. The Committee directed the department to conduct the technical probe by the Additional Secretary (Technical) within 60 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early technical probe through Additional Secretary (Technical).

DP No.30(2020-21)

4.4.20.2 Executive Engineer, Irrigation Machinery Division, Lahore paid excessive POL for four (04) dump trucks during the years 2019-20. Audit observed that as per manufacture estimates of the year 2019-20, the consumption of diesel per hour of dump trucks was 26 liter per hour whereas the department took 33.14 liter per hour in the log books of those dump trucks incorrectly resulting in loss of Rs 1,010,310 to the government.

Violation of manufacturer estimate resulted in loss due to excess consumption of diesel for Rs 1,010,310.

Audit pointed out the loss in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that diesel was booked in log books as per approved manufacture estimates with consumption of diesel @ 33.14 liters per hour and during 2019-20 manufacturing estimates were approved with consumption of diesel 26 liter per hour. Audit contended that excess POL was booked against 4 dumpers trucks @ 33.14 liter per hour instead of 26 liter per hour. The Committee directed the department for technical probe by the Additional Secretary (Technical). Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early technical probe through Additional Secretary (Technical).

DP No.36(2020-21)

4.4.21 Loss due to non-execution of work – Rs 19.926 million

As per Sub Divisional Officer, Drainage Sub Division, Sheikhpura, letter No. 688/2-W dated 16.10.2018, the work “closing and strengthening of breaches along Nikki Deg Drain” was not carried out by the Machinery Division Lahore.

Executive Engineer, Irrigation Machinery Division, Lahore received Job Order No. 1274 dated 26.05.2014 and received payment accordingly from Executive Engineer, Drainage Division, Sheikhpura for

the work “closing and strengthening of breaches along Nikki Deg drain reach RD 0+000 to RD 149+578”. Audit observed that the subject work was not carried out by the Machinery Division Lahore as per Sub-Divisional Officer, Drainage Sub-Division, Sheikhpura, letter No. 688/2-W dated 16.10.2018.

Violation of rules resulted in loss due to non-execution of work for Rs 19,926,068.

Audit pointed out the lapse in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department explained that Committee had been constituted by the Administrative Department for checking the work. As soon as the report of the Committee was published, it would be produced to audit. Audit informed that the department did not produce any record during verification. The Committee took it seriously and directed the department to get the record verified within 07 days otherwise action be taken against the defaulter(s) under PEEDA Act 2006. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early recovery and its verification besides fixing responsibility under PEEDA Act 2006 against the delinquents.

DP No.45(2020-21)

4.4.22 Loss to Government due to less collection of Toll tax - Rs 13.854 million

As per Rule No. 4.1 of PFR Vol-I, it is the primary duty of the Controlling Officer of any department to watch that all the revenue due to government are properly realized and accounted for under proper head of account.

Executive Engineer, Kalabagh Headworks Division, Daudkhel collected toll tax amounting to Rs 30,126,900 departmentally during the financial year 2019-20 against the reserve price of Rs 43,980,529 fixed by

the Chief Engineer vide letter No. 941-42/17A dated 04.11.2017. As a result, less collection of toll tax amounting to Rs 13,853,629 was made during the financial year 2019-20.

Violation of rules resulted in loss due to less collection of toll tax for Rs 13,853,629.

Audit pointed out the loss in May 2021.

The para was discussed in SDAC meeting held on 19.11.2021. The department stated that auction process was exercised two times but no contractor participated in the tendering process. Third time, only one contractor participated and deposited security for Rs 1.000 million which was forfeited due to non-taking over the tolls by the contractor. Therefore, collection of toll tax was made through the departmental labour. Audit contented that department made less collection of toll tax for Rs 13,853,629 against the reserve price. The Committee directed the department to get the matter technically probed by the Superintending Engineer, Sargodha Circle within 30-days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early probe through SE into the matter.

DP No.125 (2020-21)

Irregularities relating to procurement

4.4.23 Irregular award of work without participation of contractor in tendering process - Rs 117.660 million

As per clause 9 (iv) of instructions to bidder, if tenderer does not enter any unit rate and amount against any of the pay items of the bid schedule, the Engineer In-charge shall fill in the blanks by noting the word "Nil" in such blanks at the time of opening of the tender. Such pay items shall be deemed to be covered by the rates of other items.

Executive Engineer, Jampur Construction Division, Rajanpur got executed the deposit work “Construction of Flood Bund along river Indus from Raikh Bagh Wala to Bait Wagwar, Kot Mithan district Rajanpur” from contractor for Rs 117,660,760. Audit observed that tenders were opened on 13.12.2017 and awarded to M/s Malik Habib & Brothers without the purchase of tender form.

Violation of rule resulted in irregular award of work without participation of contractor in tendering process for Rs 117,660,760.

Audit pointed out the irregularity in August 2021.

The para was discussed in SDAC meeting held on 19.11.2021. The department stated that the matter regarding irregular award was under process. Audit informed that neither contractor marked attendance nor purchased tender forms from Irrigation Secretariat Lahore which proved that contractor had not participated in the tendering process. The Committee directed the department to probe the matter by the Additional Secretary (Admn), Irrigation Department within 30-days. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends early verification of probe report.

DP No.136(2020-21)

4.4.24 Irregular enhancement of agreements in violation of PPRA Rules - Rs 18.717 million

As per rule 59 of PPRA Rules 2014, repeat orders should not exceed more than fifteen per cent of original procurement.

Executive Engineer, Jampur Construction Division, Rajanpur awarded work “Protective measures by construction stone studs to check erosive action on right bank of river Indus at harrow flood” to the contractor for Rs 65,412,723. Audit observed that the department enhanced the scope of work which was beyond the permissible limit of 15%.

Violation of PPRA Rules 2014 resulted in irregular enhancement of contract Rs 18,717,516.

Audit pointed out irregularity in April 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that enhancement in scope of work was approved by the competent authority. Audit informed that enhancement up to the maximum limit of 15% only was admissible as per PPRA Rules. The Committee directed the department for a technical probe by the concerned Superintending Engineer besides condonation from the Finance Department and get the same verified from Audit within 30 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early verification of probe report along with condonation from FD.

DP No.22(2020-21)

HR/Employees related irregularities

4.4.25 Non-finalization of inquiry since 2016 – Rs 262.540 million

As per section 10(6) of PEEDA Act, the inquiry officer or the inquiry committee, as the case may be, shall submit his or its report, containing clear findings as to whether the charge or charges have been proved or not and specific recommendations regarding exoneration or imposition of penalty or penalties, to the competent authority within sixty days of the initiation of inquiry.

4.4.25.1 Secretary Irrigation did not finalize the inquiry against Ex-Superintending Engineer and Ex. Executive Engineer who were dismissed from service on 16.06.2016 on account of charges of embezzlement and mis-appropriation for Rs 245,630,000. Audit observed that proceedings were pending since 2016 and inquiry was not finalized till June 2021.

Violation of PEEDA Act resulted in non-finalization of proceedings/inquiry for Rs 245,630,000.

Audit pointed out the irregularity in October 2021.

The para was discussed in SDAC meeting held on 03.12.2021. The department explained that inquiry proceedings were under process and would be completed in due course of time. Audit informed that the department did not finalize the inquiries under PEEDA Act 2006 within 60 days, hence, disciplinary action should be initiated against the concerned for non-finalization of inquiry. The Committee directed the department to finalize the inquiry and get it verified from Audit. Compliance of the Committee directives was not reported till finalization of the report.

Audit recommends early finalization of inquiry as well as its verification.

DP No. 235 & 236 (2021-22)

4.4.25.2 Secretary Irrigation, Lahore did not finalize the inquiry against Farm Managers, Chakanwali Reclamation Farm Unit-I & II, District Gujranwala regarding embezzlement in wheat production. Audit observed that proceedings were pending since more than one year and inquiry report was not finalized till June 2021.

Violation of PEEDA Act resulted in non-completion of inquiry regarding embezzlement by Farm Managers in Wheat Production 2018-19 for Rs 16,910,000.

Audit pointed out the irregularity in October 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that inquiry proceedings were under process and would be completed in due course of time. The Committee directed the department to finalize the inquiry and get it verified from Audit. Compliance of the committee directives was not reported till finalization of the report.

Audit recommends early finalization of inquiry besides fixing responsibility under PEEDA Act 2006 against the delinquents.

DP No.238 (2021-22)

Miscellaneous Irregularities

4.4.26 Lapse of funds - Rs 1,785.689 million

According to rule 14.3 of the Punjab Budget Manual, the Statement of Excesses and Surrenders was required to be prepared and submitted to Administrative Department and FD, before 31st March of each financial year. As per rule 17.20 of Punjab Financial rules (PFR) Vol-I, the department incurring the expenditure should be made responsible for seeing not only that grant is not exceeded but also that anticipated savings should be surrendered in time.

Secretary Irrigation, Lahore got allocated the funds amounting to Rs 21,245,440,239 during the financial year 2020-21 out of which an amount of Rs 19,459,750,688 was utilized as per reconciled statement. Audit observed that the balance amount of Rs 1,785,689,551 was neither utilized nor surrendered. Further, no excess and surrender statement was prepared and submitted to Finance department.

Violation of FD's instructions resulted in lapse of funds worth Rs 1,785,689,551.

Audit pointed out the lapse in October 2021.

The para was discussed in SDAC meeting held on 08.12.2021. The department stated that the saving was 6%, which would be dealt in PAC meeting. Audit contended that the matter should be referred to Finance Department before PAC meeting. The Committee directed the department to refer the case to Finance Department for advice. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility against the delinquents.

DP No.242 (2021-22)

4.4.27 Non-retrieval of encroached state land - Rs 69.674 million

As per para 13.27 of Revenue Manual, Government land falling outside the limits of rest houses, office compound and canal colonies should be leased out and policies should be adopted which are beneficial to the Government.

Executive Engineer, Taunsa Barrage, Kot Addu had various state land under its jurisdiction amounting to Rs 69.674 million which were illegally occupied by the encroachers. Audit observed that neither the encroachers were given any notices to vacate the illegally occupied state land nor fine/penalty was imposed on account of cultivating on state land.

Violation of rule resulted in non-retrieval of encroached state land for Rs 69.674 million.

Audit pointed out the irregularity in September 2021.

The para was discussed in SDAC meeting held in November 2021. The department stated that FIRs against the illegal encroachers had been lodged and court orders for stay on account of illegal occupation of state land was obtained. Further, the matter was also probed by the NAB, who had directed for recovery but the illegal occupants obtained stay order from the courts. The Committee directed the department to probe the matter through the administrative department and recovery be made as per NAB orders/reference under intimation to Audit within 30 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC's directives.

DP No.156 (2021-22)

4.4.28 Loss due to non-auction of steel – Rs 26.267 million

According to para 4.40 of the PWD Code, the auction of un-serviceable material should be made on book value nearer to the market value/rates after approval of Survey Report from the Competent Authority. Further as per clause 9 & 10 of approval letter of the Secretary Irrigation

Department, the disposal of material should be done within a period of 60 days after receipt of orders and the date & time/place of auction must be informed to the Irrigation Secretariat before the date of auction.

Examination of accounts record of Executive Engineer, Jampur Construction Division, Rajanpur revealed that department did not auction unserviceable material i.e. steel for the quantity 525,358 kg as per approved survey reports provided by the department lying in the store despite lapse of many years. The material was deteriorating and losing its value day by day.

Violation of PWD code resulted in loss due to non-auction of old material of Rs 26,267,900.

Audit pointed out the loss in April 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department stated that the unserviceable steel material had been taken on Stock Register. Audit informed that the department did not auction the unserviceable steel. The Committee directed the department for auction of unserviceable material and a probe by the Administrative Department for non-auctioning the same material within 30 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early auction of old material and its verification besides fixing of responsibility against the delinquents.

DP No.23(2020-21)

4.4.29 Doubtful booking of POL due to non-installation of trackers and hour meters on machines

Global positioning system (GPS) trackers and hours meters are to be installed on each machine/vehicle owned by the department for economic measures, counter checking the real time, recording of elapsed time, for log running time, to assure accuracy of the working location of the machines.

Executive Engineer, Irrigation Machinery Division, Lahore got executed the works through 58 machines by showing operation up to 16 to 18 hours in a day which appeared unrealistic. As per Form 33 for June 2018, June 2019 and June 2020, the POL expenditure booked for Rs 621,321,608. Further, the stock for the year 2018-2019 and 2019-2020 depicted the procurement of heavy quantities of HS Diesel, mobil oil, hydraulic oil, gear oil, grease white, brake oil and grease black etc. In view of heavy expenditure on POL, the installation of trackers and hour meters on machines were quite necessary for accuracy of the working location of the machines. In order to achieve the accuracy and transparency of running of the machines, hour meters and trackers needed to be installed on each machine for accurate calculation of working hours and locations.

Weak supervisory and managerial controls resulted in doubtful booking of POL due to non-installation of trackers and hour meters on machines.

Audit pointed out the lapse in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department explained that installation of trackers on machines was under process. Audit informed that the both trackers and hour meters were committed to be install by the other sister divisions. Hence, the hour meters needed to be installed on each machine for accurate calculation of working hours and locations. The Committee directed the department for verification of record within 07 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early installation of trackers and hour meters to strengthen internal controls.

DP No.82(2020-21)

4.4.30 Non-earning of revenue due to non-auction of unserviceable machines

According to Para 4.40 of the PWD Code, the auction of un-serviceable material should be made on book value nearer to the market value/rates after approval of Survey Report from the Competent Authority.

Executive Engineer, Irrigation Machinery Division, Lahore did not dispose of the unserviceable thirty (30) machines which were lying idle and declared unserviceable since long. The condition of the machines was depreciating day by day, due to non-auction of machines.

Violation of rules resulted in non-earning of revenue due to non-auction of scrap machines for millions of rupees.

Audit pointed out the matter in June 2021.

The para was discussed in SDAC meeting held on 11.10.2021. The department explained that the auction was under process. Audit informed that department did not produce record of auction for verification. The Committee directed the department for verification of record within 07 days otherwise action to be taken against the defaulter(s) under PEEDA Act. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early compliance of SDAC directives.

DP No.49(2020-21)

Foreign Aided Project

Jalalpur Irrigation Project (JIP)

4.4.31 Non-mutation of land

According to section 2.85 of B&R Code “No work should be started on the land which has not been mutated/transferred in favour of payee department/office”.

Project Management Office (PMO) Canals got approved the scheme named “Land Acquisition for Jalalpur Irrigation Project” and process regarding acquisition of land was required to be completed up to 30.06.2017 but PMO Canals failed to do so through PDA consultant which was hired specifically for this purpose. Accordingly, PDWP granted extension in gestation period from 30.06.2017 to 30.06.2021. An amount of Rs 3,303.924 million was paid to the Land Acquisition Collector (LAC) Tehsil Jhelum, Tehsil Pind Dadan Khan and Tehsil Khushab on account of cost of 8,558 acres for land acquisition. Audit observed that PMO/LAC had acquired only 3,761 acres of land up to 30.06.2021. Irrigation Department despite the lapse of 04 years did not get mutation of land.

Weak supervisory and financial controls resulted in non-mutation of land having value of Rs 3,303.924 million.

Audit pointed out non-mutation of land in September 2021.

The matter was discussed in SDAC meeting held on 06.10.2021. The PMO explained that the mutation of land was very tedious process to be carried out by the Revenue Department. The LACs had awarded 4,156 acres land out of 8,558 acres and handed over to the JIP so far. Land acquisition of remaining 4,402 acres is under section 9 & 10 of Land Acquisition Act 1894 and expected to be completed by the end of December 2021. The Committee directed the PMO to get the land acquisition of remaining 4,402 acres at the earliest and get the mutation of 8,558 acres

land verified from Audit. Compliance of Committee's directives was not reported till finalization of the report.

Audit recommends for early mutation of land in the name of the Irrigation Department.

DP. 21-FAP (2021-22)

4.4.32 Undue financial benefit due to less recovery of Income Tax – Rs 3.560 million

According to Section 153, Division-III Part-III of First Schedule of Income Tax Ordinance 2001, rate of deduction of Income Tax other than company is 10% of gross amount.

Project Director, PMO Canals (JIP), awarded the contract of Consultancy Services on 29.03.2019 to the joint venture of M/s National Development Consultant (Pvt) Ltd (NDC) Lahore, M/s BARQAAB Consulting Services (Pvt) Ltd (BQB), M/s Engineering Consultants International (Pvt) Ltd (ECIL) Karachi and sub consultants M/s Lahmeyer International (LI) (GMB-H Hydro-Germany) and M/s Rachna Development Consultants (RDC) Pakistan at contract cost of Rs 1.025 billion which was enhanced to Rs 1.218 billion through addendum No. 02. Audit observed that payment of Rs 140,879,376 was made to M/s National Development Consultant (Pvt) Ltd up to 30.6.2021 and income tax was required to be deducted @ 10% instead of 8% of the gross amount because JV had not been registered in the FBR till September 2021.

Violation of Income Tax Ordinance resulted in undue financial benefit due to less recovery of Income Tax for Rs 3,560,797.

Audit pointed out undue financial benefit due to less recovery of Income Tax in September 2021.

The matter was discussed in SDAC meeting held on 06.12.2021. The PMO explained that the tax was rightly deducted from the payments of consultant. Audit informed that income tax was required to be deducted @

10% instead of 8% of the gross amount because joint venture had not been registered in FBR till September 2021. Therefore, Project Director had been extending undue financial benefit to the consultant. The Committee directed the Project Director to effect recovery as pointed out by Audit in the next IPC and get it verified from Audit within 15 days. The compliance of Committee's directives was not reported till finalization of report.

Audit recommends that tax should be deducted as per Income Tax Ordinance 2001.

DP No.8-FAP (2021-22)

CHAPTER – 5

LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT (LG&CD) DEPARTMENT

5.1 Introduction

A. Local Government and Community Development Department comprises attached departments, Directorate General, Local Government and Community Development, Punjab Local Government Board, Directorate General, Katchi Abadis and Walled City of Lahore Authority. Local Government and Community Development Department administers the affairs of devolved institutions i.e. District Governments, Tehsil/Town Municipal Administrations, and Union Councils. At provincial level, the department is directly responsible for the execution of different projects at local level being sponsored by the provincial legislature. The primary aim of the department is to ensure effective and efficient delivery of municipal services. The policy envisaged to strengthen the Local Government in improving the financial and institutional capacity for effective and efficient delivery of municipal services. The LG&CD Department has 205 formations out of which 08 were audited during Phase-II of Audit Year 2020-21 covering financial year 2019-20 and 05 were audited during Phase-I of Audit Year 2021-22 covering financial year 2020-21.

The Walled City of Lahore Authority, an autonomous body, was established in 2012 by the Government of Punjab, to work for the preservation, conservation and administration of the old city under the Walled City of Lahore Authority Act approved on 18th April 2012. Walled City, comprised of Union Councils 27, 28, 29 and 30 Ravi Town, Lahore, with their boundaries as on the commencing day of the Act including the outer circumference of the circular road around the four Union Councils and the Minto Park and Iqbal Park, situated in the north of the Walled City including the road surrounding the twin parks. The Authority was audited during Phase-II of Audit Year 2020-21.

A(i) Main Objectives of LG&CD Department

Following are the main objectives of LG&CD department:

- i. Provision of efficient and effective municipality services to the masses.
- ii. Community development through improving basic infrastructure.
- iii. Clean and green environment for better living standard.
- iv. Effective use of land through master planning of urban areas.
- v. Social uplifting and cohesion through provision of public open spaces and play grounds.
- vi. Efficient funeral and burial services.
- vii. Ease in mobility and communication.
- viii. Cost efficient Solid Waste Management through waste to energy initiatives.
- ix. Capacity building of Local Governments.

A(ii) Main Objectives of Walled City Lahore Authority

Following are the main objectives of Walled City Lahore Authority:

- i. To provide a comprehensive, integrated legal framework and specialized institutional arrangement for the conservation of the heritage & tangible and intangible culture of the Walled City of Lahore
- ii. To streamline the conduct of business, commercial activity and to enhance quality of life of the people
- iii. To promote tourism and market the uniqueness of the Walled City of Lahore

B. Comments on Budget & Accounts (Variance Analysis)

B(i) LG & CD Department

The budget/expenditure of the department during the financial year 2020-21 was as under:

(Rs in million)

Nature of Budgetary Allocation	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development					
PC 21010	406.077	716.917	698.277	(18.640)	(2.60)
PC 21031	825.392	11,090.041	10,393.530	(696.511)	(6.28)
Sub-Total	1,231.469	11,806.958	11,091.807	(715.151)	(6.06)
Development					
PC 22036	13,187	15,952.896	12,241.362	(3,711.534)	(23.27)
Sub-Total	13,187	15,952.896	12,241.362	(3,711.534)	(23.27)
Grand Total	14,418.469	27,759.854	23,333.169	(4,426.685)	(15.95)

Source: Departmental figures for the year 2020-21

During financial year 2020-21, department could not utilize 23.27% of its development and 6.06 % of its non-development budget.

B(ii) Walled City Lahore Authority (WCLA)

The budget/expenditure of the Authority during the financial year 2020-21 was as under:

(Rs in million)

Nature of Budgetary Allocation	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development					
PC 21031	355.644	371.618	361.020	(10.60)	(2.85)
Sub-Total	355.644	371.618	361.020	(10.60)	(2.85)
Development					
PC 22036	194.507	338.987	316.337	(22.65)	(6.68)
Sub-Total	194.507	338.987	316.337	(22.65)	(6.68)
Grand Total	550.151	710.605	677.357	(33.248)	(4.67)

Source: Departmental figures for the year 2020-21

During financial year 2020-21, Authority could not utilize 6.68% of its development and 2.85% of its non-development budget.

C. Sectoral analysis on the achievements against targets agreed under MTFD/MTBF

Brief comments on targets achieved under MTFD were given in Chapter No. 1 “Sectoral Analysis”.

Audit Profile of LG&CD Department

(Rs in million)

Sr. No.	Description/Formations	Total Nos.	Audited	Expenditure Audited FY 2020-21
1	LG&CD formations	203	12	5,057.857
2	Authorities/Autonomous Bodies etc. under the PAO	02	01	139.069
3	Foreign Aided Projects (FAP)	02	02	5,458.36

5.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,084.819 million were included in this Audit Report. This amount also included recoverable amount of Rs 461.772 million as pointed by the Audit. Summary of the audit observations classified by nature was as under:

(Rs in million)

Sr. No.	Classification	Amount
A	LG & CD Department	
1.	Reported cases of fraud, embezzlement and misappropriation	8.647
2.	Irregularities:	-
(i)	Irregularities resulting in overpayments	390.294
(ii)	Irregularities resulting in non-recovery	16.100
(iii)	Irregularities resulting in loss to government	240.068
(iv)	Miscellaneous irregularities	367.564

B	Walled City Lahore Authority	
1.	Irregularities:	-
(i)	Irregularities resulting in non-recovery	55.378
(ii)	Irregularities relating to Procurement	6.768

5.3 Brief comments on the status of compliance with PAC directives

5.3.1 Local Government and Community Development (LG&CD) Department

An effective monitoring mechanism to watch compliance of PAC directives on regular basis was not in place in the Administrative Department. Five hundred and ten (510) PAC directives pertaining to previous audit reports were pending for compliance with Local Government and Community Development Department, however, no compliance was reported during the year 2020-21.

Sr. No.	Audit Report Year	Outstanding Directives	Compliance Reported	Compliance Awaited	Percentage (%)
1	1993-94	1	-	1	-
2	1994-95	10	-	10	-
3	1995-96	5	-	5	-
4	1996-97	73	-	73	-
5	1997-98	232	-	232	-
6	1998-99	48	-	48	-
7	1999-00	84	-	84	-
8	2000-01	26	-	26	-
9	2006-07	3	-	3	-
10	2009-10	14	-	14	-
11	2010-11	4	-	4	-
12	2012-13	10	-	10	-
Total		510	-	510	-

5.3.2 Walled City Authority Lahore (WCAL)

Printed paras relating to the Authority were not yet discussed by the PAC, hence, no compliance was outstanding up to the year 2020-21.

5.4 AUDIT PARAS

5.4.1 Local Government and Community Development (LG&CD)

Reported cases of fraud, embezzlement and misappropriation

5.4.1.1 Embezzlement in incurring of expenditure - Rs 8.647 million

As per rule 4 PPRA Rules 2014, the procuring agency shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money and procurement process is efficient and economical.

Examination of accounts record of the Secretary, LG&CD Lahore, it was revealed that Deputy Director, LG&CD and Secretaries of four union councils i.e. UC43 Sultanpura, UC 125 Baghbanpura, UC 163 Madina Colony and UC 160 Lahore withdrew the government funds from Bank of Punjab Lahore. Further, seven cheques of Rs 573,000 each and four cheques of Rs 181,833 each were withdrawn from BOP without approval of the competent authority. The case for embezzlement was established during departmental inquiry in January 2020.

Weak managerial controls resulted in embezzlement in expenditure of union council funds amounting to Rs 8,646,747.

Audit pointed out the embezzlement in March 2021.

The para was discussed in the SDAC meeting held in December 2021. The department explained that a criminal case was registered on the request of the Directorate General, LG&CD against the defaulters in Anti-Corruption Establishment, Lahore on 07.01.2020. The Committee directed the department to pursue the case vigorously and effect recovery. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides fixation of responsibility under PEEDA Act 2006 against the delinquents.

DP No. 100(2020-21)

Irregularities

Irregularities resulting in overpayments

5.4.1.2 Double payment of electricity bills to WAPDA – Rs 369.679 million

As per Rule 2.20 of Punjab Financial Rules, as a general rule every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

Examination of accounts record of the Secretary, LG&CD Lahore, revealed that an amount of Rs 369,679,000 was deducted by FD government of Punjab on account of outstanding electricity bills for the financial year 2020-21. Audit observed that all the electricity bills were being paid by the LG&CD Department on monthly basis. Hence, a huge deduction /adjustment by FD was paid twice.

Violation of Financial rules resulted in double payment of electricity bills to WAPDA of Rs 369,679,000.

Audit pointed out the double payment in October 2021.

The para was discussed in the SDAC meeting held on 21.12.2021. The department explained that this amount was deducted by FD directly from the funds of Secretary, LG&CD Department. Audit argued that unauthorized deduction on account of electricity bills was adjusted by the FD and charged to cost center of Secretary, LG&CD. The Committee directed the department to move a reference to FD on the instant matter besides retrieval of deducted amount. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends for early recovery and pursuance the case with FD.

DP No 198(2021-22)

5.4.1.3 Overpayment due to wrong calculations in rates – Rs 8.578 million

As per Finance Department's Notification No. RO (TECH) FD 2-3/2004 dated 02.08.2004, Chief Engineers would, on the basis of input rates fixed/notified by the Finance Department on its website, fix the rate of each item of work for rough cost estimate, for administrative approval and for TS estimate.

5.4.1.3.1 Executive Engineer, LG&CD Civil Division, Lahore prepared rate analysis, of a non-standardized item "*P/L RCC Girder 4"x 9"* @ Rs 454.66 per rft instead of admissible rate of Rs 218.24 per rft. Audit observed that the department had taken unit of 200 rft RCC for boundary pillars but while calculating rate per rft, department counted the unit 96 rft instead of 200 rft.

Violation of FD's instructions resulted in overpayment of Rs 7,501,134.

Audit pointed out overpayment in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department briefed that the rate per rft was correctly worked out dividing it by 200 rft. Audit informed that the department had calculated incorrect rate by dividing the unit of 96 rft instead of 200 rft further, no quotations and FD's input rates were shown to Audit for verification. The Committee directed the department for verification of record within 07 days by the Audit. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery and its verification.

DP No 42 (2020-21)

5.4.1.3.2 Executive Engineer, LG&CD Division, Gujranwala paid an item “*Earthwork embankment*” wherein a quantity of 96370 cft was incorrectly added which was not admissible. Further, the department also paid a quantity of 8232 cft for the item relaying of sub-base course due to arithmetic mistake.

Violation of financial rules resulted in overpayment of Rs 1,077,346.

Audit pointed out the overpayment in April and August 2021.

The para was discussed in the SDAC meeting held in December 2021. The department admitted recovery. The Committee directed to effect recovery and its verification within 30 days. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

DP No.107 (2021-22)

5.4.1.4 Overpayment due to application of higher rate – Rs 7.331 million

As per FD’s letter No. RO(Tech)FD-18-29/2006 dated 03.03.2005 plant, machinery and other items like generator, turbines, lifts, electric motors, electrical and electronics item are required to be procured/purchased as per procedure prescribed in Purchase Manual instead of through the contractors, so that 20% contractor profit and overheads in its price could be saved.

5.4.1.4.1 In two (02) cases, Executive Engineers of LG&CD Civil Divisions added 20% contractor’s profit & overhead in the rate analyses of “*LED lights and poles*”. The contractor’s profit was not admissible on these paid items.

Sr. No.	DP No.	Year	Division	Amount (Rs)
1	14	2020-21	XEN LG&CD Multan	4,176,120
2	126	2020-21	XEN LG&CD Civil Division DG, Khan	1,167,240
Total				5,343,360

Violation of FD's instructions resulted in overpayment of Rs 5,343,360.

Audit pointed out overpayment in March and June 2021.

The para was discussed in the SDAC meeting held in December 2021. In 1st case (DP No 14), the department stated that the works related to the Municipal Corporation, Multan and the concerned formation was asked many times to provide record for verification and in 2nd case (DP No 126), stated that work was done as per TS estimate. Audit informed that no record was produced in 1st case and recovery was required as per FD's clarification in 2nd case. The Committee directed the department to move a reference to the NAB against the defaulters of Municipal Corporation, Multan in 1st case and directed for recovery within 15 days in 2nd case. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC's directives.

5.4.1.4.2 As per FD's notification No. RO(Tech)FD/2-3/2004 dated 02.08.2004, material from nearest approved quarry shall be used.

Executive Engineer, LG &CD Division, Gujranwala paid an item of work "*Providing and Laying base course of crushed stone aggregate*" for 181778 cft with 202 KM from Kirana hill Sargodha instead of correct lead of 168 km from Margalla hill quarry as approved in TSE for crush stone used in carpeting. In this way, excess lead of 34 km was paid for base course @ Rs 1,093.45 %cft.

Violation of FD's instructions resulted in overpayment of Rs 1,987,659.

Audit pointed out overpayment in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department explained that payment was made as per TS estimate and no overpayment was involved. Audit argued that in TS estimate, lead of crush bajri for carpeting was provided for 168 km from Margala quarry and material of base course was also available at Margala quarry hence lead for 202 km was not justified for base course material. The Committee upheld the view point of Audit and directed the department to effect recovery. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No 3 (2020-21)

5.4.1.5 Overpayment due to non-utilization of available surplus earth – Rs 3.231 million

As per section 411 of standard specification for Road and Bridge Construction 1971, available useable material from excavation was to be used in the new work first before using material from outside source.

5.4.1.5.1 In three (03) cases, Executive Engineers of LG&CD Civil Divisions did not adjust/recover available earth obtained from open cutting for a quantity of 263,607 cft from embankment.

(Rs in million)

Sr. No.	DP No.	Year	Division	Amount
1	8	2020-21	XEN LG&CD Civil Division Gujranwala	1.884
2	7	2020-21	XEN LG&CD Civil Division Gujranwala	0.752
3	211	2021-22	XEN LG&CD Civil Division DG, Khan	0.362
Total				2.998

Violation of specifications resulted in overpayment of Rs 2,998,987

Audit pointed out overpayment in April and October 2021.

The paras were discussed in the SDAC meeting held in December 2021. In DP 7 and 8, department explained that material was not useable as per the lab test reports. Audit contended that for unsuitable material the department had used irrelevant item of “*excavation in open cutting*” @ Rs 5,118.6 % cft instead of admissible item of “earthwork excavation undressed lead up to a single throw of Kassi, phaorah or shovel in ashes, sand, soft soil or silt clearance vide item No. 1(a) of chapter 3 @ Rs 2,178.00% cft. Hence actual recovery came to Rs 1,583,462. In DP 211, department utilized available earth for Rs 28,739 out of Rs 362,944 which was verified leaving balance of Rs 280,205. The Committee reduced the paras to Rs 1,863,667 and directed the department to effect balance recovery. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

5.4.1.5.2 In three (03) cases, Executive Engineers of LG&CD Civil Divisions did not adjust quantity of road crust for 85935 cft (20558+65377) and drains/culverts for 18382 cft from embankment. Further, department made double measurement of the item “Earthwork” for a quantity of 57743 cft but same was also not recovered from embankment.

(Rs in million)

Sr. No.	DP No.	Year	Division	Amount
1	109	2021-22	XEN LG&CD Civil Division Gujranwala	0.633
2	104	2021-22	XEN LG&CD Civil Division Gujranwala	0.586
3	39	2020-21	XEN LG&CD Lahore	0.148
Total				1.367

Violation of specifications resulted in overpayment of Rs 1,366,839.

Audit pointed out overpayment in April and August 2021.

The paras were discussed in the SDAC meeting held in December 2021. Department admitted recovery of Rs 927,337 and in case

of double measurement explained that no double quantity had been measured nor paid, however no record was shown to Audit. The Committee directed the department to effect recovery and get the record verified from Audit relating to double measurements. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No 39 (2020-21), 104, 109(2021-22)

5.4.1.6 Overpayment due to less use of bitumen – Rs 1.475 million

As per condition No.6 of Finance Department Notification No.RO (TECH) FD2-3/2004 dated 02.08.2004, rate for an item of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen ranging from 3% to 6%, and payment will be made to contractor as per Job Mix Formula or actual bitumen used in the work.

5.4.1.6.1 In two (02) cases, Executive Engineers of LG&CD Divisions measured and paid the item of work "*P/L plant pre-mixed carpet 2" thick with bitumen contents of 4.5%*". Audit observed that as per JMF and bitumen extraction test report the bitumen contents were 4.3%. In this way, 0.20% bitumen was used less on the project and the department had not make any recovery.

(Rs in million)

Sr. No.	DP No.	Year	Division	Amount
1	113	2021-22	XEN LG&CD Civil Division Gujranwala	1.709
2	228	2021-22	XEN LG&CD Civil Division DG, Khan	0.206
Total				1.915

Violation of FD's instructions resulted in non-recovery on account of less use of bitumen for Rs 1,915,408.

Audit pointed out the overpayment in August and October 2021.

The paras were discussed in the SDAC meeting held in December 2021. In DP No 113, the department explained that actual

recovery of Rs 676,436 in one work was made and verified by Audit. In DP No 228, department effected actual recovery of Rs 676,434 against one work. The Committee reduced the para to Rs 940,288 relating to remaining five works and directed the department to produce relevant record to Audit for verification within 7 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

5.4.1.6.2 Executive Engineer, LG & CD Division, Gujranwala measured and paid the item "*Plant premixed bitumen carpet*" 2 inch thick with 4% bitumen content (ABC) and "*Plant premixed bitumen carpet*" 1.5 inch thick with 4.50% bitumen content (AWC) for a quantity of 530304 sft and 373908 sft for Rs 46,730,388 and Rs 26,062,135 respectively but did not obtain the JMF from RR&MTI, Lahore to ascertain the actual bitumen contents in the carpeting of road.

Violation of FD's' notification resulted in unjustified payment of Rs 72.792 million.

Audit pointed out the unjustified payment in August 2021.

The para was discussed in the SDAC meeting held in December 2021. The department briefed that the payment was made as per approved JMF. Audit argued that a recovery of Rs 3,920,953 on account of JMF was verified however, a further recovery of Rs 535,041 was also required to be made. The Committee directed the department to effect balance recovery of Rs 535,041 along with surcharge @ 12.5% within 15 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No 105 (2021-22)

Irregularities resulting in non-recovery

5.4.1.7 Non-recovery of retrieved material - Rs 7.382 million

According to Para 9(i), chapter 18.1 of book of specifications for Execution of Works 1967, the dismantled material is the property of the government, it should either be recovered from the contractor as credit of dismantled material or it should be counted, measured and recorded for open auction.

5.4.1.7.1 In two cases, Executive Engineers of LG & CD Civil Divisions, dismantled road pavement for 324,671 cft and re-laid dismantled stone as sub-base course for a quantity of 227,890 cft. In this way, a quantity of 96781 cft stone was not utilized in the work.

(Rs in million)

Sr. No.	DP No.	Year	Division	Amount (Rs)
1	111	2021-22	XEN LG&CD Civil Division Gujranwala	4.618
2	112	2021-22	XEN LG&CD Civil Division Gujranwala	4.223
Total				8.841

Violation of specification resulted in non-recovery of retrieved material for Rs 8,841,424.

Audit pointed out the non-recovery in August 2021.

The paras were discussed in the SDAC meeting held in December 2021. The department stated that the recovery of dismantled material would be made from the contractor at material rate. Audit argued that actual recovery came to Rs 3,021,667 by incorporating material rate plus rate of lead. Whereas department recovered Rs 258,670 from the contractor. The Committee reduced the para to Rs 2,762,997 and directed the department to effect remaining recovery from the contractors. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 111,112 (2021-22)

5.4.1.7.2 Executive Engineer, LG&CD Civil Division, Multan got executed and paid the item “*Dismantling of dry brick pavement*” for a quantity of 73080 sft. The recoverable amount against the dismantled material was Rs 2,663,766. Audit observed that department neither auctioned the retrieved material nor recovered from contractor’s payment.

Violation of specifications resulted in non-recovery of Rs 2,663,766.

Audit pointed out the non-recovery in March 2021.

The para was discussed in the SDAC meeting held in December 2021. Audit informed that no record was produced by department. The Committee directed the department to move a reference to the NAB against the defaulters for non-production of record and get the record verified within 15 days. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC’s directives.

DP No 15 (2020-21)

5.4.1.7.3 Executive Engineer, LC&CD, Lahore paid the item “raising of manhole”. In the rate analysis, C.I frame with manhole cover was also provided. Audit observed that the department did not recover cost of old C.I frame of 37 kg each and 9 kg steel of manhole cover each costing Rs 1,869,426.

Violation of specifications resulted in overpayment of Rs 1,869,426.

Audit pointed out overpayment in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department recovered Rs 281,000 against recoverable

amount of Rs 2,150,306. Audit argued that recovery of cost of old material for balance amount of Rs 1,869,366 was also required. The Committee directed the department to effect recovery with rationalized rate and get it verified from Audit within 03 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 38(2020-21)

5.4.1.7.4 Executive Engineer, LG & CD Division, D.G Khan made payment for an item of work "*Fabrication of mild steel*" for total quantity of 136233 Kg. Audit was of the view that 8.62% wastage was given in the template of the item, so the wastage being the scrap could be sold out or recovered as credit of old material from the contractor. Hence, a quantity of steel scrap of 4592 Kg (53267 kg x 8.62%) was not recovered @ Rs 35 per kg.

Violation of rules resulted in overpayment due to non-recovery of old material for Rs 160,706.

Audit pointed out overpayment in October 2021.

The para was discussed in the SDAC meeting held on 21.12.2021. The department recovered Rs 75,265 however complete record was not provided. The Committee directed the department to effect balance recovery of Rs 85,441 and get complete recovery verified by Audit. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No 210 (2021-22)

5.4.1.8 Non-recovery on account of de-escalation in price of diesel – Rs 8.718 million

As per clause 55(1) of the contract agreement, where any variation (increase or decrease) to the extent of 5% or more in the price of any of the

items mentioned in sub-clause (2) takes place after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of the actual variation in the cost of the item concerned.

Executive Engineer, LG&CD Civil Division, DG Khan awarded different works to the various contractors. The rates of diesel were decreased during execution of works. However, the recovery on account of de-escalation of diesel for Rs 9,553,000 was not made from contractors.

Violation of contractual obligations resulted in non-recovery on account of de-escalation in price of diesel worth Rs 9,553,000.

Audit pointed out non-recovery in June 2021.

The para was discussed in the SDAC meeting held in December 2021. The department explained that partial recovery of Rs 839,000 has been made and got verified by Audit. The Committee reduced the amount of para to Rs 8.718 million and directed to effect recovery within 3 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 128 (2020-21)

Irregularities resulting in loss to the government

5.4.1.9 Loss to government due to less collection of receipts than last year's reserve price – Rs 215.00 million

As per Para 4.1 and 2.36 of PFR Volume-I, the departmental controlling officers should accordingly see that all sums due to Government are regularly received and checked against demands, and that they are paid into the treasury. Further, no grant of land or assignment of revenue or concession, grant, lease or any easement, or privilege in respect of such concessions may be authorized except with the sanction of the competent authority.

Examination of accounts record of Secretary, LG&CD Lahore revealed that Director, LG&CD Multan/MD Cattle Market Multan during 2014-15 awarded the contract for leasing of Cattle Market Multan with service provision contract of only Rs 45 million. Audit observed that in previous years, the revenue from the same head was Rs 260 million. Therefore, during the following year the revenue and reserve price should be increased. However, due to fetching of revenue at lesser side the Government sustained a huge loss of Rs 215 million. Moreover, the acceptance of contract for services provision of cattle market Multan for the year 2014-15 without approval of Commissioner Multan.

Weak managerial and financial controls resulted in loss of Rs 215.00 million to government due to less collection of receipts than last year's reserve price.

Audit pointed out the loss during October 2021.

The para was discussed in the SDAC meeting held on 21.12.2021. The department explained reserve price was calculated by a Committee for Rs 35 million for leasing out cattle market Multan and contract was awarded to MS B&B for Rs 45 million. However, the contractor failed to deposit the due amount in treasury. Audit argued that the reserve price was not calculated after proper survey and from competent forum in the light of delegation financial power rules 2006. Moreover, earnest money was required to be forfeited in favour of government which was not done to extend undue benefit to the contractor. In terms of section 10 of the PEEDA act, the inquiry initiated against Ex MD cattle market Multan 07.09.2020 was not completed after the lapse of one year. The Committee directed the department to revisit and justify the reserve price, inquiry status and submit within 15 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends for early recovery and completion of inquiry at the earliest.

DP No 195 (2021-22)

5.4.1.10 Loss due to non-deposit of rent of shops – Rs 13.303 million

As per Rule 13.1 of Departmental Financial Rules, all revenue received by government servants of the department should be paid into the treasury with as little delay is possible. Each remittance should be accompanied by the usual challan form (Subsidiary Treasury Rules 2.7) supplied by the treasury in duplicate and the receipted copy returned by the treasury should be treated as the voucher to the entry in the cash book.

During examination of accounts record of Secretary, LG&CD, Department Lahore revealed that the projected rent of the shops in TMA Chunian for the last six years from 2005-06 to 2010-11 was Rs 22,731,708 but only Rs 9,429,763 were recovered from shop keepers. Thus, an amount of Rs 13,302,645 was not deposited in TMA Chunian account. Further, receipts produced by tenants of shops showed deposit of rents, but those receipts were not issued by TMA Chunian.

Weak managerial and financial controls resulted in non-deposit of rent of shops for Rs 13,302,645.

Audit pointed out the loss in March 2021.

The para was discussed in the SDAC meeting held in December 2021. The department explained that the departmental inquiry was conducted by the Director (C&I), Punjab Local Government Board and recommended dismissal of accused along with recovery of Rs 14,370,744 on account of rent shops. However, FIR bearing No.46/12 was launched against the said dismissed official. The Anti-Corruption Establishment Lahore granted bail to the said official without affecting any recovery of embezzled amount. The Committee directed to effect recovery and pursue the court case vigorously. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss besides disciplinary action against concerned.

DP No. 81 (2020-21)

5.4.1.11 Loss to government due to non-application of economical MRS item - Rs 11.765 million

According to the instructions issued by the FD vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rates of relevant period placed at website of the Finance Department.

Executive Engineer, LG&CD, Civil Division, Multan paid four items in various works, "*Dismantling brick masonry*", "*Breaking the bricks and bricks bats into brick ballasts*", "*relaying the brick ballasts*" and "*Supplying/filling sand under floor*" instead of applying a single item for all these works available in MRS, i.e. "Providing /laying, watering, ramming brick ballasts gauging from 1.5" to 2" mixed with 25% sand". Further, the dismantled/retrieved material (bricks and bricks bats) was required either to be credited to the work or taken on stock register for open auction.

Violation of Financial rules resulted in loss to government due to non-application of economical MRS item for Rs 11.765 million.

Audit pointed out the loss in November 2021.

The para was discussed in the SDAC meeting held on 21.12.2021. The department explained that the work was done as per MRS/TS estimate approved by the competent Authority. Audit argued that the department was required to get executed the economical MRS item. The Committee directed the department to refer the matter to FD for seeking clarification. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early clarification from FD or to effect recovery.

DP No 178 ((2021-22)

Miscellaneous Irregularities

5.4.1.12 Unauthorized payment on fake lab test reports – Rs 367.564 million

As per Clause 28 of Contract Agreement, all material and workmanship shall be of the respective kind described in the contract and in accordance with the instructions of the Engineer-in-charge and shall be subjected from time to time to such tests as the Engineer-in-charge may direct.

The Executive Engineer, LG&CD, Civil Division, Multan, in 28 cases/works, made payment of Rs 367,563,538 on fake laboratory test reports of bricks, sub-base material etc. Further, the department did not provide invoices of bitumen procured by the contractors for scrutiny. The quality of works was not maintained up to the mark and the works were deteriorating, nevertheless, the full payments were made to contractors.

Violation of the agreement clause resulted in unauthorized payment of Rs 367,563,538.

Audit pointed out the irregularity in November 2021.

The para was discussed in the SDAC meeting held on 21.12.2021. The department explained that works were executed after lab test reports. Audit informed that the Inspecting Officer during audit sought clarification from BZU, Multan and JRO, Regional Laboratory Multan who intimated vide letters dated 16.11.2021 and 22.11.2021 that few of the reports were found fake and not issued by the concerned laboratories. Audit also informed that such cases were already in the notice of Special Audit of Research Officer Building Circle Multan about fake test reports and non-deposit of government fee into Treasury. The Committee directed the department for inquiry by SE Highway Circle Multan and submit report within 30 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends for early compliance of SDAC's directives.

DP No 187 (2021-22)

5.4.1.13 Non-provision of due share of Provincial Finance Award to Local Governments

As per Section 189 of the Punjab Local Government Act, 2019, the provincial allocable amount shall constitute not less than 26% of the General Revenue Receipts of the Province in the relevant financial year for the first two financial years following the commencement of this Act and thereafter not less than 28% of the General Revenue Receipt of the Province in the relevant financial year.

Examination of accounts record of Secretary LG&CD Lahore, it was observed that Finance Department was releasing Provincial Finance Commission (PFC) share to the Local Governments (LGs) as per interim PFC Award 2017. PFC allocation of Rs 62.00 billion during the year 2020-21 was budgeted for Local Governments but funds amounting to Rs 33.028 billion were transferred to the Local Governments which were 46.72% less than the allocated amount. Audit observed that as per approved formally yard stick PFC share amounting to Rs 77.806 billion was required to be allocated in Provincial Budget 2020-21.

Violation of PLGA resulted in less transfer of PFC award share for Rs 44.772 billion to Local Government.

Audit pointed out the matter in March 2021. The department replied that the audit para relates to the Section Officer (Regulation), LG&CD Department and forwarded to the quarters concerned. The reply was evasive. The department did not ensured provision of due share to LGs.

The para was discussed in the SDAC meeting held in December 2021. The department explained that the funds under the Punjab Finance Commission are released to the local government by the Finance Department, therefore, no violation of PLGA 2019 was committed by LG&CD Department for issuance of less transfer of PFC award share for

Rs 44.772 billion to the local governments. Further, as per Summary of CM routed through FD dated 30.09.2020 to restore the PFC share as per Act 2019. So the matter rests with FD. The Committee kept the para pending for seeking advice from FD. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early provision of due share to LGs as per provision of PLG Act.

DP No 49 (2020-21)

Foreign Aided Projects

5.4.1.14 Undue financial benefit due to allowing advance payments at higher rates – Rs 1,445.130 million

As per Clause 14.2 of Particular Conditions of Contract, the employer shall make an advance payment to contractor @ 20% of the accepted contract amount and repayment of advance @ 25%. Whereas, in other works i.e. Sahiwal (Lot-1), Sialkot (Lot-2) and Construction of Punjab Local Government Academy at Lahore, rate of advance payment was 15% of the accepted contract amount and rate of repayment was kept as 19% from each payment certificate. Further, in other Foreign Aided Projects, funded by World Bank and Asian Development Bank, rate of advance payment is 10% in case of ICB and NCB contracts.

Program Director, Project Management Unit (PMU), Punjab Intermediate Cities Improvement Investment Project (PICIIP) made advance payments @ 20% to contractors whereas in other Foreign Aided Projects of Punjab funded by World Bank and Asian Development Bank, rate of advance payment was 10% in ICB and NCB contracts. The detail was given in Annex-XXIV.

Weak financial and supervisory controls resulted in undue financial benefit due to allowing advance payments at higher rate for Rs 1,445,129,613.

Audit pointed out the irregularity in August 2021.

The para was discussed in the SDAC meeting held on 09.11.2021. The PMU stated that PICIIP was advance payments were made as approved by ADB in contract agreement. Audit contended that PMU got approved the bidding documents from ADB by enhancing the rate of advance payments from 10% to 20% and its repayment @ 25% without any cogent reasons. The Committee directed that an inquiry should be conducted by the Administrative Department preferably by an officer with a co-opted member having experience in the relevant field and submit report along with specific recommendations within 15 days. The compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends early compliance of Committee's directives.

Para No. 24, 25 (2021-22)

5.4.1.15 Irregular appointment of Director Admin & Finance

As per eligibility criteria for the post of Director Admin & Finance published on 03.10.2020, qualification and experience were CA/ACA, ACCA, ACMA, M.Com, or MBA from an HEC recognized institute/university with 8 years relevant experience in public/private sector.

PMU of PICIIP recruited an officer for the post of Director Admin & Finance who had proper qualification but less than one year relevant experience instead of 8 years as approved in the eligibility criteria.

Violation of eligibility criteria resulted in irregular appointment of Director Admin & Finance.

Audit pointed out the irregularity in August 2021.

The matter was discussed in the SDAC meeting held on 09.11.2021. The PMU explained that candidate was selected after competitive process for the post of Director Admin & Finance. Audit informed that recruitment was made in violation of approved criteria as an officer of PICIIP was

assigned additional charge of the post Manager Finance & Budget/Director Admin & Finance on 19.11.2019. The same officer was recruited after due selection process during the year 2020 when he had less than one year relevant experience. The Committee directed the PMU to get the experience in relevant field verified from Audit within 3 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends reversion of officer to the post of Deputy Director besides recovery of emoluments drawn as Director Admin & Finance.

Para No. 10 (2021-22)

5.4.1.16 Irregular appointment of Director Monitoring & Evaluation

As per eligibility criteria for the post of Director Monitoring & Evaluation published on 16.09.2020, qualification and experience were Master in Civil/Electrical/Mechanical/Environmental Engineering from an HEC recognized institute/university with 8 years of relevant experience in private/public sector. Experience of working in infrastructure related projects with international donor agencies like USAID, World Bank, ADB will be preferred.

PMU of PICIIP recruited an officer for the post of Director Monitoring & Evaluation published who had proper qualification but less than three year's relevant experience and shortlisted candidate who had more than 10 years' experience of infrastructure related projects with international donor agencies like USAID, World Bank and ADB were ignored without any cogent reasons.

Violation of eligibility criteria resulted in irregular appointment of Director (M&E).

Audit pointed out the irregularity in August 2021.

The matter was discussed in the SDAC meeting held on 09.11.2021. The PMU explained that candidate was selected after competitive process for the post of Director M&E. Audit informed that the officer joined PICIIP as Programme Monitoring Officer in October 2017. Her contract as Programme Monitoring Officer was extended for a period of 3 years on 16.10.2018. Nomenclature of the post of Programme Monitoring Officer was changed as Deputy Director (M&E) after revision of PC-I in March 2019 and revised Service Contract with change of nomenclature and increase in salary from Rs 90,000 to Rs 200,000 was made on 01.07.2019 without recommendation of Selection Board and approval of the Chief Minister. The Committee directed the PMU to get the experience in relevant field verified from Audit within 3 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends reversion of officer to the post of Deputy Director besides recovery of emoluments drawn as Director M&E.

Para No. 11 (2021-22)

5.4.1.17 Irregular change of Nomenclature of posts and increase in Market Based Salaries without recommendation of Selection Board and approval of Chief Minister

As per FD Notification No. FD.SR-II/1-12/2009 dated 22.10.2019, the Selection Board shall examine all such cases where appointments are to be made in MP scales or on Market Based Salaries. The Board shall evaluate each new recruitment whereby MP scales or Market Based Salary is offered, and shall submit its recommendations for approval of Chief Minister, Punjab. Moreover, where any change in the existing terms and conditions is proposed, such cases may be placed before the Selection Board. Moreover, in the 42nd PDWP meeting held on 23.06.2021, Special Secretary Finance observed that existing salary structure of PMU was already market competitive vis-à-vis other pay packages of other similar projects. The proposed salaries of PMU seemed on higher side and needed to be rationalized.

PMU of PICIIP revised PC-I for Establishment of Project Monitoring Unit (PMU) of PICIIP was approved from Provincial Development Working Party (PDWP) on 01.03.2019 at an estimated cost of Rs 553.416 million by changing nomenclature of posts, creating new posts and revising salary package. Again during 2021, 2nd revised PC-I for strengthening of PMU and City Implementation Units (CIUs) for PICIIP was got approved in July 2021 with inclusion of new posts and further increase in salaries. In the 42nd PDWP meeting held on 23.06.2021, it was decided that P&D Board will convene meeting with the Finance Department and other stakeholders regarding uniformity of pay structures of employees for execution of development projects. Audit observed that PMU did not place the cases regarding change of nomenclature of posts, creation of new posts and two times increase in Market Based Salaries before the Selection Board for its recommendations and approval of the Chief Minister, Punjab. The detail was given in Annex-XXV.

Violation of Finance Department's instructions resulted in irregular change of nomenclature of posts and increase in Market Based Salaries without recommendation of Selection Board and approval of the Chief Minister.

Audit pointed out the irregularity in August 2021.

The matter was discussed in the SDAC meeting held on 09.11.2021. The PMU stated that request had been placed to Administrative Department for onward approval of the Chief Minister. Audit informed that approval of Chief Minister was not yet obtained by the PMU. The Committee directed the PMU to get the legally valid documents/record verified from Audit within 15 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility for not submitting the case to Selection Board for onward approval of the Chief Minister.

Para No. 03 (2021-22)

5.4.2 Walled City of Lahore Authority (WCLA)

Irregularities

Irregularities resulting in non-recovery

5.4.2.1 Non-recovery of fine from encroachers for use of public property – Rs 39.918 million

As per section 45(5) of the Walled City of Lahore Act 2012, a person who makes any encroachment shall in addition to payment of cost of removal of encroachment to Authority shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five hundred thousand rupees or both.

5.4.2.1.1 Director General, Walled City Lahore Authority, Lahore did not impose and recover fine @ Rs 1,000,000 from the illegal encroachers who had constructed 38 shops on state land as revealed after inquiry of Director Administrator. These 38 shops were constructed illegally on state land in the area of Rim market and Fort Road Lahore which fall under the jurisdiction of Walled City of Lahore Authority. No efforts were made for ejection of these illegal occupants.

Violation of the Walled City of Lahore Act 2012, resulted in non-recovery of fine for Rs 38,000,000 and non-ejection from state land.

Audit pointed out the non-recovery/ejection in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department stated that the case had already been forwarded to the court for imposition of penalty on the encroachers. The Committee directed the department pursue the case vigorously and effect recovery accordingly. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and vacation of encroached state land.

DP No. 78 (2020-21)

5.4.2.1.2 Director General, Walled City Lahore Authority, Lahore did not recover fine imposed by Auqaaf Department on 22.03.2021 for Rs 1,918,179 from 12 persons who illegally constructed houses and occupied Hujra-jaat adjacent to Masjid Wazir Khan.

Violation of the Walled City Act resulted in non-recovery of Rs 1,918,179.

Audit pointed out the non-recovery in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department stated that recovery would be made from encroachers. The Committee directed the Authority to effect recovery within 03 days along with legal action. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

DP No. 76 (2020-21)

5.4.2.2 Non-recovery of interest and un-utilized funds from Agha Khan Cultural Support Program (AKCSP) - Rs 15.460 million

As per para 3.5 of Memorandum of Understanding Agreement (MOU) between Walled City of Lahore Authority and Agha Khan Cultural Service Pakistan during June 2017 for preservation and restoration of Lahore Fort, upon completion of the Project, any unutilized funds, including accrued interests, shall be returned to the Grantor, unless the Parties hereto have agreed in writing upon any further utilization of such funds.

Director General, Walled City Lahore Authority, Lahore made an advance payment of Rs 123.698 million to AKCSP up to 21.06.2019 for preservation and restoration of Lahore Fort and Wazir Khan Mosque.

However, after the lapse of more than 01 year, no completion report of the project was submitted to walled city nor any interest @ 12.5% was returned to the WCLA.

Violation of the MOU resulted in non-recovery of interest of Rs 15,460,000.

Audit pointed out the non-recovery in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department explained that the interest on the unutilized funds was demanded from AKCSP. Audit argued that the loss to Government was occurred due to non-recovery of un-utilized amount and interest. The Committee directed the Authority to effect recovery within 15 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

DP No. 74 (2020-21)

Irregularities relating to Procurement

5.4.2.3 Overpayment due to non-acceptance of lowest bid – Rs 6.768 million

As per Rule 38(2)(a)(viii) and 22 of PPRA Rules 2014, the lowest evaluated bidder shall be awarded the contract and the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

Director General, Walled City Lahore Authority, Lahore awarded a work "Solid Waste Cleanliness work for project area Package I&II from Delhi Gate to Akbari Gate via Chowk Purani Kotwali, Lahore" to contractor M/s Atta Tariq Services Pvt ltd for Rs 23,930,991 instead of Rs 17,162,519 quoted by the 1st lowest contractor M/s Waste Busters.

Violation of the PPRA Rules resulted in overpayment for Rs 6,768,472.

Audit pointed out the overpayment in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The department stated that PPRA Rules had advised that any bid which was not in line with rules would be declared non-responsive. The bid of 1st lowest was not fulfilling the Labor Laws criteria, therefore, after the approval of competent authority, the contractor was awarded to the lowest evaluated bidder for Rs 23,930,991. Audit argued that guidance for bidders was clear in contract agreement and contractor was responsible of all rates quoted by him. PPRA Rules had just directed to follow the instructions regarding floating of tender and accepting the lowest bid in a transparent manner. The Committee directed the department to get the matter condoned from the Finance Department besides initiating disciplinary action against the delinquents. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early obtaining of condonation of the matter from FD besides initiating disciplinary action against the delinquents.

DP No. 122(2020-21)

5.4.2.4 Non-execution of Projects on PPP mode

As per CM Punjab Message in the ADP 2019-20, the ADP is fully aligned with the key focus areas of Punjab Growth Strategy. Furthermore, strengthening compliance with Sustainable Development Goals (SDGs), supporting Private Sector Development and Public Private Partnerships.

Examination of accounts record of Director General, Walled City Lahore Authority, Lahore it was observed that there were lot of opportunities for development works on PPP mode like different Havelies (like Dina Nath, Mian Sultan, Lal Haveli, Kabli Haveli) and construction of car parking plaza for parking of tourist as well as business community near Delhi Gate, Kashmiri Gate, Bhatti Gate. These projects would generate

revenue and assets of Punjab would be constructed without foreign and Government grant in aid.

Non-adherence to government policy resulted in non-execution of projects on PPP mode to shift the burden from public exchequer.

Audit pointed out the lapse in April 2021.

The para was discussed in the SDAC meeting held in December 2021. The Authority explained that the purpose of the work under the domain of the walled city was to preserve the heritage value and provide a better life by improving the basic public facilities for the residents of the walled city. Some projects such as construction of parking plaza etc. were assigned which has the tendency to do generate revenue will surely be taken in PPP mode. Audit did not agree with the department; hence, the Committee directed the Director (Admn) to conduct enquiry against the Director (Engg) of Walled City regarding insufficient steps taken within 15 days. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC directives.

DP No. 80 (2020-21)

CHAPTER – 6

ENERGY DEPARTMENT

6.1 Introduction

A. The Energy Department was established on 5th July, 2011, as a response to the energy crisis and to spearhead Punjab Government's efforts to exploit its energy sources and initiate power projects in the public and private sector. The purview of the department is constantly expanding, with more responsibilities and powers being developed to the provinces in the wake of the 18th Amendment to the Constitution of Pakistan.

The main objectives of the Energy Department include:

- i. Availability of affordable energy to all citizens.
- ii. Energy Conservation through efficient appliance and conservation measures.
- iii. Sustainable Energy Mix by introducing appropriate technologies.
- iv. Power Generation using indigenous resources (e.g. solar, coal, biomass, wind, hydel and biogas).
- v. Develop projects to tap the run of the river canal hydel potential.
- vi. Develop enabling environment for private sector investment in energy sector.
- vii. The huge deficiency of electricity due to heavy reliance on imported fuels has become a significant impediment to socio-economic development in Pakistan. This scenario creates an increase in local fuel prices and limits the potentials for the establishment of new industrial zones. The current gap between the demand and production of electricity in Pakistan is approximately 5000 to 8000 MW with a constant increase of 6 to 8% per annum.
- viii. More sustainable and renewable energy sources are required to overcome the existing problem. Pakistan is endowed with potential renewable energy resources such as wind, solar, hydro and biomass. These resources have the capacity to become major contributors to

future energy production matrix, climate change reduction efforts and sustainable energy development of the country.

A modern distribution system should be adopted in which system was heavily integrated with renewable energy generation at the distribution level of the power systems by the means of distributed generation resources such as solar energy and wind energy. As a result, the distribution system could become more independent from the transmission networks day by day.

B. Comments on Budget and Accounts

The budget of the Energy Department comprises development as well as non-development allocations. The non-development budget was allocated under Grant Numbers PC-21008 & PC-21010. The development budget was provided through Grants No. PC-22036, PC-22037 & PC-12042. Overall budgetary position for the Financial Year 2020-21 was given below:

(Rs in million)

Grant No and Nature	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grants					
PC-21008	262.84	287.59	287.59	-	-
PC-21010	163.34	167.78	150.42	(17.36)	(10.35)
Sub Total	426.18	455.37	438.01	(17.36)	(3.81)
Development Grants					
PC-22036	3,769.00	3,481.89	3,402.00	(79.89)	(2.29)
PC-22037	731.00	710.00	710.00	-	-
PC-12042	-	38.00	38.00	-	-
Sub Total	4,500.00	4,229.89	4,150.00	(79.89)	(1.89)
Grand Total	4,926.18	4,685.26	4,588.01	(97.25)	(2.07)

Source: Departmental figures for the year 2020-21

During 2020-21, the department could not utilize 1.89% development budget and 3.81% of its non-development budget.

C. Sectoral analysis on the achievements against targets agreed under MTFD/MTBF

Brief comments on targets achieved under MTFD were given in Chapter No. 1 “Sectoral Analysis”.

Audit Profile of Energy Department

(Rs in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audit FY 2020-21	Revenue/Receipts Audited FY 2020-21
1	Formations	12	02	1,617.866	-

6.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,603.715 million were included in this Audit Report. This amount also included recoverable amount of Rs 1,494.092 million as pointed by the Audit. Summary of the audit observations classified by nature was as under:

(Rs in million)

Sr. No.	Classification	Amount
1.	Irregularities	-
(i).	Irregularities resulting in overpayments	416.418
(ii).	Irregularities resulting in non-recovery	1,077.674
(iii).	Miscellaneous irregularities	109.623

6.3 Brief comments on the status of compliance with PAC directives

No PAC directives had been issued by the Committee.

6.4 AUDIT PARAS

Irregularities

Irregularities resulting in Overpayment:

6.4.1 Less-deduction of income tax - Rs 235.000 million

According to Section 153, Division-III section 2(b)(ii)(b) of Income Tax Ordinance 2001, the joint venture/others should be registered in FBR otherwise the applicable tax rate is to be increased by 100%.

In three cases, Project Director, Punjab Power Management Unit (PPMU), Lahore made payments during 2017 to 2018 to the contractor “M/s SINOTEC-SHPE JV” and deducted income tax @ 7.5%. Audit observed that these JV contractors were not registered with the FBR, therefore, income tax was to be recovered @ 15% of the gross amount. In this way, the Project Director made less recovery of income tax for Rs 235.000 million from the contractor.

Violation of FBR rules resulted in less deduction of income tax for Rs 235,000,000.

Audit pointed out irregularity in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that tax was deducted @ 7.5% under section 152 of income tax ordinance 2001 and the status of contractor was filer. Audit informed that the work was awarded to “SINOTEC-SHPE JV” and the contractors were not registered as Joint Venture, therefore, income tax @ 15% was to be deducted. The Committee directed to obtain clarification from FBR. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early clarification from FBR or to effect recovery.

DP No. 145,156&168(2021-22)

**6.4.2 Overpayment due to application of incorrect rate of income tax
- Rs 112.172 million**

According to Section 153, Division-III section 2(b)(ii)(b) of Income Tax Ordinance 2001, the joint venture/others should be registered in FBR otherwise in case of non-filer the income tax will be deducted @ 10%. Further, as per Income Tax Ordinance 2001, Section 153 “Payments for goods, services and contracts” (1)(c) that on execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services, deduct tax @ 7.5% from the gross amount.

6.4.2.1 Project Director, PPMU Lahore made payment of Rs 4,123 million to the contractor against the project “Marala Hydro Project” during 2017 and deducted income tax @ 7.5%. Audit observed that these JV contractors were not registered with the FBR; therefore, income tax was to be recovered @ 10% of the gross amount instead of 7.5%. In this way, the Project Director made less recovery of income tax for Rs 103.075 million.

Violation of FBR rules resulted in less deduction of income tax for Rs 103.075 million.

Audit pointed out irregularity in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that tax was deducted @ 7.5% under section 152 of income tax ordinance 2001 and the status of contractor was filer. Audit informed that the work was awarded to “SINOTEC-SHPE JV” and the contractors were not registered as Joint Venture, therefore, income tax @ 10% was to be deducted. The Committee directed to obtain clarification from FBR. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early clarification from FBR or to effect recovery.

DP No. 141(2021-22)

6.4.2.2 Project Director, PPMU made payments during 2016-17 to 2019-20 to the contractor “SINOTEC-SHPE JV” and deducted income tax @ 7% instead of 7.5% during the execution of the Marala, Pakpattan, Chianwali and Pakpattan Hydro projects. In this way an amount of Rs 9,097,445 was less deducted from the contractor.

Violation of FBR’s rules resulted in less deduction of income tax for Rs 9,097,445.

Audit pointed out the lapses in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that tax was deducted @ 7% under section 152(1A) of income tax ordinance 2001. Audit informed that the department deducted income tax @ 7% which was for a company whereas the admissible rate of income tax was 7.5%. The Committee directed to refer the para to FBR for clarification/advice. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early clarification from FBR or to effect recovery.

DP No. 137(2021-22)

6.4.3 Less-recovery of income tax from the consultants JV - Rs 49.748 million

As per Income Tax Ordinance 2001, Section 153 “Payments for goods, services and contracts” (1)(b) that on execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services, deduct tax from the gross amount payable @ 8% against consultancy services. Further, person’s not appearing in the Active Taxpayer’s list, the applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the ordinance).

Project Director, PPMU made payments to the consultants “Punjab Hydro Consultants (PHC) JV of Hydro Engineering GMBH & Co.

(Germany) for consultancy services and deducted income tax @ 6%, 6.5%, 7.5% & 10% against the payments made to the consultant during 2009 to June 2021. Audit observed that these JV (consultants) were not registered with the FBR; therefore, income tax was to be recovered @ 16% of the gross amount instead of @ 8%.

Violation of FBR rules resulted in less deduction of income tax for Rs 49,748,165.

Audit pointed out less deduction in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that income tax was deducted correctly for filer. Audit informed that the work was awarded to “Punjab Hydro Consultants (PHC) JV of Hydro Engineering GMBH & Co. (Germany) which was not registered as Joint Venture with FBR, therefore, income tax @ 16% was to be deducted. The Committee directed to obtain clarification from FBR. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early clarification from FBR or to effect recovery.

DP No. 164(2021-22)

6.4.4 Less-recovery of income tax and PST – Rs 19.498 million

According to Federal Board of Revenue Circular No.WHT-Zone/9021504 dated 16th July 2014 income tax @ 7.5% on the execution of contract was recoverable from the contractor under income tax ordinance, 2001 through the Finance Act 2014 w.e.f. 1st July, 2014. Further, as per amendment letter No. PRA/MTN/6707 dated 24.08.2017, the rate of Punjab Sales Tax for construction works was required to be deducted @ 16%.

In three cases, Managing Director, Punjab Energy Efficiency & Conservation Agency (PEECA) deducted income tax @ 3% whereas the work was awarded for complete/finished work so income tax was required

to be deducted @ 7.5% instead of 3%. In this way the Agency deducted less income tax @ 4.5% from the contractor. Further, while making payments, the Agency did not deduct PST @ 16% from the payments made to the contractor.

Violation of FBR's instructions resulted in less recovery of income tax for Rs 19,498,486.

Audit pointed out less recovery in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The Agency explained that solar equipment was exempted from GST and income tax. Audit informed that the Agency did not produce record regarding exemption. Further, contended that the work was a completed contract which includes supply and installation not for only supply. So income tax and PST was required to be deducted @ 7.5% and 16% respectively. The Committee directed the Agency to get the record re-verified within 7 days. Compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 121,122&123(2021-22)

Irregularities resulting in non-recovery

6.4.5 Non-recovery of penalty due to delay in completion of work – Rs 1,019.21 million

As per Section 26 and 26.2 of Special Condition of Hydro Power Projects contracts, if the contractor fails to complete the work within the stipulated period, he shall pay compensation for delay @ 10% of amount of contract. Further, as per evaluation report regarding granting of EOT, the work was delayed due to contractor's fault.

In four cases, Project Director, PPMU Lahore awarded the work to different contractors with the completion period of 885 to 900 calendar days

but the contractor failed to execute the work within stipulated period. Audit observed that the delay in completion of work was on part of the contractor as indicated in the evaluation report prepared by the consultants. So, the recovery of liquidated damages @ 10% of contract cost needs to be recovered from the contractor in compliance of contract clause ibid.

(Rs in million)

Sr. No.	DP No.	Agreed Cost	No. of days delayed	Amount Penalty @ 10%
1	142	3941	628	394.10
2	148	1356	378	135.60
3	154	2,770.10	138	277.01
4	162	2125	355	212.50
Total		10,192.10		1,019.21

Violation of contractual obligation resulted in non-recovery of penalty for Rs 1,019.21 million.

Audit pointed out the non-recovery in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that the matter is under adjudication in Arbitration Tribunal. The Committee directed the department to pursue the matter vigorously and pended the para till decision of Arbitration Tribunal. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC's directives.

6.4.6 Non-recovery of cost of third party consultancy from the Project Management Consultants – Rs 58.464 million

As per clause-3 "Obligation of Consultant" sub-clause 3.2.1(e), the Consultant shall indemnify, protect and defend at their own expense the Client, and its agents and employees from and against any and all actions, claims, losses or damages arising out of Consultant's failure to exercise the skill.

Project Director, PPMU, Lahore awarded the contract of consultancy services to the consultants “Project Management Consultants” (PMC) but during execution of the Project “Deg Outfall Hydropower Project”, the spillway structure was collapsed and the consultants “Engineering Consultancy Services Punjab” (ECSP) were hired at an agreed cost of Rs 58,464,000 to investigate and identify the causes of failure of spillway structure of Deg Outfall Hydropower Project & for technical review and made payment accordingly. Audit observed that as the failure was due to incorrect design prepared by PMC, so, the cost of hiring of ECSP consultants be recovered from the PMC consultants.

Violation of contractual obligations resulted in non-recovery of cost of ECSP consultant from the Project Management Consultants for Rs 58,464,000.

Audit pointed out non-recovery in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that the cost of Rs 58,464,000 of ECSP consultants had already been recovered from PMC’s IPC No.96 to 110. Audit informed that the PD just withheld the said amount. The Committee directed the department to effect recovery. Compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 158(2021-22)

Miscellaneous irregularities

6.4.7 Undue financial benefit to the contractor due to non-obtaining of additional performance security – Rs 50.479 million

As per Finance Department’s letter No. RD(Tech) FD-1-2/83/VI(P) dated 24.01.2006, if contractor quotes his rates below 5% or more than estimated rates, additional performance security at the percentage equivalent

to the percentage on which tender is accepted shall be obtained from the contractor.

In three (03) cases, Managing Director PEECA Lahore awarded the work to different contractors. Audit observed that as the contractor quoted bid less than the estimated cost which was approx. 10.27% below, 28.51% below and 22.28% below respectively so the Agency was required to obtain additional performance security from the contractor in compliance of the rules quoted above.

(Rs in million)

Sr. No.	DP No.	Estimated cost of contract	% below	Amount
1	127	108.725	22.28	24.225
2	126	49.118	28.51	14.004
3	125	119.170	10.27	12.250
Total				50.479

Weak financial controls resulted in non-obtaining of additional performance security amounting to Rs 50,479,124.

Audit pointed out irregularity in October 2021.

The para was discussed in SDAC meeting dated 22.12.2021. The Agency explained that as per PPRA Rules, 10% performance security was obtained. Audit informed that the Agency did not obtain additional performance securities from the contractors. The Committee directed to regularize the matter from FD. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends regularization of matter from FD.

6.4.8 Undue financial benefit to the contractor due to obtaining of less bank guarantee in PKR - Rs 59.144 million

As per para No.13.3.2 of contract agreement of the Hydro Power Project, the security shall be de-nominated in the currency or currencies of the Contract, or in a freely convertible currency acceptable to the Employer.

Project Director, PPMU Lahore awarded the work “Pakpattan Hydro Power Project” to the contractor “SINOTEC-SHPE JV” and obtained bank guarantee for US\$ 610,129 which was expired on 28th February 2015. Audit observed that the PD obtained revalidated bank guarantee on 17.04.2018 in Pak Rupees amounting to Rs 11,020,401 instead of Rs 70,164,835 after the lapse of 3 years instead of in US\$. In this way, the PD obtained less performance guarantee from the contractor for Rs 59,144,434 resulted in undue financial benefit to the contractor.

Violation of contractual obligations resulted in undue financial benefit to the contractor due to obtaining of less bank guarantee for Rs 59,144,434.

Audit pointed out irregularity in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The department explained that contractor was asked to extend the performance guarantee up to defect liability period but contractor failed to provide the same. Audit informed that the debarment obtained less performance guarantee after lapse of 3 years. The Committee directed to obtain full amount of bank guarantee besides obtaining condonation from Finance department. Compliance of the Committee’s directives was not reported till finalization of the report.

Audit recommends for early compliance of SDAC directives.

DP No. 133 (2021-22)

6.4.9 Non-utilization of funds/budget worth millions of rupees

According to Rule 14.3 of the Punjab Budget Manual, the Statement of Excesses and Surrenders was required to be submitted to the administrative department and the Finance Department, before 31st March of each financial year.

Managing Director, PEECA received funds amounting to Rs 629.872 million from the Government of the Punjab during the financial

year 2020-21 out of which incurred an expenditure of Rs 426.256 million and re-appropriated Rs 88.560 million. Audit observed that an amount of Rs 55.970 million was surrendered by the Agency but an amount of Rs 23,085,689 was lapsed due to non-surrendering in time.

Violation of rules resulted in non-utilization of funds/budget amounting to Rs 23.086 million.

Audit pointed out lapse of funds in October 2021.

The para was discussed in SDAC meeting held on 22.12.2021. The Agency explained that due to Covid-19 the Chinese engineers could not travel to Pakistan and training milestone could also not be completed due to which the amount lapsed. The Committee directed the Agency to obtain condonation from FD. Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends regularization from FD.

DP No. 114(2021-22)

CHAPTER – 7 THEMATIC AUDIT REPORT

7.1 UNEQUAL DISTRIBUTION AND EFFECTIVE UTILIZATION OF FINANCIAL RESOURCES (C&W)

PLANNING AND STRATEGY

7.1.1 Introduction

Planning plays a key role in business processes of an organization. A well thought out planning followed by a pragmatic strategy and earnest implementation can ensure the achievement of long term goals as set out in Punjab Spatial Strategy 2047 and short term goals as per Medium Term Development Framework 2020-23 (ADP 2020-21). Rural Accessibility Programme has been proposed and executed with a view to accommodating for rehabilitation/construction of roads in rural areas in a phased manner. This programme had been conceived to address regional imbalances through widespread outreach and to provide easy access to deprived/under developed rural areas. Under this program, width of roads was planned to be 12-ft as per standard lane width with 2-inch-thick carpeting whereas in built-up areas, where there were drainage issues, concrete roads (rigid pavement) were to be constructed.

The planning and effective utilization of financial resources in Pakistan is a great concern. The main reasons are lack of political stability and frequent transfers at top management level. The new management and political regime set their own targets and that is why in second phase of Rural Accessibility Programme, the gestation period was enhanced and funds were throw forward beyond the year 2024 in MTFD/ADP 2021-22.

The main theme “Planning and strategy” and sub-theme “Unequal and ineffective utilization of financial resources” in mega project Rural Accessibility Programme/Naya Pakistan-Manzalin Asaan is very diverse and is related to C&W Department. The Department plays a vital role for

the provision of public services to the road users for easy and fast communication in the Punjab.

7.1.2 Background

In September 2015, the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). Building on the principle of “leaving no one behind”, the new Agenda emphasizes on a holistic approach for achieving sustainable development for all. Accordingly, as per Sustainable Development Goal No. 10 there should be equal distribution of financial resources. Therefore, the C&W Department in the mega project of Roads Sector “Rural Accessibility Programme/Naya Pakistan-Manzalai Asaan” devised a formula for equal distribution of funds in the 36 Districts of Punjab valuing Rs 30 billion. Executive Engineers, Highway Divisions of each District, had executed these schemes. The purpose of the Audit was to evaluate whether the funds distribution was equitable or otherwise. Further, audit also observed whether utilization of financial resources was done effectively or not.

7.1.3 Establishing the Audit Theme

7.1.3.1 Reasons of Selection

In Punjab, major portion of development funds was utilized on mega projects mostly in the Districts such as Lahore, Rawalpindi and Multan resulting in disparity with other districts, especially with the southern ones. Therefore, the theme “unequal distribution of financial resources” was selected for analysis of the mega project “RAP” in Roads Sector. Keeping in view the significance of SDG-10 (reduce inequality), this theme was also a part of National Prioritized Goals as per SDG Framework 2018. Major targets included reduction in inequality in distribution of funds. This theme is also one of the top governmental priorities as it is top ranked in SDGs. Huge expenditure was incurred in the form of ADP grants. Phase-1 of the programme was completed and Phase-II is still under progress. Keeping in view the importance of equal distribution of financial resources globally and

at national level, unequal distribution and ineffective utilization of financial resources was selected for audit.

7.1.3.2 Purpose/Objectives

The Punjab Growth Strategy 2018-2023 (five years) sets ambitious targets i.e. “a globally connected and competitive, equitable, culturally vibrant and technologically advanced Punjab with sustainable economic growth driven through a dynamic private sector, an efficient public sector, rich and productive human capital and, a regionally equalized development footprint by 2023”.

The government has limited financial resources. So, effective planning and strategy is required to get maximum benefits out of these scarce financial resources and to reduce the regional disparity. Rural Accessibility Programme (RAP) was selected by Audit to evaluate whether appropriate planning and strategy were formulated to distribute funds equally/equitably. This report was to help stakeholders to identify any deficiencies in the process of planning and to bring improvement in future planning and strategy formulation.

In recent years, major portion of funds was allocated in northern districts of the Punjab. So, huge disparity in allocation and utilization of funds was observed between northern and southern districts of the Punjab. Therefore, in this ADP/MTDF 2019-20, the Government focused more on the development of southern districts of the Punjab. Accordingly, the formula was devised to distribute the funds proportionately in all the districts of the Province for RAP schemes.

The purpose/objectives of the audit report were manifold and some were listed below:

- i. The report may be helpful for Parliament and other stakeholders such as public, media, civil societies and intellegencia about the weaknesses of the system that may require changes through legislation.

- ii. The report may also be helpful for C&W Department for future planning and policy formulation vis-a-vis improvement in functions and financial management.
- iii. P&D and FD departments may also take guidance from the report while allocating/distributing funds for ADP schemes in future and may also improve the internal controls.

7.1.3.3 Scope

The scope of the Audit included mega project “Rural Accessibility Programme/Naya Pakistan Manzalain Assan” executed under the administrative control of the Secretary C&W (Highway) Department Lahore for the financial year 2020-21. Audit execution was started from 30.07.2021 and ended on 10.08.2021. The TORs of the Thematic Audit were as under:

- Whether the funds were allocated to avoid regional disparity. Focus would be put on how many schemes (along with volume of funds) were prepared by the department for underprivileged districts.
- Whether PC-II or feasibility report was prepared and approved by the competent authority.
- Whether revision of PC-I was as per site requirement and backed by complete working, involvement of time and cost overrun, and according to rules and necessity.
- Whether there was a proper coordination between all concerned departments for proper planning and funding for schemes to ensure timely completion.
- Whether priority was given to schemes/ Projects through PPP mode.
- Resources were efficiently/effectively utilized.
- Assess whether schemes were conceived and planned as per actual requirement.
- Assess whether envisaged targets/goals were achieved and effective strategies were adopted.

7.1.4 Legal Framework governing the Theme

The C&W department has been empowered by the Government under section 5 of the Punjab Highways Authority Act 1989, to construct and maintain roads/highways of the province. The Secretary C&W Department got approved the project “Rural Accessibility Programme” from Cabinet during 2019 and approved the brand name “Naya Pakistan - Manzalain Asaan”. It was proposed that this programme may be launched during a fiscal year meaning thereby completion of one phase in six months. The Cabinet Committee approved the apportionment of funds for each district on the basis of average road density and Human Development Index. Moreover, the Committee approved the institutional arrangements for effective implementation of the programme. Further, following documents are related to the theme:

- MTFD (Medium Term Development Framework 2021-24) Development Program 2021-22 & 2020-21
- Guidelines for formulation of Annual Development Programme 2020-21 (P&D Board)
- Punjab Spatial Strategy 2047 (A Framework for Integrated Spatial Planning and Sustainable Development)
- Punjab Growth Strategy 2023 and SDGs goals (17 UN goals set 2015 to be achieved by the year 2030) and SDG-10 Reduced Inequalities Ranked No.1
- RISE (Responsive Investment for Social Protection and Economic Stimulus) Punjab Post Covid-19 Public Investment Strategy P&D Board
- SMDP (Smart Monitoring of Development Projects) and SAP data

7.1.5 Stakeholders and Governmental organizations identified as directly or indirectly involved

The Secretary C&W Department got approved the Scheme of RAP and also issued Administrative Approvals. The execution of the Schemes was carried out by Executive Engineers of Highway Divisions of concerned

Districts. Chief Minister approved proposal i.e. notification of Committee by P&D Department for each district for prioritization of roads. P&D Department constituted following Committee for identification of roads as under:

I.	Divisional Commissioner	Convener
II.	All Deputy Commissioners in Division	Member
III.	Superintending Engineer, C&W	Member
IV.	Superintending Engineer, PHED	Member
V.	Director (Dev. & Finance)	Secretary

The Committee notified by P&D Department on 06.02.2019 was also assigned the task to the extent of prioritization of roads to be taken up under Rural Accessibility Programme (RAP).

7.1.6 Role of Important Organizations

C&W Department is responsible for planning, execution, development and maintenance of all Provincial Roads and Bridges through Annual Development Programme, Sugar Cane Cess and Foreign Assistance. The department is responsible to serve the public, in line with the policy of the Government of the Punjab, by designing, constructing and maintaining roads, bridges and buildings in the most fair, just and equitable manner possible to ensure optimal development for all people living in the province. The main functions of the C&W Department include management of technical and financial affairs related to all schemes undertaken by various attached departments of C&W Department. Control of administrative matters including organizational affairs, logistics and human resource management also makes a significant part of the functioning of C&W Department.

Communication and Works Department, Government of the Punjab has two wings and one authority under its administrative control i.e. Buildings, Highways and Lahore Ring Road Authority, Lahore. The Secretary C&W is the Principal Accounting Officer of the department. Both wings are divided into three zones each (North, Central and South) which

are headed by Chief Engineers. Ninety-eight (98) formations pertain to Buildings, eighty-five (85) to Highways in addition to Lahore Ring Road Authority.

C&W Department has a total road asset of 115,236 KM having worth of trillions of rupees. Keeping in view the significance of rehabilitation/construction of roads in rural areas, concept of Farm to Market roads was introduced in 1980s. After devolution of 2001, these roads were handed over to the District Governments. However, after promulgation of Punjab Local Government Act 2013 and restructuring of C&W in 2017, all these rural roads were taken over by the Highways Department. Presently, 81,540 KM rural roads are being maintained by Highways Department.

The C&W Department, through a summary of Chief Minister, Punjab obtained approval of the concept, salient features and criteria for eligibility of schemes under Rural Accessibility Programme (RAP) in 2019. The RAP was included in ADP 2018-19 for rehabilitation/construction of roads in rural areas. The objectives of the RAP were to address regional imbalances, to provide easy access to deprive/ underdeveloped rural areas, saving of time and cost of transportation from farms to market in transportation of goods.

7.1.7 Organization's Financials

The scheme "Rural Accessibility Programme" was funded by Government of Punjab through ADP-2018-19 at GS No.4919 as a new Scheme followed by RAP-I and RAP-II in ADP 2020-21 at GS No.2954 with total amount of Rs 30 billion.

- RAP-I (12 feet Width 174 roads having length of 1236 km @ Cost of Rs 15 billion)
- RAP-II (12 feet Width 154 roads having length of 1076km @ Cost of Rs 15 billion in Progress)

C&W Department in first phase had completed the 174 roads having length of 1236 kilometer at a cost of Rs 15 billion in all over the districts of Punjab. However, the Phase-II was under process and gestation period of the schemes was also enhanced with throw forward budget/fund beyond the year 2024, which showed lack of consistency and continuity of the programme. The RAP was fully funded by Government of the Punjab through ADP and no self-generation of resources, foreign funding and PPP mode were involved in this programme.

7.1.8 Field Audit Activity

7.1.8.1 Methodology

Audit methodology includes data collection, determination of objectives and audit criteria, analysis/consultation of record, discussion with staff, etc. Following steps were involved:

- i. Understanding the auditee/activity;
- ii. Defining audit objectives;
- iii. Developing audit procedures;
- iv. Conducting audit as per audit procedures;
- v. Evaluating results;
- vi. Interviews;
- vii. Reporting;

Audit team used qualitative methods including discussions and interviews with Chief Engineers and Technical Experts of C&W Department. Relevant documents which were scrutinized as under:

- The project related record i.e. PC-II/feasibility study, PC-1, revised PC-1, administrative approvals, PC-III/progress reports, minutes of meetings etc.
- Funds release orders, award letters, Agreements, Vouchers, Completion certificates, lab test reports, Measurement Books etc.
- Tendering process and bidding documents etc.

7.1.8.2 Audit Analysis

7.1.8.2.1 Review of Internal Controls

In the absence of effective internal controls, there were cases of unequal distribution of funds, lapses in tendering process including overpayments, lack of maintenance of road assets, non-approval of PC-II and preparation of feasibility study, splitting of works to avoid approval from ECNEC, ill planning due to non-allocation of funds within completion period. It was observed by Audit that no internal audit wing had been established in C&W Department since its inception.

7.1.8.2.2 Critical Review

A convenient and efficient transport network is one of the major components in the cluster of infrastructure facilities. These facilities constitute a necessary condition for economic development of an area. Such transport network proves to be conducive in the process of economic development to set in motion and makes it continue in a self-sustaining manner. The demand for transport was partly a derived one, and partly a direct one and increased with the structure and rate of economic development. Also, the physical volume of economic transactions would had a direct bearing on transport requirements.

Keeping in view the significance and importance of transport infrastructure, Audit selected the mega Project i.e. “Rural Accessibility Programme” executed by various Highway Divisions of the C&W Department. The audit was planned with a view to analyzing the regional disparity risks, financial planning and resource allocation risks, axle load management risk and future operation & maintenance of RAP Roads assets risks. Resultantly, a regional disparity in allocation of funds to various Districts was observed besides ill planning by the department and non-release of funds in time by the Finance Department. Other issues such as non-maintenance of vehicles axle load management on newly constructed roads and non-formulation of mechanisms for future maintenance of rural roads assets were also observed.

As a result of thematic audit of RAP/Naya Pakistan-Manzlain Asaan, the following critical areas were identified:

7.1.8.2.2.1 Unequal distribution of funds

Equal distribution of resources was absolutely essential for proper economic growth and development of a country in a harmonious way. Due to inequitable distribution of funds, those areas remained underdeveloped depriving them of basic facilities such as Health care, communication and infrastructure etc. Such an unfair distribution of financial resources resulted in economic disparity and rivalry between different regions of the province. To eliminate these disparities, the government in ADP 2019-20 focused on allocating and distributing more funds to these underdeveloped regions.

The Provincial Steering Committee in RAP programme recommended the proposal for equal distribution of funds for each district on the basis of average of rural roads density and human development index.

As per directions of CM and approval of Cabinet, the funds distribution in the RAP/ Naya Pakistan-Manzlain Asaan, was to be aligned with a formula for ensuring equal distribution of funds. However, C&W department did not distribute and allocate funds to districts in accordance with directions of CM/Cabinet which resulted in unequal distribution of funds.

7.1.8.2.2.2 Flaws in Planning and Strategy Formulation

The feasibility study was carried out in mega projects to see the viability of the projects in which huge amounts of public money are involved. Feasibility study helps in identifying the strengths and weaknesses of a proposed project to analyse whether it would result in success or failure. In case feasibility study was not conducted, the chances of uncovering the potential merits and demerits of project significantly diminished. In the absence of such vital information, the risks involved in execution of the proposed project greatly increased.

The department did not carry out the feasibility study prior to approval and execution of mega project i.e. Rural Accessibility Programme valuing Rs 30 billion. The sheer negligence on the part of the department by not carrying out the feasibility study resulted in risking large sums of money and depriving the rural and underdeveloped communities of socio economic benefits of the project.

As per ADP guidelines, there was no provision for block allocation/bulk grants. However, the department instead of devising proper strategies and identifying schemes, made huge block allocation of funds amounting to Rs 1.95 billion to the road sector and Rs 153.914 billion for special programme/initiatives.

7.1.8.2.2.3 Flaws in Procurement Process

Punjab Procurement Rules 2014 were framed to formalize the procurement process and to facilitate the fiscal operations of the Government of the Punjab. The purpose of these rules was to ensure transparency, efficiency, economy and value for money. In the absence of an efficient procurement process, effective utilization of financial resources was not possible. Transparency enables the process to be monitored and reviewed thereby helping the decision/policy makers to promote accountability and fair competition.

As per directions of CM, approval of Cabinet, instructions in PC-I and PPRA Rules, prequalification tendering process was required to be adopted in RAP and department also observed the same in Phase-I of RAP. The directions of CM were ignored by the Department during RAP Phase-II where tendering was made on open competitive bidding instead of prequalification process. The complete disregard of the above mentioned directions and rules resulted in irregular calling of tender in RAP Phase-II valuing Rs 15 billion.

7.1.8.2.2.4 Flaws in funding process

As per targets set by the Cabinet and PC-I, the project RAP was to be completed by the C&W department up to July 2021 but the same could

not be completed due to piece meal funding by FD. Further, in ADP 2021-22 the gestation period was enhanced and funds were throw forward beyond the year 2024 in RAP Phase-II. Therefore, the benefits and objectives envisaged in the PC-I could not be delivered to underdeveloped rural communities timely. This will also result in loss to government in terms of time and cost overrun.

7.1.8.2.2.5 Role and performance of C&W Department

Proper and effective planning was a pre-requisite for efficient and effective utilization of resources. Flawed planning greatly enhances the risks attached to the investment of the project. All the steps involved in planning if not taken properly, jeopardize the interests of all the stakeholders of any project. Also the performance of any organization was assessed by effective planning, timely execution, regular monitoring and proper evaluation of the projects.

During audit of RAP, certain lapses in different phases of the project were observed. Feasibility study was not carried out before preparation of PC-I which was a prerequisite for the project. Financial and economic analysis was not conducted while preparing PC-I, which was very essential to check the viability of the project. The department split the project to avoid the approval from ECNEC which was the competent forum for granting approval of the projects valuing more than Rs 10 billion.

There were also flaws in funding process as inequitable distribution of funds was done by the department in the project. The department invited open tenders in RAP-II instead of prequalification tenders in violation of directions contained in the summary approved by the CM/Cabinet/PC-I.

The department failed to address the axle load management during the planning and execution phases of the project which may lead to wastage of public money. Further, the department did not devise any mechanism for maintenance and sustainability of the road assets of the project as no funds were allocated for the said purpose. Internal audit wing was not established

by the department and further internal checks were not being applied properly by the Divisional Accounts Officers while conducting pre-audit.

Poor planning, issues in financial management and internal control weaknesses as mentioned above would hampered the performance of the department thus adversely affecting efficient and effective service delivery. It was also evident that the department was unable to perform its role effectively in all the phases of the project.

7.1.8.2.2.6 Weak Financial Management

Financial and economic analysis was a prerequisite for every project and part of PC-I. The financial viability of the project was assessed on the basis of these analyses. The benefit cost ratio and economic internal rate of return provided the decision makers with information needed to make smart investment decisions. C&W department did not prepare economic and financial analysis, benefit cost ratio and internal rate of return while preparing PC-I in RAP.

7.1.8.2.3 Significant Audit Observations:

During thematic audit the significant audit observations regarding procurement and contract management issues and wasteful expenditure on self-advertisement instead of incurring the same on RAP programme were also highlighted in the mega project of Rural Accessibility Programme were as under:

7.1.8.2.3.1 Unequal distribution of funds in RAP-I & II

As per Minutes of fifth meeting of Standing Committee of Cabinet on Finance & Development dated 07.02.2019, funds apportionment to all Punjab Districts would be on the basis of average Road Density and Human Development Index (HDI).

During scrutiny of record of the Secretary (C&W) office and detailed analysis of budget & expenditure data extracted from SAP and

Smart Monitoring of Development Projects (SMDP), it was observed that distribution of funds in RAP-I and II in financial years 2018-19 and 2020-21 to all the districts, was in contravention of criterion approved by the Cabinet/CM. Moreover, no funds were allocated to districts Sialkot and Gujranwala for RAP-II. The details of anomalies in allocation of funds to the districts were as under:

(Rs in million)

Districts	Budget Allocation	Due Share (Calculated by Formula)	Difference Under Allocation/ Over Allocation)
Kasur	1,499.498	745.275	(754.22)
Jhang	1,371.981	887.205	(484.78)
Rahim Yar Khan	1,781.378	1,446.660	(334.72)
Bhakkar	1,260.754	1,033.125	(227.63)
Rawalpindi	674.042	587.100	(86.94)
Dera Ghazi Khan	1,320.549	1,251.435	(69.11)
Vehari	1,087.949	1,049.940	(38.01)
Nankana Sahib	550.714	513.285	(37.43)
Chakwal	602.234	566.010	(36.22)
Sahiwal	660.213	627.855	(32.36)
Multan	736.651	704.805	(31.85)
Lahore	278.182	253.650	(24.53)
Khanewal	937.572	913.995	(23.58)
Sheikhupura	484.439	462.840	(21.60)
Sargodha	1,290.609	1,269.105	(21.50)
Attock	478.126	457.140	(20.99)
Toba Tek Singh	482.887	462.270	(20.62)
Muzaffargarh	1,270.027	1,249.725	(20.30)
Rajanpur	1,202.082	1,182.750	(19.33)
Mianwali	1,009.876	993.795	(16.08)
Pakpattan	811.409	796.860	(14.55)
Chiniot	893.206	879.510	(13.70)
Layyah	779.220	766.650	(12.57)
Lodhran	746.285	734.445	(11.84)
Khushab	736.781	725.040	(11.74)
Gujrat	677.636	666.900	(10.74)

Districts	Budget Allocation	Due Share (Calculated by Formula)	Difference Under Allocation/ Over Allocation)
Hafizabad	664.480	653.790	(10.69)
Faisalabad	595.259	585.675	(9.58)
Mandi Bahauddin	589.449	580.830	(8.62)
Narowal	464.711	457.425	(7.29)
Jhelum	300.242	295.545	(4.70)
Bahawalpur	1,243.972	1,268.250	24.28
Okara	737.022	864.975	127.95
Sialkot	217.400	434.910	217.51
Gujranwala	445.820	711.645	265.83
Bahawalnagar	1,021.682	1,420.440	398.76
Total	29,904.337	28,500.855	-

Weak supervisory and financial controls resulted in unequal distribution of funds in RAP-I and II programme in contravention of minutes of fifth meeting of Standing Committee of Cabinet on Finance & Development dated 07.02.2019.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that schemes were taken up as per guidelines approved in summary and with the approval of Provincial Steering Committee (PSC) constituted by the CM to oversee the RAP; hence, no violation occurred. Audit argued that no funds were allocated to districts Sialkot and Gujranwala for RAP-II. Further, funds were distributed in 36 Districts unequally. The Committee kept the para pending for detailed report on the matter by the concerned Additional Secretary (Technical).

Audit recommends for probe into the matter besides regularization from the cabinet.

DP No.02&04 (2021-22)

7.1.8.2.3.2 Unlawful execution of mega scheme by splitting to avoid approval from ECNEC

As per Rule 8 of second schedule of Delegation of Financial Power Rules 2016, the ECNEC is the final approval authority for any provincial project costing beyond Rs 10 billion after clearance from CDWP Forum.

During scrutiny of record of the Secretary (C&W) office, it was revealed that the department got approved PC-1/administrative approvals from PDWP by splitting the mega projects RAP-I and RAP-II in Punjab valuing Rs 30 billion. Audit observed that the department was required to get approval from the ECNEC as value of the project was more than Rs 10 billion.

This resulted in unlawful execution of mega scheme by splitting to avoid approval from the ECNEC for Rs 30 billion.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that schemes were taken up as per guidelines approved in summary and with the approval of Provincial Steering Committee (PSC) constituted by the CM to oversee the RAP; hence, no violation had occurred. Audit argued that scheme was split and approval from PDWP was obtained instead of ECNEC as the value of the project was Rs 30 billion. The Committee directed the department for detailed report on the matter by the concerned Additional Secretary (Technical).

Audit recommends for condonation of the matter from ECNEC.

DP No.10 (2021-22)

7.1.8.2.3.3 Loss of constructed road under RAP due to non-maintenance of axle load as per design of RR&MTI

As per approved general payment design for flexible and rigid pavements for rural accessibility programme dated 29.03.2019 by Senior Research Officer of Road research & Material Testing Institute (RR&MTI) Lahore, the maximum design weight for traffic was 8 tons per axle load. Further as per designed parameters, the maximum traffic load design of road was 0.7 to 1.5 million ton for 10 years.

During scrutiny of record of the Secretary (C&W) office, it was revealed that maximum weight per axle load for RAP-I & II was 8 tons and same was to be maintained for completion of designed life of roads up to 10 years. Audit observed that farmers used the road for transportation of

sugarcane from fields to sugar mills with load of 30 to 40 tons per axle load on trollies. This anticipated load to be plied on RAP roads was not kept in view while designing and planning these roads. Due to excessive load, there was high risk of depletion of road way before completion of its designed life of 10 years.

Non-maintenance of axle load management on RAP roads resulted in a probable wastage of public funds up to Rs 30 billion.

The matter was discussed in SDAC meeting held on 22.11.2021. The department explained that as per Rules of Business 2011, implementation of axle load fell in the purview of Transport Department. Audit contended that RR&MTI had designed the RAP roads with single axle load 0.7 million to 1.5 million ton for 10 years. However, the department failed to install gantries to control the excess-loaded trollies as provided in Khadim-e-Punjab Rural Roads Programme (KPRRP), which showed ill planning. Moreover, to maintain axle load, there should have been active co-ordination with Transport Department as well. The Committee directed the department to monitor the axle load, so that huge investment of Rs 30 billion could be safeguarded.

Audit recommends for effective maintenance of axle load management system (including installation of gantries) in coordination with district administration and Transport department.

DP No.33 (2021-22)

7.1.8.2.3.4 Non-approval of PC-II and non-preparation of feasibility study for RAP-I & II

As per para 1.53 of Manual for Development Projects of Planning Commission, PC-II is required for conducting surveys and feasibility studies in respect of larger projects, intended to get full justification for undertaking the project before large resources are tied up with them. PC-II is a feasibility report which has to be prepared for mega projects. PC-II of mega projects is mandatory to be annexed with PC-I.

During scrutiny of record of the Secretary (C&W) office, it was revealed that no PC-II and feasibility study was carried out for the mega project RAP-I & II having value of Rs 30 billion. Audit stated that it was mandatory to carry out the feasibility study and approval of PC-II before execution of the project in the light of guidelines of Planning Commission.

Violation of Planning Commission's guidelines resulted in irregular execution of mega scheme valuing Rs 30 billion due to non-preparation of PC-II and feasibility study.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that all schemes fall in the domain of DDSC and were got approved accordingly. As such no feasibility was required. Audit argued that it was mandatory to carry out the feasibility study and approval of PC-II before execution of the mega project in the light of guidelines of Planning Commission. The Committee directed the department for detailed report on the matter by the concerned Additional Secretary (Technical).

Audit recommends for early preparation of feasibility study and ex-post facto sanction of PC-II from the competent forum.

DP No.03 (2021-22)

7.1.8.2.3.5 Unplanned block allocation in ADP 2020-21&2021-22 - Rs 155.864 billion

According to guidelines for formulation of Annual Development Programme, 2020-21, the administrative departments should keep in view that neither bulk grants/block allocations should be made in the ADP nor unspecified allocation should be provided in the next year's ADP.

During scrutiny of record of the Secretary (C&W) office, it was revealed that in road sector (Highway Department) there was a huge block allocation in ADP/MTDF 2020-21 for Rs 1.95 billion. Further, under Special Programme/ Initiatives there was a huge block allocation in ADP/MTDF 2020-21 and 2021-22 for Rs 62.500 billion and 91.414 billion respectively. Audit was of the opinion that there should be proper planning and strategy and every project/ scheme for roads and buildings should be

identified and clearly mentioned in the ADP/ MTDF in the light of ADP guidelines *ibid*.

Non-adherence to ADP guidelines resulted in unplanned block allocation in road sector for Rs 155.864 billion.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that schemes included in ADP were proposed by the department and same were approved by the Provincial Assembly. Audit contended that proper planning & strategy had to be framed for every project/scheme for roads clearly mentioned in the ADP/MTDF in the light of ADP Guidelines. The Committee directed the department for detailed report on the matter by the concerned Additional Secretary (Technical).

Audit recommends for early condonation of the matter from FD and strict compliance be ensured in future.

DP No.05&06 (2021-22)

7.1.8.2.3.6 Poor planning due to non-allocation of funds during completion time of RAP-II

As per para 7 of Summary approved by CM dated 16.03.2019, the proposed RAP program may be launched during fiscal year meaning thereby completion of one phase in six months. An institutional arrangement has also been framed for effective monitoring and execution of this programme.

During scrutiny of record of the Secretary C&W office, it was observed that in MTDF 2021-22, funds of RAP-II were allocated beyond the year 2024. Audit observed that as per CM and cabinet's directions, the programme was to be completed within period of six months and upto July 2021. However, due to non-provision of funds and allocation by P&D and FD Department, the mega project could not be completed and gestation period and funds were throw forward beyond the year 2024. Therefore, benefits would not be extended to rural and under-developed communities.

Moreover, this would also cause the cost overrun and loss to the government.

Violation of directives of CM/Cabinet resulted in poor planning due to non-allocation of funds during completion time of RAP-II.

The matter was discussed in SDAC meeting held on 22.11.2021. The department explained that schemes included in ADP were proposed by C&W department and were approved by the Provincial Assembly, hence no irregularity was committed. Audit argued that as per directives of CM and approval of cabinet, the schemes under RAP were to be completed within the period of 6 months and up to July 2021. However, due to non-provision of funds and allocation by FD/P&D Department, the mega project could not be completed timely. The Committee directed the department to take up the matter with FD/P&D for resolution of bottlenecks at the earliest.

Audit recommends for early compliance of directives of SDAC.

DP No.08 & 12 (2021-22)

7.1.8.2.3.7 Non-operational internal audit and weak pre-audit system

As per Finance Department's letter No.FD(M-II)I-III/98, dated 18.05.1999, in order to strengthen the pre-audit system and obviate such audit objections involving infringement of rules/irregularities, all the District Accounts Officers are directed to be careful while pre-auditing/passing such bills and observe all requisite codal formalities, financial rules and regulations. They are accordingly required to exercise more supervisory checks and personally test/check bills at pre-audit. If in spite of that wrong/unjustified claims are accepted at pre-audit, the DAO will be personally held responsible along with the Drawing Disbursing Officer as directed by PAC.

During the scrutiny of record pertaining to Secretary C&W office, it was observed that due to weak internal controls, various observations were repeatedly raised during annual audits (such as less deduction of

Income Tax, Punjab Sales Tax, General Sales Tax, non-recovery of price de-escalation and excess quantity of TS estimate etc.). It also indicated that the internal checks and pre-audit checks applied by Divisional Accounts Officers (DAO) were alarmingly deficient. It was also observed that the DAOs made payments in the absence of pre-audit checklists. Further, Principal Account Officer did not appoint CIA and establish internal audit wing.

Violation of para 29 of the Public Finance Management Act, 2019 resulted in non-operationalization of internal audit system and weak pre-audit system.

Audit recommends to adopt the internal audit system and pre-audit checks along with monitoring of DAOs through objective deliverables.

DP No.13 (2021-22)

7.1.8.2.3.8 Non preparation of financial and economic analysis of RAP-I & II

As per Clause 11 of PC-I of RAP-1 & II, the C&W Department will calculate the cost benefit ratio.

During scrutiny of record of Secretary C&W office, it was revealed that Department did not prepare financial and economic analysis of RAP-I & RAP-II. Audit pointed out that RAP was an economic stimulation programme which was initiated to boost the economic activities throughout the province, therefore, it was imperative/ critical to identify and determine accurate benefits to validate the investment decision. C&W Department did not carry out proper financial and economic analysis of the programme.

Violation of PC-I resulted in non-preparation of financial and economic analysis of RAP-I & II.

This matter could not be discussed in SDAC meeting due to non-submission of working papers by the department.

Audit recommends for early preparation of financial and economic analysis of the project.

DP No.09 (2021-22)

7.1.8.2.3.9 Irregular calling of tenders in RAP-II in violation of PPRA Rules – Rs 15 billion

As per Rule 16(2) of PPRA Rules, 2014, the procuring agency shall prequalify bidders under sub-rule (1) in case of procurement of goods of one hundred million rupees and above and large consultancy, except where a procuring agency, for reasons to be recorded in writing, dispenses with the requirement of prequalification of bidders.

During scrutiny of record of Secretary C&W office, it was revealed that in RAP-II, tenders were invited on open competition basis instead of prequalification process as approved by the CM and also provided in PC-1. Audit observed that C&W department violated the PPRA Rules by inviting tenders without prequalification as was done in the case of RAP-I. Therefore, irregular tendering and payment was made in RAP-II scheme in violation of criteria *ibid*.

Violation of PPRA Rules resulted in irregular calling of tenders in RAP-II for Rs 15 billion.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that tenders were called through open competitive bidding after approval of Convener of Provincial Steering Committee. Hence, no violation was committed. Audit argued that as per approved summary by CM, only pre-qualification process was required to be adopted. The department did not comply with the directives of CM. The Committee directed the department to probe the matter and submit fact finding report within 30 days.

Audit recommends for early regularization of the matter from the competent forum.

DP No.21 (2021-22)

7.1.8.2.3.10 Loss due to allowing higher rates in RAP-II due to unfair tendering - Rs 2.475 billion

As per Rule 4 of PPRA Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During scrutiny of record of Secretary C&W office, it was revealed that in RAP-II, tenders were awarded on higher side (4 % above the TS rates) in districts DG Khan, Sargodha, Rawalpindi and Kasur during the Year 2020-21. Audit observed that in other districts (such as Khanewal, Vehari, Lodhran, Multan, Jhang, Chiniot, TT Singh, Faisalabad), the rates were 15% to 20% below the estimated rates. This showed that tenders were awarded in an unfair manner resulting in huge loss to the Government. Similar apprehensions were conveyed by the DG, Anti-Corruption Establishment, Lahore vide their letter dated 13.4.2021.

Violation of PPRA Rules resulted in loss to government due to award of works unfairly in four districts valuing Rs 2.475 billion.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that tendering was not domain of Administrative Department. Audit informed that the contractors offered rates below than estimated rates in all Districts of Punjab except in districts DG Khan, Sargodha, Rawalpindi and Kasur, which proved pooling and connivance of C&W department officials in tendering process. The Committee directed the department to probe the matter and submit fact finding report within 30 days.

Audit recommends early compliance of SDAC's directives.

DP No.22 (2021-22)

7.1.8.2.3.11 Wasteful expenditure on self-advertisement and media campaign charges – Rs 40 million

As per Summary approved by Chief Minister on 14.12.2018 for Rural Accessibility Programme - “Naya Pakistan Manzalain Asaan”, the key objectives included “rehabilitation and connectivity of Rural Roads and to provide easy access to deprived and under developed rural areas”.

During scrutiny of record of Secretary C&W office, it was revealed that department approved PC-1/administrative approvals of Rural Accessibility Programme Phase-I & II in various districts of Punjab valuing Rs 30 billion. Audit observed that department made provision of Rs 40 million in PC-1/AA and expenditure was incurred on self-advertisement of political leaders and media campaign charges at the public exchequer. Unjustified provision of media and advertisement charges was against the financial propriety.

Weak supervisory and financial controls resulted in loss due to sanction of unjustified provision on account of media and advertisement charges for Rs 40 million.

The matter was discussed in SDAC meeting held on 26.10.2021. The department explained that no expenditure was incurred by Administrative Department. Audit contended that the huge expenditure was incurred on advertisement and media campaign charges other than RAP programme and payment was made to DGPR by C&W Department. The Committee directed the department to get the matter condoned from FD.

Audit recommends for early compliance of SDAC’s directives.

DP No.11 (2021-22)

7.1.9 Departmental Responses

In SDAC meetings during November 2021, audit observations were discussed and departmental responses and directives thereon have been incorporated accordingly.

7.1.10 Conclusion

The entire scope of the RAP Project Phase-II was not completed yet inspite of expiry of its deadline during July 2021. However, the selected project of RAP-I &II represented important road links from farms to market, which would positively contribute towards the economic growth and benefits to the road users especially farms to markets of each district. The development schemes could be designed in a way to bring the less developed areas of Punjab at par with developed areas by providing equitable funds to generate opportunities of employment and income generation for improving living standards in compliance with SDG Goal (Reduce Inequality). Audit observed that there was not effective utilization of financial resources and cases of ill planning were also observed as the funds were not provided to complete the second phase of RAP/Naya Pakistan Manzalain Asan project timely.

The Director General concluded that the Punjab was predominantly rural and agrarian economy and rural roads were backbone for Socio-Economic growth. The farmers would have easy access from their farms to market and it would also ease out the problems in education and medical sectors. However, the government did not allocate funds for routine maintenance of roads to Highway Divisions for its proper upkeeping to their designed life of 10 years. There was also no mechanism for to monitor the axle load management on these rural roads, which needs to be implemented immediately with the co-ordination of district administration and transport department along with C&W Department. The full funds were also not issued by the P&D and FD resulting in non-completion of second phase of RAP well in time during July 2021 as targets set by C&W Department in PC-1. This would also have caused time and cost overrun of phase-II. Further, the funds were not distributed equally as per approval of Cabinet and it was also in violation of SDG-10 reduce inequality. The expenditure should be incurred on the said scheme for which the funds were allocated. The tendering process should be economical and the objective should be value for money. It was need of the day that to maintain and rehabilitate of roads assets would cut transportation cost, save travel time and increase socio economic benefits for the public.

7.1.11 Recommendations

Based upon the issues observed during the thematic audit of C&W Department (Road Sectors), following recommendations for policy-makers and stakeholders are given below:

- The planning and strategy should be fully aligned with Punjab Spatial Strategy 2047, SDGs and Punjab Growth Strategy 2023.
- Public feedback through Punjab Portal be established to strengthen decision making for construction of roads and allocation of funds on actual needs and on priority basis.
- There should be proper planning and co-ordination among the C&W, FD and P&D Board so that schemes should be fully funded and envisaged benefits in PC-1 be extended timely to public.
- In MTDF, there should be no block allocation and schemes should be identified with allocation of funds.
- Strengthening of existing road infrastructure by using more funds for maintenance & rehabilitation.
- The farm to market roads network should be linked with national highways, motorways and CPEC roads for easy access and transportation of public and goods.
- More funds should be allocated in under-developed areas/districts as per Human Development Index to reduce disparity and hardships of people residing therein.
- Internal audit wing needs to be established in C&W Department immediately to improve effective financial management.

7.1.12 References

- MTDF (Medium Term Development Framework 2021-24) Development Program 2021-22 & 2020-21
- Guidelines for formulation of Annual Development Programme 2020-21 (P&D Board)
- Punjab Spatial Strategy 2047 (A Framework for Integrated Spatial Planning and Sustainable Development)

- Punjab Growth Strategy 2023 and SDGs goals (17 UN goals set 2015 to be achieved by the year 2030) and SDG-10 Reduced Inequalities Ranked No.1
- RISE (Responsive Investment for Social Protection and Economic Stimulus) Punjab Post Covid-19 Public Investment Strategy P&D Board
- SMDP (Smart Monitoring of Development Projects) and SAP data

7.2 FINANCIAL MANAGEMENT & SUSTAINABILITY-SUBSIDIES (PMA)

7.2.1 Introduction

The Punjab Masstransit Authority (PMA) is a public transportation authority of province of the Punjab in Pakistan. The aim of this authority is to construct, maintain and operate mass transit systems in major metropolitan cities of the Punjab. By doing so, it will provide safe, efficient and comfortable urban transportation systems to the masses.

PMA operates metro bus service in the province's urban centers namely Lahore, Multan and the twin cities of Rawalpindi-Islamabad and Orange Line Metro Train in Lahore. PMA is a statutory body established by government of the Punjab having a mandate to plan, construct, maintain and operate mass transit systems in the major cities of the province. Set up in 2012, the Authority was tasked with providing safe, efficient and comfortable urban transportation systems in the province. The PMA has outsourced all of its operations and maintenance services to the private contractors keeping the components of planning, contracting of services and oversight of contracts/operations to itself.

The Punjab Masstransit Authority, Lahore started mega projects of Metro Buses in Lahore, Rawalpindi-Islamabad and Multan and Orange Line Metro Train Lahore since 2013. The purpose of mass transit projects is to improve service delivery through affordable, accessible and integrated Public Transport Network and Services (Masstransit System and Feeder Services), enhancing road safety, strengthening regulatory framework and institutional capacity building. The purpose is also to encourage private investments through PPP mode and IT interventions to ensure transparency and accountability.

The importance of mass transit projects can also be linked with Sustainable Development Goal no.9 (Building Resilient Infrastructure) as

committed by Government in UN Charters. Therefore, this theme was selected for audit keeping in view the huge cost of subsidy in all projects i.e. Orange Line Metro Train Lahore, Metro Bus Lahore, Metro Bus Rawalpindi-Islamabad and Metro Bus Multan.

7.2.2 Background

The government of the Punjab is paying a huge subsidy annually on mass transport services in Lahore, Rawalpindi-Islamabad and Multan. The provision of subsidy means that the metro projects are not self-sustainable. But the cost of subsidy has been higher in these projects than anticipated cost of subsidy. The actual number of riders has been lesser than the number of riders given in PC-I. This shows that there were flaws in planning. Feasibility studies and financial and economic analyses were not realistic and exaggerated due to which cost of subsidy remained on the higher side.

The subsidy is funded by the taxes paid by the general public which could otherwise have been utilized to provide better health, education, and infrastructure facilities in the province to achieve goals envisaged in Punjab Growth Strategy 2018-2023 and Punjab Spatial Strategy 2047 and for increase in GDP growth rate.

The shift from the traditional audit to thematic audit urged to select subsidy as a cross cutting issue and to study the reasons of increase in cost of subsidy on these mega projects. The significant percentage of funds was being borne by the government of the Punjab annually only on these four mega projects. Keeping in view the financial significance, these projects were selected for thematic audit analysis.

7.2.3 Establishing the Audit Theme

7.2.3.1 Reasons of Selection

Mega transportation projects need to be planned and designed in such a way that they are self-sufficient and can bear the recurring costs through their revenue generation. However, being enormous in context of

value for money and carrying huge recurring costs, such projects were susceptible to not only cost and time overrun but also to becoming financially dependent on subsidies. Therefore, to analyze financial viability, financial management and sustainability of the projects; subsidy by government of the Punjab was selected for the mega projects of Punjab Masstransit Authority.

As the government of Pakistan signed a charter with the United Nations to achieve Sustainable Development Goals till 2030. Therefore, in order to watch the progress of the SDG-9 (resilient infrastructure), audit will examine the performance of PMA in achieving its goals.

7.2.3.2 Purpose/Objectives

Owing to limited financial resources available with the government, effective planning and good strategy play crucial role in maximizing benefits from investments of its available resources. But in recent years, increase in trend of subsidy by government on Metro Bus projects and Orange Line Metro Train resulted in huge financial burden on public exchequer. Therefore, Metro Bus and Orange Line Metro Train Lahore projects were selected by Audit for ascertaining that there was proper management of financial resources and sustainability of the projects was duly taken into consideration while conceiving these projects. This kind of analysis would help the stakeholders in formulating appropriate future planning and strategy, and would also result in reduction in cost of subsidy.

The purpose/objectives of the audit report were listed below:

- i. The report would be helpful for PAC/Parliament about the weaknesses of the system that might require changes through legislation.
- ii. The report would also be helpful for the concerned departments for future planning and policy formulation.
- iii. The report would also help the management in reassessing and reducing the cost of subsidy.

7.2.3.3 Scope

The scope of the Audit included Secretary Transport Department Lahore, Managing Director, PMA Lahore, Rawalpindi-Islamabad and Multan for the financial year 2020-21. The scope included examining, reviewing and analysing the system with respect to the following areas:

- Whether the subsidies were utilized for the benefit of general public and daily passengers' limits were achieved by the Authority.
- Whether the objectives of the projects were achieved or not and all resources were properly utilized.
- Whether the tendering process of the projects complied with PPRA Rules.
- Whether envisaged targets/goals were accomplished and effective strategies were adopted.

Audit would also examine whether the financial resources were deployed properly, keeping in view the “value for money” and whether management had taken effective measures for mega project’s sustainability and viability.

7.2.4 Legal Framework governing the Theme

The Punjab Masstransit Authority has been empowered by the Government of the Punjab under section 3 of Punjab Masstransit Authority Act 2015, to construct, maintain and operate mass transit systems in the province. Further, the operations of the authority were governed by the following:

- Punjab Masstransit Authority Act 2012
- Punjab Masstransit Authority Act 2015
- Punjab Masstransit Authority Ordinance 2015
- Punjab Masstransit Authority Rules 2013
- Technical and Special Specifications
- Tender Documents and Contract Agreements

- MTDF (Medium Term Development Framework 2021-24) Annual Development Programme 2020-21 & 2021-22
- Punjab Spatial Strategy 2047 (A framework for integrated spatial planning and sustainable development)
- Punjab Growth Strategy 2023

7.2.5 Stakeholders and governmental organizations identified as directly or indirectly involved

The civil works of mass transit projects in Lahore, Rawalpindi-Islamabad and Multan were got executed by Traffic Engineering and Planning Agency (TEPA), Lahore Development Authority (LDA), Rawalpindi Development Authority (RDA) and Multan Development Authority (MDA). However, civil works of Orange Line Metro Train Lahore were carried out by engineering wing of LDA and Electrical & Mechanical works were got executed by Punjab Masstransit Authority Lahore. The Managers (Operations) of Metro Bus Rawalpindi-Islamabad and Multan are working under centralized system of PMA Lahore.

7.2.6 Role of important organizations

Punjab Masstransit Authority (PMA) is a statutory body established by Government of the Punjab (Transport Department) with the purpose of planning, construction, operations and maintenance of mass transit projects.

The PMA has a close liaison with Lahore Development Authority, TEPA LDA, PHA Lahore, WASA Lahore, RDA Rawalpindi, PHA Rawalpindi, WASA Rawalpindi, MDA which executed the civil works of these mass transit projects. The civil work of Orange Line Metro Train project was also executed by LDA and electrical and mechanical works were executed by the Authority itself.

The Chief Minister of the Punjab was chairman of the PMA and Authority convened its frequent meetings under the chairmanship of CM and discussed the affairs of the authority. Further, there was vital role of

LDA in the land acquisition matters, for clearance of right of way and for the construction of these mega projects. The land acquisition and clearing of sites were uphill tasks for the management of Board of Revenue and LDA. The shifting of utilities i.e. relocation of electricity, sewerage, sui gas and PTCL lines was also a real challenge to the management/project team and the regulators for the timely completion of the project. The civil works were completed by the concerned Chief Engineers along with their teams and consultants.

The mission of PMA was to establish and operate mass transit system which was safe, comfortable and efficient. Accordingly, the PMA was tasked to reduce traffic congestion, to save time, to reduce fuel consumption and to ease out the traffic problems of the residents of major cities. These problems also included economic losses, environmental hazards and traffic accidents. In order to overcome these problems, the government of the Punjab decided to revamp public transport sector in Lahore, Rawalpindi-Islamabad and Multan. For this purpose, an Authority was established which was working under the administrative control of Secretary Transport, government of the Punjab.

The role and functions of the Authority are governed by the Punjab Masstransit Authority Act, 2015 which are as follows:

- Own, control, maintain and develop a corridor, station, depot and other ancillary facilities which are transferred to it by the government
- Plan, construct, operate and maintain the corridors for future expansion
- Enter into contracts including concession agreements, grant licenses, leases, make other arrangements and perform all tasks necessary for efficient functioning of the Mass Transit Stations
- Collect fares as determined by the government
- Grant licenses to Masstransit operators and all other service providers
- Incur all necessary expenditure for planning, construction, operation and maintenance of the MTS including administrative expenses

- Collect and use fees, fines and all other revenues generated from the MTS infrastructure
- Acquire, hold and dispose of property
- Ensure safe, efficient and comfortable Masstransit operations on a corridor or a public transport route
- Establish, operate and maintain Automated Fare Collection
- Make adequate arrangements for effective security of a corridor, station, depot and other ancillary facilities
- Establish and maintain an effective third party oversight mechanism for collection of revenues
- Establish and maintain an effective system of janitorial and housekeeping services to keep a corridor and its entire ancillary facilities clean
- Plan, and operate integrated public transport routes
- Plan, construct and maintain infrastructure for the public transport routes
- Give directions to any other person or agency for establishing and operating feeder transport services for a corridor
- Give directions to any agency to desist from issuing competing transportation route permits along a corridor or a public transport route notified by the Authority
- Give directions to any person to desist from operating any competing transportation system along a corridor or a public transport route notified by the Authority
- Give directions to any person or agency for not interfering in any way with a corridor, its ancillary facilities and their smooth functioning
- Monitor and enforce contracts, agreements including concession agreements, licenses or leases entered into or granted by the Authority
- Establish subsidiary companies or to assume control of companies transferred to it by the government

The Authority failed to perform its functions like leasing out of the properties, controlling the competing routes parallel to mass transit routes and third party monitoring of the revenue collection/generation. Further, the

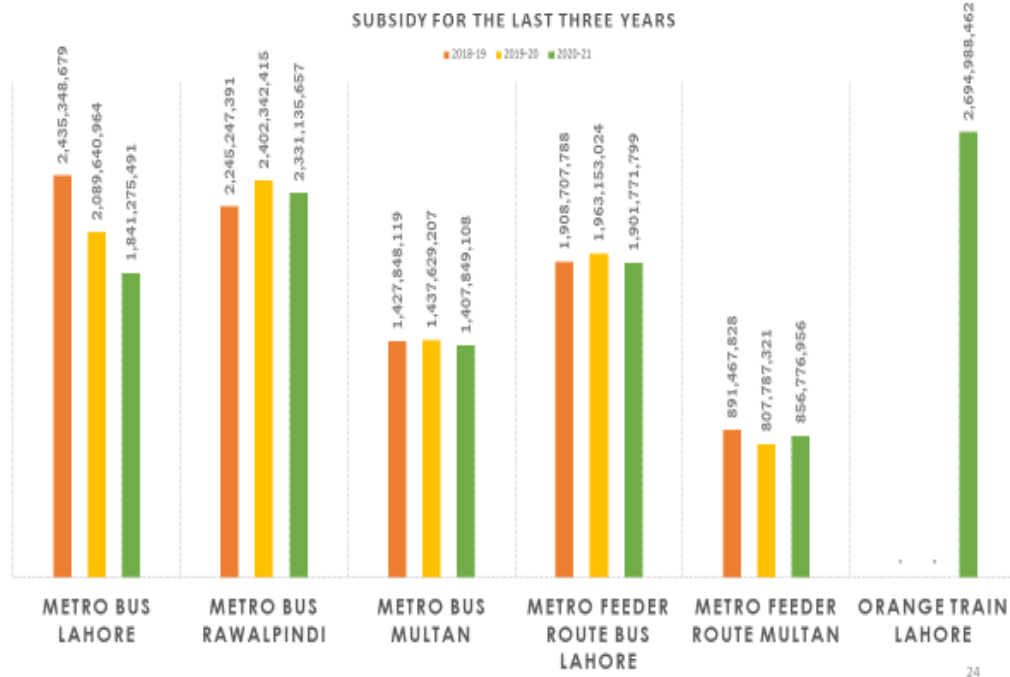
feeder routes were also not developed by the Authority in Rawalpindi and Islamabad. Furthermore, no project was executed on public private partnership mode to shift the burden from public exchequer. This all resulted into an increase in cost of subsidy which was borne by the government of the Punjab.

7.2.7 Organization's Financials

The annual amount of subsidy provided by the government of the Punjab during the last three years 2018-19, 2019-20 and 2020-21 was Rs 8.909 billion, Rs 8.701 billion and Rs 11.034 billion respectively. The details were as below:

(Amount in Rs)

Sr. No.	Name of The Projects	Subsidy by Government		
		2018-19	2019-20	2020-21
1	Metro Bus Lahore	2,435,348,679	2,089,640,964	1,841,275,491
2	Metro Bus Rawalpindi	2,245,247,391	2,402,342,415	2,331,135,657
3	Metro Bus Multan	1,427,848,119	1,437,629,207	1,407,849,108
4	Metro Feeder Route Bus Lahore	1,908,707,788	1,963,153,024	1,901,771,799
5	Metro Feeder Route Multan	891,467,828	807,787,321	856,776,956
6	Orange Line Metro Train Lahore	-	-	2,694,988,462
Total		8,908,619,805	8,700,552,931	11,033,797,473



7.2.8 Field Audit Activity

7.2.8.1 Methodology

Audit methodology includes data collection, determination of objectives and audit criteria, analysis/consultation of record, discussion with staff, etc. Following steps were involved:

- Understanding the auditee/activity;
- Defining audit objectives;
- Developing audit procedures;
- Conducting audit as per audit procedures;
- Evaluating results;
- Interviews;
- Reporting;

Audit team used qualitative methods including discussions and interviews with Manager Operations and Technical Experts of PMA. Relevant documents which were scrutinized are as under:

- The project related record i.e. PC-II/feasibility study, PC-1, administrative approvals, PC-III/progress reports, minutes of meetings etc.
- Funds release orders, award letters, agreements, vouchers etc.
- Tendering process and documents etc.
- Request for proposals
- Technical and special specifications

Audit team reviewed the financial & credit risk, foreign exchange debt burden risk and operational sustainability risk (subsidy).

7.2.8.2 Audit Analysis

7.2.8.2.1 Review of Internal Controls

In PMA office, there were capacity issues as for Orange Line Metro Train Lahore, they had no experience of operation and maintenance of Trains. Audit also pointed out many issues of weak internal controls which needed to be strengthened for better performance. Moreover, there was need of appointment of Chief Internal Auditor who would work under the direct supervision of Principal Accounting Officer. This would improve the internal controls system of PMA.

7.2.8.2.2 Critical Review

The mega mass transit projects indicate economic growth and development of any country as such projects attract foreign investment and boost economic activities thus triggering GDP growth rate. Such projects are complex in nature in terms of financial discipline, use of technology and human resource management. These projects require very sophisticated

technological advancement keeping in view huge financial resources that are needed for execution of such projects.

Every stage of the project i.e. planning, execution, operations & maintenance, monitoring and evaluation requires effective and efficient managerial skills for efficient utilization of financial resources of the project. At the stage of planning, financial and economic analyses need to be realistic for ensuring optimal use of financial resources. At the stage of execution, effective financial management is needed to mobilize the financial resources in an efficient manner. For the sustainability of the project, effective operations & maintenance are required in mass transit projects. In the absence of effective operations & maintenance, the burden of subsidy which is borne by the government tends to increase significantly.

Keeping in view the significance and importance of mass transit projects, Audit selected the mega Projects i.e. “Orange Line Metro Train Project, Lahore, Lahore Metro Bus and Feeder routes, Multan Metro Bus and Feeder Routes and Rawalpindi-Islamabad Metro Bus Project” for thematic audit. As the huge capital investments in infrastructure and operation of these mass transit projects were involved, therefore, the main theme “financial management and sustainability” and sub theme “subsidy” were selected by the Audit. The audit was planned with a view to analyzing the operational sustainability risks, financial planning and credit risks and foreign exchange debt burden risks.

As a result of thematic audit of “Orange Line Metro Train Project, Lahore, Lahore Metro Bus and Feeder routes, Multan Metro Bus and Feeder Routes and Rawalpindi-Islamabad Metro Bus Project,” the following critical areas were identified:

7.2.8.2.2.1 Flaws in Planning:

The feasibility study was carried out in mega projects to see the viability of the projects in which huge amounts of public money were involved. Feasibility study helped in identifying the strengths and weaknesses of a proposed project to analyse whether it would result in

success or failure. In case feasibility study was not conducted, the chances of uncovering the potential merits and demerits of project significantly diminish. In the absence of such vital information, the risks involved in execution of the proposed project greatly increase.

There were flaws in planning of these projects. In feasibility study of Multan Metro Bus, internal rate of return was taken as 41.47% on the irrational grounds to show the viability of the project. Further, in all other projects, the targets envisaged in the PC-I were too ambitious resulting in failure to achieve those targets. For example, as per PC-I of the projects Orange Line Metro Train Lahore and Multan Metro Bus, the ridership was planned to be 250,000 and 100,000 per day whereas the actual ridership was 80,000 and 30,000 per day respectively. The Authority planned another ambitious target of a huge non-fare revenue as reflected in PC-I to make the projects feasible. However, the Authority did not take any concrete steps to realize the non-fare revenue.

7.2.8.2.2.2 Operational sustainability risk (Subsidy):

The subsidy was a sum of money granted by the State or a public body to help an industry or business to keep the price of a commodity or service low to make it affordable for the general public. The governments had to bear the cost of subsidies to minimize the financial burden on general public.

The mega mass transit projects which required huge capital investments were undertaken by the governments for facilitating the masses. If the cost of O&M of such projects was higher and revenue was lesser than the targets set in PC-I of the projects, the cost of subsidy would be increased. In developing countries like Pakistan, such projects become a burden on public exchequer which in turn increased the risk of operational sustainability of the project.

The Authority outsourced the services of O&M works of Orange Line Metro Train Project, Lahore, Lahore Metro Bus and Feeder routes, Multan Metro Bus and Feeder Routes and Rawalpindi-Islamabad Metro

Bus and made payments to the contractors. Due to high operations & maintenance cost, the cost of subsidy has been on increase in these projects. In some cases, the O&M contractors were paid for services which were not rendered and in some cases; higher rates were paid to the contractors resulting in increase in the cost of subsidy.

7.2.8.2.2.3 Weak Financial Management:

The Authority did not recover the huge amount on account of share of O&M cost from Capital Development Authority (CDA) for running of metro bus in capital city of Islamabad. The transport department of government of the Punjab did not make any efforts for collection of this share from Federal Government organization i.e. CDA, Islamabad. This also resulted in increase in cost of subsidy due to non-receipt of Rs 3.75 billion from CDA.

The Authority also did not recover electricity and WASA utility charges from the O&M contractor of Orange Line Metro Train, Lahore who used these facilities for its administrative offices in depot.

The Orange Line Metro Train Lahore project was financed through loan by Exim-Bank China with a cost of US\$ 1.626 billion. Further, other projects Metro Buses Lahore, Rawalpindi-Islamabad and Multan were constructed at the cost of more than Rs 100 billion. In addition to this capital cost, O&M cost was also borne by the government of the Punjab through subsidy. The loan was in US dollars and due to fluctuation in dollar rate, there would be extra burden on government.

There were also few cases where the Authority failed to bring value for money as the procurement process in a fuel handling & service charges and janitorial works was not efficient and economical.

7.2.8.2.2.4 Irregularities relating to procurement:

An effective procurement management helps the organizations to save money and to ensure transparency in their fiscal operations.

Procurement rules are formulated to put a check on arbitrary exercise of authority and also to minimize the chances of misuse of public funds while making purchases of goods and services. The purpose of these rules is to ensure transparency, efficiency, economy and value for money. In the absence of an efficient procurement process, effective utilization of financial resources is not possible. Transparency enables the process to be monitored and reviewed thereby helping the decision/policy makers to promote accountability and fair competition.

The Authority awarded the contracts of janitorial services in all mass transit projects without open competitive bidding in violation of PPRA Rules. This also resulted in exorbitantly high rates as compared to works in which open competitive bidding was done. The cost of subsidy reduced significantly in the projects wherein open competitive bidding was done for procurement of janitorial services recently. This led to saving of public money thus fulfilling the purpose of procurement process.

7.2.8.2.2.5 Role and performance of the Authority:

The performance of any organization was assessed by effective planning, timely execution, regular monitoring and proper evaluation of the projects. During audit of the mass transit projects in Lahore, Rawalpindi-Islamabad and Multan, certain lapses in different phases of the project were observed.

The O&M contractor in Orange Line Metro Train Lahore deployed local staff instead of foreign staff in contravention of agreement resulting in overpayment and loss to the government. However, the Authority did not rationalize the cost keeping in view the credentials of the deployed staff resulting in weak performance as a regulator.

The Authority added 16% PST in estimated price of janitorial services in Orange Line Metro Train Lahore besides addition of the same in total value of work done and payment was made accordingly. This also resulted in increase in cost of subsidy.

At the time of award of O&M contracts of mass transit projects, the income tax rate was 8%, however, the rate of income tax was reduced to 3% which was deducted accordingly. As per conditions of the agreement, in case of decrease or increase in tax rates more than 10%, the cost of services rendered by the contractors was required to be adjusted accordingly which was not done by the Authority.

During Covid-19 period, the O&M of mass transit projects remained suspended. During this period, the Authority did not reduce the cost of services rendered by the contractors. Further, the O&M contractor supplied non-specified equipment at AFC-BSS of Metro Bus Multan. The Authority did not take any action in this regard.

The O&M cost of Orange Line Metro Train Lahore was Rs 1,990 per km as compared to Delhi Metro Train project which was Rs 376 per km only. The foreign loan for Delhi Metro Train project was obtained at interest rate of 0.1% whereas, foreign loan for Orange Line Metro Train Lahore project was obtained at the interest rate of 3%. This indicated poor financial management thus creating high risks of credit and foreign exchange debt burden.

Weak financial management and internal control lapses as narrated above, indicated inefficient performance of the Authority. It was also evident that the Authority could not perform its role effectively as a regulator in all the mass transit projects resulting in increase in the cost of subsidy and thus putting operational sustainability of these projects at risk.

7.2.8.2.3 Significant Audit Observations:

7.2.8.2.3.1 Non-recovery of rent of Command and Control Centre Building – Rs 3.098 billion

As per Feasibility Study Report, there were two types of revenue in Multan Metro Bus, the fare revenue and non-fare revenue. The non-fare revenue comprises revenue from advertisement on gates, walls, billboards & tickets, rental income from command & control center, ATM rentals and

miscellaneous income and the total rent was assessed for Rs 3.098 billion during the Year 2016 to 2021.

During the scrutiny of record of Multan Metro Bus, it was observed that the civil works of construction of command and control centre Multan was still not completed by the contractor despite the lapse of more than 3 years. Due to non-completion of the project, the PMA was deprived of earning huge revenue on account of rent from building from year 2016 to 2021 amounting to Rs 3.098 billion.

Audit recommends early probe into the matter.

DP No.42 (2021-22)

7.2.8.2.3.2 Loss to the Government due to operational and capital cost more than revenue and non-achievement of PC-I objectives – Rs 2.364 billion

As per Para 14.7 of Feasibility Report of Multan Metro Bus Project, the capital cost of the project had been estimated to be Rs 28.9 billion. The total operating and maintenance costs were estimated to be Rs 3.237 billion per annum. The Economic Internal Rate of Return (EIRR) was 41.47% and the annual subsidy required was estimated to be Rs 1.034 billion.

The Metro Bus Management Multan was charging fare of Rs 20 per person/rider. Audit observed that total operational cost incurred during the Year 2020-21 was Rs 2.644 billion on account of hiring of 35 buses for Metro route, 100 buses for feeder routes, cleaning charges of platform and track, security, diesel for generators and cost paid to M/s Inbox on account of e-ticketing, equipment, software etc. As per bank statement of Escrow Account in Bank of the Punjab, the actual receipt on account of sale of ticketing and other revenues was Rs 279.876 million. Therefore, the government of the Punjab had to bear the total subsidy on operations amounting to Rs 2.364 billion. Moreover, as per provision of PC-I, the estimated passengers/riders per day were 93,749 but actual ridership was 36409. Therefore, the government was facing huge loss in shape of subsidy

which was increasing day by day. Moreover, the PC-IV and PC-V were not prepared by the Authority after the lapse of 5 years.

The weak managerial and financial controls resulted in loss to the government for Rs 2.364 billion.

Audit recommends early preparation of PC-IV and PC-V for evaluation of benefits envisaged in PC-II besides reduction in cost of subsidy.

DP No.40 (2021-22)

7.2.8.2.3.3 Loss due to non-recovery of share of O&M by CDA Islamabad to PMA – Rs 3.751 billion

As per Clause 4 of agreement between PMA and CDA, the operation and maintenance costs will be shared by CDA for operations of Metro Bus Rawalpindi-Islamabad.

Examination of record of Manager (Operation), PMA Rawalpindi revealed that an agreement was signed between Chairman CDA and MD PMA regarding sharing of O&M cost of Metro Bus Rawalpindi-Islamabad. Audit observed that as per agreement, 69% expenditure would be shared by CDA. However, as per accounts statement of PMA for the financial year 2020-21 and CDA letter dated 28.09.2021, an amount of Rs 3.751 billion was not shared by CDA.

Audit recommends early recovery from CDA for reduction in cost of subsidy.

DP No.57 (2021-22)

7.2.8.2.3.4 Overpayment due to allowing contract beyond 4.5% above the estimated cost for Rs 4.417 billion and without approval from ECNEC

As per the Punjab Delegation of Financial Power Rules, 2016, the rates quoted and amounts tendered are such that the total cost of a project

will not exceed the amount for which technical sanction has been accorded, by more than 4.5%.

Punjab Masstransit Authority, Lahore awarded the O&M work of Orange Line Metro Train Lahore to contractor for Rs 41.536 billion against the estimated cost for Rs 35.520 billion for the period of eight years. Audit observed that the management awarded the contract at 17% above against the permissible limit of 4.5%. Further, the Authority did not get the approval from ECNEC.

Violation of Financial Power Rules resulted in overpayment of Rs 4.417 billion and non-approval from competent forum.

Audit recommends early recovery from the contractor and ex-post approval from ECNEC.

DP No.06 (2021-22)

7.2.8.2.3.5 Undue benefit to the contractor by allowing mobilization advance of Rs 3.115 billion and performance security of Rs 363.441 million against invalid guarantees

As per clause 22.1.1 of agreement, the successful bidder shall furnish performance security within 21 working days of the receipt of the acceptance letter, in the form of a bank guarantee, issued by a scheduled bank operating in Pakistan. Further, as per clause 10.22.2 of agreement, the advance payment guarantee shall be furnished by the contractor in lieu of advance payment.

Scrutiny of record revealed that the PMA awarded the O&M work for Orange Line Metro Train Lahore to contractor who submitted bank guarantee against mobilization advance of Rs 3.115 billion and performance security of Rs 363.442 million. Audit observed that the aforementioned bank guarantees were conditional and were issued by non-designated bank.

Audit recommends early obtaining of irrevocable/unconditional guarantees from the contractor.

DP No. 04& 05 (2021-22)

7.2.8.2.3.6 Increase in Subsidy due to decrease in ridership and fare revenue as compared to Feasibility Study/PC-II – Rs 1.533 billion

As per Feasibility Study/PC-II of Rawalpindi-Islamabad Metro Bus Project, the capital cost of the Metro Bus was estimated to be Rs 40 billion. The total operational and maintenance costs were estimated to be Rs 3.430 billion. The Economic Internal Rate of Return (EIRR) was 22% and the annual subsidy required was estimated to be Rs 2.444 billion. Further, the average ridership was 135,000 per day with yearly revenue of Rs 986 million. Furthermore, as per Feasibility Study/PC-II of Multan Metro Bus Project, the capital cost of the Metro Bus was estimated to be Rs 28.90 billion. The total operational and maintenance costs were estimated to be Rs 3.237 billion. The Economic Internal Rate of Return (EIRR) was 41.47% and the annual subsidy required was estimated to be Rs 1.034 billion.

During the examination of record of Manager (Operations), PMA Rawalpindi, it was revealed that during the Year 2020-21, the annual cost of subsidy was Rs 2.376 billion. Audit pointed out that as per feasibility study, the average ridership per day was 135,000 and yearly revenue was Rs 986 million. However, as per PMA Accounts Record, since 01.07.2015 to 30.06.2021, the total fare revenue collected was Rs 4,383 million against estimated fare revenue of Rs 5,916 million. Further, Audit pointed out in Metro Bus Multan, as per feasibility study, annual subsidy during the first Year 2016-17 was Rs 1.034 billion and would increase @ 10% in subsequent years and it should have been Rs 1.51 billion during 2020-21. However, the actual cost of subsidy during the Year 2020-21 was Rs 2.36 billion which was more than provisions of subsidy mentioned in PC-II.

Weak managerial and supervisory controls resulted in increase in subsidy for Rs 1.533 billion.

Audit recommends that PMA may take initiatives for increase in revenue and reduction in cost of subsidy.

DP No.49 & 29 (2021-22)

7.2.8.2.3.7 Inadmissible monthly payments without work done – Rs 369.418 million

As per clause 24 of agreement dated 25.2.2020, the employer will make payment on application of certificate of payment against the evidences that the invoiced services stand rendered.

Punjab Masstransit Authority, Lahore awarded the O&M work of Orange Line Metro Train Lahore to contractor for Rs 41.536 billion for the period of eight years. Audit observed that the contractor did not operate diesel locomotives and generators as electric trains were being operated. The contractor also did not hire office in Lahore for O&M of Orange Train for backup and monitoring system. Further, the contractor did not develop any software for asset management and ticket management after the lapse of one year. However, the contractor was being paid against aforementioned components under the head of direct expenses.

Violation of contractual obligations resulted in inadmissible payment of Rs 369.418 million.

Audit recommends early recovery from the contractor.

DP No.10, 11 & 12 (2021-22)

7.2.8.2.3.8 Overpayment due to allowing inadmissible price escalation during shut down period – Rs 351.516 million

As per Clauses 20, 16.1 and 18 of agreements, the price variation was admissible to vendors on net value of work done at site. Further, as per Section 10 (3)(4) of PMA Act 2015, all monies credited in the fund shall be deposited into the bank approved by the government. The fund shall be financed by fees, fines and other amounts received by the Authority.

During the scrutiny of record of Punjab Masstransit Authority, it was observed that the Authority awarded the janitorial works and O&M of Rawalpindi and Multan Metro Buses and made payment to vendors against shut down period from 22.3.2020 to 12.8.2020. Audit observed that the

Authority allowed price escalation on the value of work done on account of increase in rates of POL/diesel and labour. Whereas, during shut down period, the operation of buses and corridors remained closed. Therefore, price escalation was not admissible to the contractors. Further, penalties were imposed by Manager Operation PMA Multan and recovered from the contractor. However, these penalties were adjusted and refunded to the contractor later on. Audit was of the view that penalties and fines imposed and recovered could not be refunded.

Violation of contractual obligations resulted in overpayment of Rs 351,516,011.

Audit recommends early recovery from the contractors.

DP Nos.32, 33, 44, 45, 52, 54, 65 & 66 (2021-22)

7.2.8.2.3.9 Non-recovery in cost due to change in foreign staff for key positions – Rs 346.135 million

As per Para 7 of Request for Proposal of O&M of Orange Line Metro Train Project, the total score of human resource strength of foreign key staff was 15 marks. The staff proposed by the bidder shall be evaluated according to the minimum qualification criteria and procedure mentioned in this section. The management of this project will be in the following manner:

- i. For key posts from Sr. No.1 to 26, staff proposed will remain engaged on this project for at least one year.
- ii. Station comprehensive controllers and train drivers will remain engaged on the project for at least six months.
- iii. All staff proposed must meet the minimum qualification and experience criteria as per RFP.

a) During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority awarded the O&M work of Orange Line Metro Train Lahore to a contractor for Rs 41.536 billion for the period of eight years. Audit observed that the Authority evaluated the

technical proposal of the contractor on the basis of HR (Foreign Staff for Key posts) and prequalified accordingly. The bidder submitted the particulars of foreign staff (142 employees) and same staff was to be retained till completion of the project as per agreement.

b) Audit also pointed out that PMA calculated higher estimated bid cost by taking 262 foreign staff instead of admissible 171 foreign staff. This resulted in inflated estimate and consequently resulting in evaluation of bid price at a higher cost. The detail of overpayment to contractor was as under:

Period of Payment	Amount Paid (Rs)	Non-recovery
October 2020 (6 days only) to June 2021 (For 8 months)	Rs 432,668,666 x 8 Months	Rs 346134932x10% =Rs 346,134,932

Non-recovery of Rs 346,134,932 on account of non-hiring of foreign staff on key positions resulted in loss to the government.

Audit recommends early recovery from the contractor.

DP No.13 (2021-22)

7.2.8.2.3.10 Loss due to supply of non-specified equipment for collection of fare from Metro Riders – Rs 230.933 million

As per Tender Documents/RFP (Request for Proposal) for AFC-BSS at Metro Multan, the contractor was required to install Turnstile of Model No.LTT-303KS.

Scrutiny of the record of the office of Manager (operations), Multan Metrobus System, Punjab Masstransit Authority (PMA) revealed that the contractor installed turnstile of Model LTT303A3 and LTT303A35 instead of turnstile of Model No.LTT-303KS as provided in the technical specification of the contract agreement. Audit observed that department did not rationalize the rate on installation of non-specified equipment.

Violation of contractual obligations resulted in loss to government for Rs 230.933 million.

Audit recommends early recovery from the contractor.

DP No.37 (2021-22)

7.2.8.2.3.11 Undue benefit to the contractor by non-obtaining of insurance documents – Rs 190.836 million

As per clause 16 of the contract agreement signed between PMA and contractor, the operator shall provide such insurance of the buses as is sufficient to protect against their theft, damage or deterioration during course of the operation, storage, transit to their final destination as indicated in this contract. The operator shall arrange and pay for the insurance of the buses to the place of destination and time, as required by the client.

Scrutiny of the record of the Punjab Masstransit Authority (PMA) revealed that under various agreements such as Metro Bus services, Feeder Route Services and AFC & BSS, bus operators and contractors were required to insure against the risks. The Authority was required to ensure that such insurance was in place prior to commencing of the services. Audit observed that no documents of insurance were made available by the Authority.

Violation of contractual obligations resulted in undue benefit to the contractors for Rs 190,836,068.

Audit recommends early insurance of the buses and equipment.

DP Nos.36, 51 & 69 (2021-22)

7.2.8.2.3.12 Non-recovery of liquidated damages – Rs 164.910 million

As per Clause 22 & 23 of contract agreements for security and safety of Orange Line Metro Train Lahore and Transit Solution for Multan Feeder routes, if the operator fails/delays in performance of any of the obligations under the contract, violates any of the provisions of the contract, commits breach of any of the terms and conditions of the contract; the client may, without prejudice to any other right or action/remedy it may have, levy liquidated damages.

Manager (operations), Multan Metrobus System, PMA made an agreement of Feeder Routes Multan for Rs 809.940 million for the period of 8 years. The operator was required to start the bus operations during January 2017 as per agreement but the bus operations were started after the lapse of 300 days. In another work of safety and security of Lahore Metro, contractor deployed only 336 security guards against 768 guards. He also did not install some equipment at all metro stations. The Authority did not impose liquidated damages of Rs 164.910 million on the contractors.

Audit recommends early recovery.

DP Nos.20 & 35 (2021-22)

7.2.8.2.3.13 Double payment on account of cost of security, uniforms and trainings to O&M Train Contractor - Rs 150.737 million

As per Rule 4 of PPRA Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement is to bring value for money to the procuring agency and the procurement process to be efficient and economical.

a. Punjab Masstransit Authority, Lahore awarded the O&M work of Orange Line Metro Train Lahore to contractor for Rs 41.536 billion for the period of eight years. Audit observed that the Authority awarded the contract of security and safety services for project to contractor M/s Security-2000 for Rs 23.310 million per month and further the Special Police Unit/Police Department separately providing security to Chinese personnel. Further, as per agreement between PMA and M/s Security-2000, the security provider shall dedicate and deploy atleast 6 (six) guards in Train Depot for security and general office work. Therefore, the payment to O&M contractor on account of security was double payment to the contractor.

b. The PMA awarded the security and safety work of Orange Line Metro Train Lahore to contractor for Rs 1.958 billion. Audit observed that

the Authority had included the cost of uniforms for security staff in the contract for Rs 1.396 million per month. Whereas, EPC Contractor M/s CR-Norinco already provided the uniforms for security staff valuing Rs 236,745,760. Therefore, the double payment was made on account of uniforms for the security staff.

c. The Authority awarded the O&M work of Orange Line Metro Train Lahore to contractor for Rs 41.536 billion which also included the cost of foreign and local trainings. Audit observed that the Authority had already awarded the EPC contract to M/s CR-Norinco valuing US\$ 922.500 million wherein cost of foreign and local trainings was also included.

Double payment on account of cost of security, uniforms and trainings to contractors resulted in loss to government amounting to Rs 150.737 million.

Audit recommends early recovery.

DP Nos.8, 9 & 19 (2021-22)

7.2.8.2.3.14 Overpayment due to allowing 7% income tax instead of admissible 3% on transport services – Rs 141.804 million

As per Section 153(1)(b) of Income Tax Ordinance 2001, in case of transport services, freight forwarding services, air cargo services, courier services, hotel services, security guard services, IT Services etc., the rate of income tax will be charged @ 3% of the gross amount while making payment for the Tax Year 2019-20.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority made provision of income tax @ 7% in the O&M contract of Orange Line Metro Train Lahore in the reserve price. Audit observed that income tax rate on transportation services was 3% but the Authority included 7% income tax in violation of Income Tax Ordinance resulting in inflated and incorrect estimated price of Rs 390 million per month. Accordingly, on the inflated estimated rate, the

contractor quoted price of Rs 432.668 million per month which resulted in loss to the government.

Violation of Income Tax Ordinance resulted in overpayment of Rs 141,803,660.

Audit recommends early recovery from the contractor.

DP No.3 (2021-22)

7.2.8.2.3.15 Non-recovery due to 63% decrease in income tax rates on payments of Service Providers – Rs 89.441 million

As per Clause 17.1 of Contract Agreement between PMA and vendors, for security and safety of Metro Buses, if the taxes imposed on the contractor increase/decrease above 10% of the rate that prevailed at the time of the signing of the contract, the service provider and the client shall settle the issue through mutual consultations/agreement.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, Multan and Rawalpindi, it was observed that the Authority awarded the O&M contracts to various contractors. Audit observed that PMA made payments to the contractors by including the tax rates @ 8%, however deducted income tax @3% on monthly payments with effect from 01.07.2019. The government reduced the income tax rates up to 63%, the PMA should have invoked the agreement clause to decrease the per month rates. The monthly rates were not reduced which resulted in overpayment and loss to government.

Violation of contractual obligations resulted in non-recovery of Rs 89,441,487.

Audit recommends early recovery from the contractors.

DP Nos.21, 47, 62, 63 & 64 (2021-22)

7.2.8.2.3.16 Loss to Government due to non-deposit of EOBI contribution by contractors - Rs 81.598 million

As per Section 3 and 9 of Employees Old-age Benefits Act, 1976, all employees in an industry or establishment shall be insured in the manner prescribed by or under this Act. Further, contribution shall be payable every month by the employer to the Institution in respect of every person in his insurable employment @ 6% of his wages.

During the scrutiny of record of MD, Punjab Masstransit Authority, Lahore, it was observed that the Authority awarded the various contracts for Lahore Metro Bus & Feeder Routes, and Rawalpindi-Islamabad and Multan. Audit observed that the payments made by the PMA to the contractors included the cost of Insurance and EOBI etc. But the contractors were not depositing the contributions against their employees to EOBI department.

Violation of Act ibid resulted in loss of Rs 81,597,600 to the government due to non-deposit of EOBI contributions by the contractors.

Audit recommends early recovery from the contractors.

DP Nos.24, 25, 26, 43, 59, 60 & 61 (2021-22)

7.2.8.2.3.17 Loss to Government due to payment of Rent of PMA Office at Arfa Karim Tower instead of occupation at Depot Office – Rs 33.019 million

As per Rule 4 of PPRA Rules 2014, the object of procurement is to bring value for money to the procuring agency and the procurement process to be efficient and economical.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority hired an office in Arfa Karim IT Tower and made payments to PITB Lahore on monthly rent of Rs 2,882,636 since 2013. Audit observed that LDA through contractor M/s ZKB constructed the depot along with building and offices for PMA and

operation was started since 2020. Therefore, after handing over of depot, the office of PMA should have been shifted to depot to reduce the burden on public exchequer.

Weak managerial controls resulted in loss of Rs 33,019,278 due to payment of rent of PMA Office.

Audit recommends early shifting of PMA office to depot to reduce the cost of subsidy.

DP No.23 (2021-22)

7.2.8.2.3.18 Loss due to allowing excess labour in Metro Multan than Lahore – Rs 27.250 million

As per Rule 4 of PPRA Rules 2014, the object of procurement is to bring value for money to the procuring agency and the procurement process to be efficient and economical.

Audit observed that the Manager Operations, PMA Multan made payment to Service Provider M/s Lahore Waste Management Company upto February 2018 for cleanliness of Metro Bus Stations, corridors, main route and canopies etc. It was observed that the Manager Operations made payment for 21 metro stations (18.5 Km) for the Month of October 2018 with number of workers 554. On the other hand, as per MBS Lahore record for 27 stations (27 km), 650 workers were allowed. Hence, accordingly on prorata basis the required strength of workers was 505 in Metro Multan. Therefore, the payment of excess 49 workers was being made to the contractor which was a huge loss to the government.

Payment made to the contractor of excess labour resulted in increase in cost of subsidy of Rs 27,250,272 due to weak financial and managerial controls.

Audit recommends early recovery from the contractor for reduction in cost of subsidy.

DP No.39 (2021-22)

7.2.8.2.3.19 Double payment of current collector – Rs 24.555 million

As per Para 4 of Commercial Agreement between PMA and M/s CR-Norinco, the contractor shall, in accordance with the contract, with due care and diligence, complete the works, test and commission of project and all necessary facilities thereof for five years.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority awarded the Engineering Procurement and Construction (EPC) contract to M/s CR-Norinco for US\$ 922.500 million with 5 years defect liability period. Audit observed that the PMA made payment to O&M contractor M/s Norinco-Daewoo during August 2021 for Rs 24.555 million on account of supply of current collector system. Whereas the same cost was already paid to M/s CR-Norinco on account of spare parts for Rolling Stock.

Double payment of Rs 24,555,232 on account of supply of current collectors resulted in loss to the government.

Audit recommends early recovery from the contractor.

DP No.14 (2021-22)

7.2.8.2.3.20 Non-recovery of electricity and water & sewerage charges from O&M contractor – Rs 20.991 million

As per Clause 10.15 of RFP of Operation and Maintenance of Orange Line Metro Train Lahore, the employer/PMA shall not bear the cost of electricity, water/sewerage, gas or any other utilities that M/s Norinco-Daewoo JV may use for its head office and administrative offices in depot.

Audit observed that the Authority awarded the O&M work of Orange Line Metro Train Lahore to contractor M/s Norinco-Daewoo for Rs 41.536 billion for the period of eight years. Audit observed that the PMA deposited the electricity bills against meters installed at power stations at Shah Noor Studio and UET amounting to Rs 715 million into LESCO Accounts and WASA bills for Rs 6,828,105 during the financial year

2020-21. Audit was of the opinion that O&M contractor used depot for head office, administrative staff offices and other staff and also used electricity and water/sewerage utilities but did not bear the cost of the same which resulted in loss to government.

Violation of contractual obligations resulted in non-recovery of Rs 20,990,921.

Audit recommends early recovery from the contractor.

DP No.22 (2021-22)

7.2.8.2.1.21 Double payment of Punjab Sales Tax – Rs 17.727 million

As per agreement dated 21.10.2020 between PMA and M/s LWMC for janitorial services of Orange Line Metro Train Lahore, the HR related cost included the sales tax on services.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority awarded the janitorial work of Orange Line Metro Train Lahore to service provider M/s LWMC without open competitive bidding for Rs 36.725 million per month for 7 years. Audit observed that Punjab Sales Tax (PST) @16% was already included in the salary component. However, while making payment the PMA again added 16% PST on total amount which resulted in double payment.

Weak financial controls resulted in double payment for Rs 17,726,734.

Audit recommends early recovery from the vendor.

DP No.16 (2021-22)

7.2.8.2.3.22 Non-recovery due to supply of non-specified Ticket Vending Machines (TVM) – Rs 17.280 million

As per Clause 13.7 of Request for Proposal and Financial Proposal of M/s Inbox for AFC-BSS of Rawalpindi, twenty four ticket vending

machines would be supplied by the vendor who will accept all types of cash and all types of coins and cash dispenser module.

Manager (Operations) Punjab Masstransit Authority, Rawalpindi awarded an agreement on 22.8.2014 for AFC-BSS to the contractor. Audit observed that TVMs were not installed as per the technical specifications as the coins of 1, 2 and 10 were not accepted by the machine. Therefore, the cost was required to be recovered from the vendor due to supply of non-specified TVMs for Rs 17,280,000.

Audit recommends early recovery from the vendor.

DP No.58 (2021-22)

7.2.8.2.3.23 Loss due to excess refund of penalties to vendor – Rs 8.139 million

As per Section 10 (3)(4) of PMA Act 2015, all monies credited in the fund shall be deposited with the bank approved by the Government. The fund shall be financed by fees, fines and other amounts received by the Authority.

During the scrutiny of record of Manager (Operations) Punjab Masstransit Authority, it was observed that the Authority imposed penalties due to delay in providing Application Programming Interface (API) for mobile application to Punjab Information Technology Board after 21 months amounting to Rs 27,589,106 in Rawalpindi Automated Fare Collection-Bus Scheduling System (AFC-BSS) contract and Rs 19,449,696 in Lahore AFC-BSS contract. Audit observed that PMA refunded penalties to the contractors amounting to Rs 27,589,106 against due refundable amount of Rs 19,449,696.

Violation of Act resulted in loss of Rs 8,139,410 due to refund of penalties.

Audit recommends early recovery from the vendor.

DP No.53 (2021-22)

**7.2.8.2.3.24 Exorbitantly high cost of transportation charges of fuel
– Rs 6.655 million**

As per Rule 4 of PPRA Rules 2014, the object of procurement is to bring value for money to the procuring agency and the procurement process to be efficient and economical.

The Manager Operations, Punjab Metro Bus Multan and Rawalpindi made a huge payment to the contractor M/s Fuel Direct on account of filling of fuel in the generator sets. The cost of transportation of fuel services was exorbitantly high without any logical basis. Further, during shut down period w.e.f. March 2020 to August 2020, the full payment on account of services was made to the contractor which was not admissible.

The weak managerial and financial controls resulted in unjustified payment for Rs 6,655,000.

Audit recommends early recovery and revision of monthly rates.

DP Nos.38 & 68 (2021-22)

**7.2.8.2.3.25 Double payment of PTA licenses fee by PMA –
Rs 4.865 million**

As per contract agreement between PMA and Norinco-Daewoo etc., the contractor shall seek and obtain from the employer the operating licenses of trains by paying the relevant license fees and cost of licenses such as PTA. The contractor shall get such licenses renewed on annual basis. Further, as per PMA reserve price, the other initial costs of signage, telecommunication license etc. @ 3% for Rs 69,593,902 were included.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority made payment to PTA on account of license fee directly from funds of the Authority for Rs 4,865,400 during the year 2020-21. Audit observed that this payment was required to be made by the contractor M/s Norinco-Daewoo directly to PTA as per

agreement clause ibid. Therefore, double payment was made by the PMA once to PTA and then to contractor on account of license fee.

Violation of contractual obligations resulted in double payment of Rs 4,865,400 on account of license fee.

Audit recommends early recovery from the contractor.

DP No.2 (2021-22)

7.2.8.2.3.26 Overpayment due to allowing inadmissible refund of penalty – Rs 2.921 million

As per Clause 49 of contract agreement between PMA and MS/Inbox (Pvt) Ltd, any breach of defined service levels will entail penalties which shall not exceed more than 10% of the monthly payments to the contractor.

During the scrutiny of the record of Manager (operations) Punjab Masstransit Authority, Rawalpindi, it was observed that the Authority imposed penalties due to delay in providing requisite data to Punjab Information Technology Board and recovered accordingly. Audit observed that the Authority refunded the penalties to contractor beyond the contractual limit as under:

(Amount in Rs)

Sr. No.	Month	Penalty Workout	Penalty Recovered	Penalty Refunded	To be Refunded	Excess Refund
1.	Nov. 16	2,681,141	2,625,629	1,312,814	1,257,302	55,512
2.	Jun. 17	10,116,006	2,625,629	1,312,814	0	1,312,814
3.	Jul. 17	2,865,628	2,625,629	1,312,814	1,072,815	239,999
4.	Dec. 17	1,414,814	2,625,629	1,312,814	0	1,312,814
Total		17,077,589	10,502,516	5,251,256	2,330,117	2,921,139

Weak financial controls resulted in overpayment of Rs 2,921,139.

Audit recommends early recovery.

DP No.71 (2021-22)

7.2.8.2.3.27 Double payment of salaries of security guards – Rs 1.594 million

As per Clause 8.2.4 of agreement dated 25.2.2020 between PMA and M/s Security-2000, the security provider shall dedicate and deploy at least 6 (six) guards in train depot for PMA office.

Punjab Masstransit Authority, Lahore awarded the contract for security services of Orange Line Metro Train Lahore during February 2020 and made payment of Rs 1.594 million for security of PMA offices. Audit observed that PMA also made payment to M/s Norinco-Daewoo JV for the security of same area. This resulted in double payment of salaries of security guards.

Audit recommends early recovery.

DP No.17 (2021-22)

7.2.8.2.3.28 Non recovery of Inventory Insurance Cost from Vendor - Rs 943,768

As per clause 13 of the Contract Agreement signed between PMA and vendors, the service provider shall insure the work.

Examination of record of Metro Rawalpindi revealed that the contract of fuel management service in generators was awarded to contractor M/s Fuel Direct Pvt Ltd. Audit observed that in the reserve price, PMA included monthly inventory insurance cost @ Rs 16,853 per month, but during execution, the vendor did not get insurance of fuel inventory. Therefore, the excess payment was made to the contractor as under:

Insurance cost	Period	Calculation	Amount (Rs)
Rs 16,853	56 Month	=16,853x56	Rs 943,768

Violation of contractual obligations resulted in overpayment of Rs 943,768 due to non-obtaining of insurance.

Audit recommends early recovery from the vendor.

DP No.70 (2021-22)

7.2.8.2.3.29 Loss to government due to non-auction of scrap material worth - Rs 789,650

According to Para 4.40 of the PWD Code, the auction of un-serviceable material should be made on book value nearer to the market value/rates after approval of survey report from the competent authority.

During the scrutiny of record of Punjab Masstransit Authority, Rawalpindi, it was observed that the Authority could not dispose off the un-serviceable/scrap material lying in store/depot. The calculation was as under:

Sr. No.	Calculations	Amount (Rs)
1.	Genset Battery, (139 x 4000 = 556,000)	556,000
2.	Used Engine Oil, (5400 x 20 = 108,000)	108,000
3.	Add: Value Others	125,650
	Total	789,650

Weak supervisory and financial controls resulted in non-recovery/loss to government valuing Rs 789,650.

Audit recommends early auction of un-serviceable material.

DP No.67 (2021-22)

7.2.8.2.3.30 Loss due to competing route vehicles on notified route of Metro and Feeder Routes Multan by PMA

As per Section 5 (q)(r) of PMA Act 2015, the Authority may direct any Agency and persons to desist from issuing competing transportation route permits along a corridor or a public transport route notified by the Authority.

During the scrutiny of record of Manager (Operations) Punjab Masstransit Authority, Multan, it was observed that the Authority notified the routes for Feeder Routes and Metro Bus route in Multan. Audit observed that on these notified routes, parallel massive competing vehicles i.e., Chingchis, Rikshas, Wagons and Buses were operating. Therefore, due to these competing services, the ridership decreased on Metro buses and feeder routes resulting in increase in the cost of subsidy.

Violation of PMA Act resulted in loss due to competing route vehicles on notified route of Metro and Feeder Routes.

Audit recommends early actions against competing route vehicles for reduction in cost of subsidy.

DP No.31 (2021-22)

7.2.8.2.3.31 Loss due to failure to take measures for reduction in cost of subsidy

As per Section 5 of PMA Act 2015, the Authority may perform such functions as may be necessary for carrying out increase in non-fare revenues in addition to fare revenue.

Audit observed that the Authority utilized subsidy amounting to Rs 13 billion during the year 2020-21. The PMA did not take any action to increase non-fare revenue which resulted in burden on public exchequer. The following suggestions be implemented to reduce the cost of subsidy:

- i. The fare on Orange Line Metro Train Lahore should be distance-based like Delhi Metro Train instead of flat fare of Rs 40 per rider. The same fare policy may also be implemented in Lahore, Multan, Rawalpindi Metro Buses as well for increase in ridership.
- ii. Audit also recommended for ban of Chingchi and Rikshas on the Routes of Metro lines. The transport department should frame mechanism that these Rikshas may be used for connectivity of Metro Stations for increase in ridership. Moreover, there should

- be parking facility near Metro and Orange Train Stations for increase in ridership. This would also help in generating revenue for the government of the Punjab through parking fee.
- iii. There should be Mobile Application on Playstore for Orange Line Metro Train and Metro Bus Service to facilitate the general public.
 - iv. Exclusive Marketing Directorate be established in PMA for collection of Revenue from advertisement and Tuck shops on Metro Stations.
 - v. Plazas/Malls be constructed with the help of Public Private Partnership Mode which would shift the financial burden from public exchequer as per guidelines of Punjab Spatial Strategy 2047.
 - vi. Audit suggests for shifting into newly constructed offices in order to avoid unnecessary rent expenditure of Rs 33 million.
 - vii. Audit observed that NHA constructed the civil structure of Orange line Bus System Islamabad with a length of 25.60 kilometer. However, the Metro Bus Operation was not started yet. Audit suggests that PMA's Bus operation and other systems be integrated with newly constructed Orange line metro bus in Islamabad which would increase ridership and reduction in operational cost.
 - viii. Audit observed that Authority was maintain non-profit bank account and OLMT Fund Account in Bank of Punjab with heavy balance. Audit was of the opinion that Authority suffered a loss of annual profit of Rs 523.770 million due to non-maintaining profit & loss account.

Weak managerial controls resulted in loss due to non-performance of functions under Section 5 of PMA Act, 2015.

Audit recommends early actions for reduction in cost of subsidy.

DP Nos.27, 28, 50, 30 & 56 (2021-22)

7.2.8.2.3.32 Incorrect calculations of Economic Internal Rate of Return in Feasibility Study of Multan Metro Bus

Planning is an integral part of any project. Feasibility study is conducted to check the viability of the project on the basis of financial and economic analyses. As per feasibility study of Metro Bus Multan, the economic internal rate of return was 41.47%.

Scrutiny of the record of PMA Multan revealed that the Authority while preparing feasibility study of the Metro Bus Project Multan had taken extraordinarily high internal rate of return as 41.47% to make the project viable without any logical grounds which showed that there were serious flaws in the planning process of the project.

Poor planning of the project resulted in extraordinarily high internal rate of return.

Audit recommends for probe into the matter.

DP No.41 (2021-22)

7.2.8.2.3.33 Violation of approved Master Plan 2008-2028 of Multan

As per approved Master Plan of Multan Metropolitan City 2008-2028, the provision of Motorway M-4 and Ring Road etc. was included.

During scrutiny of the record of PMA Multan, it was observed that Multan Metro Bus was constructed and operated during 2017 without provision of approved Master Plan. Audit apprised that the ring road project which was part and parcel of Master Plan was not executed but Metro Bus Multan Project was executed which was not envisaged in Master Plan.

Weak managerial controls resulted in violation of Master Plan.

Audit recommends to devise better mechanism to avoid such lapses in planning in future.

DP No.48 (2021-22)

7.2.8.2.3.34 Irregular award of work without competitive bidding resulting in loss and increase in cost of subsidy

As per Rule 4 of PPRA Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner.

During the scrutiny of record of Punjab Masstransit Authority, Lahore, it was observed that the Authority awarded the Janitorial work of Orange Line Metro Train Lahore, Multan Metro Bus and Rawalpindi Metro Bus to service providers M/s LWMC and RWMC without open competitive bidding valuing Rs 9,235.389 million for seven years.

Audit recommends early regularization of the matter from PPRA.

DP Nos. 15, 18, 46 & 55 (2021-22)

7.2.8.2.3.35 Loss to government due to financial mismanagement

The interest rate of loan for Delhi Metro Train project was 0.1% for the payback period of 50 years and the O&M cost was Rs 376 per km.

Punjab Masstransit Authority, Lahore awarded the O&M work of Orange Line Metro Train Lahore to contractor for Rs 41.536 billion and accordingly the payment was made. Audit observed that O&M cost of Orange Line Metro Train Lahore was Rs 1,990 per kilometer which was very high. Audit studied Delhi Metro Train project and observed that O&M cost of the same was Rs 376 per km. Further, Japan funded India's Bullet Train Project for 150,000 crore Japanese Yen at interest rate of 0.1% with a tenure stretching over 50 years and a moratorium period of 15 years. Whereas, China funded Orange Line Metro Train Lahore project through loan of Rs 162.628 billion (US\$ 1.626 billion) at the interest rate of 3%.

Keeping in view the aforementioned facts, the project was sustainable subject to huge amount of subsidy and support by government.

Audit recommends early review of O&M cost and management should take effective steps to reduce the cost of subsidy.

DP No.07 (2021-22)

7.2.9 Departmental Responses

The report was issued to Principal Accounting Officer, i.e. Secretary Transport Department. The Authority did not submit initial replies nor convened SDAC meeting inspite of repeated written and verbal requests by Audit.

7.2.10 Conclusion

The Masstransit projects required huge capital investments. The cost of infrastructure of these projects as well as cost of operations & maintenance was very high. Keeping in view huge financial resources and sustainability of these projects, careful planning, monitoring and rationalization of operational cost.

The Masstransit projects i.e. Lahore Orange Line Metro Train, Metro Bus Lahore, Metro Bus Rawalpindi-Islamabad, Metro Bus Multan and Feeder Routes in Lahore and Multan were conceived with ill planning. Due to unrealistic and illogical financial and economic analyses, the operational sustainability of these projects had become a major concern for the government. The government had to pay huge sums of money in the form of subsidy for running the operations of these projects. In all the projects, exaggerated and ambitious targets regarding ridership and revenue generation were set to make the projects financially and economically viable. Keeping in view the huge financial burden on public exchequer in shape of subsidy, the government should have to devise the strategies to reduce the cost of operations & maintenance and to increase revenue.

7.2.11 Recommendations

After going through the thematic audit of Masstransit projects, audit recommends that proper planning and strategy should have to be developed after engaging all stakeholders such as government, public, media and civil societies:

- Recover the overpayments from the contractors as pointed out by Audit.
- Take remedial steps for reduction in cost of subsidy.
- The fare of Orange Line Metro Train Lahore and Metro Buses in Lahore, Rawalpindi-Islamabad and Multan should be distance based.
- The route permits to local transport should only be allowed by the transport department on connectivity routes of Metro stations for increase in ridership.
- The management should explore new avenues for revenue generation.
- PPP model may be adopted to reduce the subsidy of the metro projects.

7.2.12 References

- PPRA Rules 2014
- PMA Act 2012 and PMA Act 2015
- Request for Proposals
- Technical and Special Specifications
- Tender Documents and Contract Agreements
- MTDF (Medium Term Development Framework 2021-24) Development Program 2020-21 & 2021-22
- Punjab Spatial Strategy 2047 (A framework for integrated spatial planning and sustainable development) and Punjab Growth Strategy 2023

THEME: WATER

7.3 URBAN FLOOD MANAGEMENT BY WASA LAHORE (HUD&PHE)

7.3.1 Introduction

Rapid unplanned development and urbanization have resulted in pluvial flooding (urban flooding) in urban areas to become increasingly common all over the world. Urbanization creates city landscapes that are unable to absorb or otherwise manage rainfall. Subsequently, pluvial floods occur when an extreme rainfall event creates a flood independent of an overflowing water body, resulting in a situation where water flows into an urban region faster than it can be drained out.

Urban floods are a growing issue of concern for both developed and developing nations. They cause damage to buildings, utility infrastructure, housing, household assets, income losses in industries and trade, loss of employment to daily earners or temporary workers, and interruption to transport systems. The damage caused by urban floods is on the rise. It is, therefore, important to understand the causes and impacts of urban flooding.

The reasons for urban flooding are multiple and varied, particularly in developing countries. These include lack of rainwater storage and management systems, inadequate waste disposal mechanisms, institutional capacity, urban governance and development which ignore topography of the cities. The problem is compounded by ageing and overburdened drainage networks, climate change and the unhindered expansion of cities.

Direct impacts from major flooding events, such as the recent urban flooding seen in Lahore and Rawalpindi, represent the biggest risks to life and property. The loss of human lives as a result of flooding has a disproportionate impact on the poor and socially disadvantaged, particularly women and children. The indirect and long-term effects such as diseases increased the burden on crumbling healthcare infrastructure. Other long-term effects include malnutrition and food insecurity, reduced education opportunities and loss of livelihoods.

Urban flooding especially during the monsoon season has become a frequent phenomenon in metropolitan areas of Pakistan. Lahore and Rawalpindi, the most evolved cities in the Punjab, remain helpless against pluvial flooding every year. Precipitation in Lahore exceeds the capacity of the drainage system which is already compromised because of sediment and silt deposition in its channels. Inundation in ponding areas causes damage to life and property, inconvenience for commuters and wear and tear of road infrastructure along with spreading diseases due to accumulation of waste water.

7.3.2 Background

Urban flooding was a serious and growing development challenge. Against the backdrop of demographic growth, urbanization trends, climate changes; the causes of floods were shifting and their impacts were accelerating. Most recently, life in Pakistan's two largest cities, Lahore and Karachi, came to a virtual standstill as a result of flooding during the Monsoon season with significant loss of life, property, and economic activity.

Flooding in urban areas was capable of causing a great deal of destruction in a short period of time with the effects extending beyond flooded streets and diminished mobility. The visual impact of urban flooding was significantly lower but the impacts on economic activity proved to be much more damaging in the long run, even though the effects might not be immediately identifiable, and be even more difficult to quantify.

As Lahore's urban sprawl had grown, the city managers had largely failed to cater to its drainage needs. This simply meant that while housing societies, concrete boulevards, flyovers, underpasses, high-rises and signal-free corridors had popped up all over the city, green spaces and the urban tree canopy had to bear the brunt of these developments. The city had become critically vulnerable to flooding caused by excess rainfall and slow drainage flows.

These effects were particularly damaging for those living in lower-income areas and had a disproportionately larger effect on the disadvantaged. They were also amplified in lower-income localities because of poor infrastructure and other urban services such as waste management. An accompanying feature of flooded cities was a breakdown in power supply for prolonged periods of time. This had a direct impact on well-being of the citizens, as well as relief efforts by the government.

This large and evolving challenge meant that far more needs to be done by policy makers to better understand, more effectively manage existing and future risks, devise solutions to control and mitigate the effects of urban flooding.

7.3.3 Establishing the Audit Theme

7.3.3.1 Reasons for selection

Urban water management occupied a crucial role in realizing Sustainable Development Goals (SDGs). Almost all the SDGs were impacted by the way we managed our water. Under SDG 11, three out of seven targets set were closely linked to the Urban Flood Management.

- Target 11.4: reduced the adverse effects of natural disasters - sets to significantly reduce the number of deaths and substantially decreased the direct economic losses caused by disasters;
- Target 11.5: to reduce the environmental impact on cities - aims at reducing the adverse environmental impact on cities, including waste management;
- Target 11.6: provision of access to safe and inclusive green and public spaces.

This theme was a part of National Prioritized Goals as per SDG Framework 2018. Major targets included reduction of loss to life and

economy caused by water-related disasters. This theme fell under Category-I of the National Prioritized Goals as per SDG Framework 2018. This theme was also one of the top governmental priorities as the urban flooding in ponding areas received high media visibility and the public opinion on the efficiency of government machinery was strongly influenced in this way. Huge expenditure was incurred in the form of supplementary grants and a special Monsoon grant disbursed by the provincial government for preparation and combating urban flooding.

7.3.3.2 Purpose/Objectives

The theme incorporated an analysis of audit findings and the impact on government resources and operations. It was envisaged that the theme would be used by policy makers and implementing organizations to assess the effectiveness of the internal controls and operational management i.e. role and performance of the organizations as well as guide them in identifying appropriate solutions for inherent weaknesses.

The audit findings and recommendations intended to be a guide for implementing agencies to assess and improve their performance. The possible benefits of the audit report to the stakeholders were as follows:

- i. The Public Accounts Committee and the Public Administration can use the report to inform Parliament of the systemic weaknesses in the public sector that might require legislative changes.
- ii. The legislature and implementing agencies could use the report in the formulation of policies and procedures to ensure consistency, transparency and accountability of government entities.
- iii. Executive Boards of the autonomous bodies could direct monitoring units to determine how well their entities were addressing the risks identified in the report.
- iv. The management might use the report to develop internal controls and strengthen risk management processes.

7.3.3.3 Scope

The scope of the audit included examination of the planning and operational activities relating to urban flood management by WASA Lahore covering the period 2017-18 to 2019-20. However, for analysis purpose, receipt and expenditure figures from 2011-12 to 2020-21 have also been incorporated in some cases. The following entities were subjected to audit analysis:

- i. MD WASA, Head Office, Lahore
- ii. Director (O&M) Nishter Town
- iii. Director (O&M) AWT Town
- iv. Director (O&M) Allama Iqbal Town
- v. Director (O&M) Gunj Bukhsh Town
- vi. Director (O&M) Ravi Town
- vii. Director (O&M) Jubilee Town

7.3.4 Legal framework governing the theme

There are a number of policy interventions, programmes, guidelines, etc. regarding Sewerage & Drainage, as follows:

- LDA Act, 1975
- Punjab Urban Water and Sanitation Policy-2007
- Private Housing Scheme Rules-2014
- Master Plan for Water Supply, Sewerage and Drainage system for Lahore -2019
- Integrated Master Plan for Lahore (2021) prepared by the LDA
- Critique On Monsoon-2020
- Monsoon Plan
- Public Procurement Rules and Regulations
- Contract Agreements

7.3.5 Stakeholders and governmental organizations identified as directly/indirectly involved

Following Department and Autonomous Bodies are involved in the theme:

- Housing Urban Development & Public Health Engineering Department
- Lahore Development Authority
- Water & Sanitation Agency Lahore

7.3.6 Role of important organizations

Water and Sanitation Agency (WASA) was established by Lahore Development Authority during 1976 for the planning, designing, development and maintenance of water supply sewerage and draining system in Lahore. An essential component of this mandate was the delivery of a safe, reliable and efficient water supply to satisfy the demand of all sectors.

The Organization of WASA was headed by the Managing Director, assisted by three Deputy Managing Directors; DMD Finance, Administration & Revenue, DMD Operation & Maintenance, and DMD Engineering. There were nearly 7027 regular employees of WASA in various categories and 2000 work charge employees.

Lahore was served by eight main drains: (1) Central, (2) Lower Mall, (3) Chota Ravi, (4) Alfalah, (5) Gulberg 1 & 2, (6) Edward Road, (7) Mian Mir and (8) Gulshan-i-Ravi. These were further connected to 76 tributary drains. Combined these make up a lengthy network of 180 kilometers, with a theoretical carrying capacity of nearly 6,500 cusecs. The eight main drains had always been vulnerable to siltation. Surface runoff deposited large amounts of sediment into these drains. The sediment deposits, in effect, reduced the carrying capacity of the drains, making them less effective in times of heavy rainfall.

Future-proofing of Lahore would require serious changes in the city's current urbanization trajectory, as well as capacity-building of critical agencies and departments. The problem was no longer a simple governance failure, but also a failure in proactive climate resilience.

In terms of management, WASA was severely underfunded to preempt the routine occurrence of pluvial flooding. The city-managers in the last two decades, under multiple governments, had failed in both effectively using WASA and planning for the city's future in an era of the climate crisis.

7.3.7 Organization's Financials

WASA gets Revenue from the recovery of water supply, sewerage and drainage charges, Urban Immoveable Property (UIP) tax share and subsidy provided by the government of the Punjab. The budget and increase in water tariff were approved by government of the Punjab. The sanction of expenditure and procurement was carried out under the financial rules of the government of the Punjab.

Every year, WASA forwards a summary to Chief Minister Punjab for Grant-in-Aid /additional funds for the preparation of monsoon season and for combating the emergencies. During 2011-12 to 2020-21, government of the Punjab released Rs 3,727.98 million to WASA, Lahore. However, during the last five years i.e. 2015-2020, the government released Rs 425.00 million every year at a flat rate.

a. WASA, LDA, Lahore

Governmental Budgetary Grants: (PC-21017)

- The budget demanded by WASA was Rs 677.968 million as "Grant-in-aid" for monsoon preparedness during the financial year 2019-20 but Rs 425.701 million were allocated.
- Funds were placed in SDA of MD WASA, Lahore.

- Deputy Managing Director (O&M) disburses Monsoon funds to various Directorates (O&M) based on their requirements.

7.3.8 Field Audit Activity

7.3.8.1 Methodology

Audit methodology included data collection, determination of objectives and audit criteria, analysis/consultation of record, discussion with staff, site visits, etc. Following steps were involved:

- i. Understanding the auditee/activity;
- ii. Defining audit objectives;
- iii. Developing audit procedures;
- iv. Conducting audit as per audit procedures;
- v. Evaluating results;
- vi. Reporting;

Audit examined the following:

- i. Principles of governance on the subject matter and their status
- ii. Relevant Policy objectives and their achievement
- iii. Relevant Policy directions and implementation
- iv. Follow-up mechanism at top level management (guidance on directions)
- v. Implementation arrangements and their effectiveness
- vi. Benchmarks/performance yardsticks and their achievement
- vii. Roadmap (timelines) and status of implementation
- viii. Regulatory relaxations/incentives in the relevant field and economic outcome

7.3.8.2 Audit Analysis

7.3.8.2.1 Review of Internal Control

- Monsoon grant was demanded and released by MD, WASA without the involvement of field formations

- Relevant heads not defined for disbursement of Monsoon Grant
- Lack of coordination among various wings of WASA
- Weak liaison with LESCO regarding uninterrupted power supply during Monsoon
- Lack of evaluation of projects

7.3.8.2.2 Critical Review

7.3.8.2.2.1 Weak legal and Regulatory Framework of WASA

Water and Sanitation Agency (WASA), Lahore was established by Lahore Development Authority (LDA) under Section 10 of LDA ACT 1975 during 1976 for the planning, designing, development and maintenance of water supply sewerage and draining system within the service area of LDA. LDA Act provides the establishment of WASA with some relevant clauses, but has no detailed description of its duties and standards of performance.

The relevant provisions of LDA Act relating to WASA were as under:

- i. WASA should perform all functions and exercise all powers of LDA with regard to water supply, sewerage and drainage with powers to collect rates, fees and charges for water supply, sewerage and drainage.
- ii. The sums in respect of services related to water supply, sewerage and drainage shall be credited separately to the Head "WASA". The sums credited to the Head "WASA" should be exclusively utilized for the purposes of water supply, sewerage and drainage.
- iii. In case of deficit revenue of WASA, the government provided from its own revenues or from any other sources, such sums as may be necessary for the efficient performance of the functions of WASA under this Act.
- iv. WASA had the exclusive right to use groundwater resources within its jurisdiction.

However, government of the Punjab had issued Punjab Urban Water and Sanitation Policy (2007) with the objectives to:

- a. Provide a legal, regulatory framework and efficient institutional arrangements for sustainable water supply, sanitation and wastewater treatment services
- b. Sustainable financing arrangements.

As per Policy, government of the Punjab was required to notify a legal and regulatory framework to transform WASAs into independent utilities with optimum levels of administrative, financial and operational autonomy. Necessary steps should be taken by the government for strengthening of WASA's legal and regulatory framework. A period of more than fourteen years had been over but no documentary evidence showing steps taken by WASA for strengthening of legal and regulatory framework for the Agency was available on record.

It was concluded that the legal and regulatory framework of WASA is weak and did not cater for the prerequisites to turn the Agency into efficient service provider on a sustainable basis to deal with sewerage & drainage issues of mega city Lahore. WASA had no legal framework like the water supply act, sewerage act, etc. as invoked/best practices in the world.

(Para No. 7.3.8.2.3.1)

7.3.8.2.2.2 Financial Dependence on State Resources

The main source of WASA's income was the recovery of water supply, sewerage and drainage charges, Urban Immovable Property (UIP) tax share and subsidy provided by the government. As per LDA Act 1975, charges should be such as to provide sufficient revenues- (i) to cover the operating expenses, to finance the normal year to year extension of any of schemes and to provide a reasonable portion of the cost of future major expansion of such schemes.

It was noticed that WASA did not prepare annual accounts/financial statement since 2013 and current financial position of the WASA could not be ascertained. The last financial statement for the year ended 30.06.2012 was prepared and audited by a firm of chartered accountant during March 2021 (*with Disclaimer of opinion*).

Up to 30.06.2021, the accumulated loss/deficit of WASA was Rs 35,100.94 million despite the fact that during the period 2011-2012 to 2020-2021, government had provided financial resources of Rs 28,678.17 million i.e. 35% of total income of Rs 82,940.40 million (including UIP share of Rs 13,607.01 million). The financial resources provided by the government included a subsidy of Rs 23,632.66 million, a monsoon grant of Rs 3,727.98 million and foreign aid of Rs 2,246.03 million.

Deficit of WASA for the period 2011-12 to 2020-21

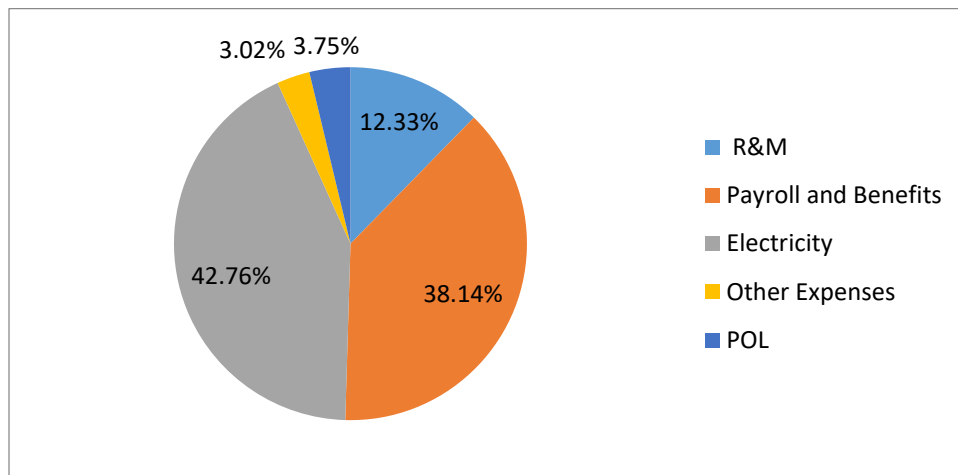
(Rs in million)

Sr. No.	Year	Total Receipts without Subsidy	Subsidy by Govt.	Total Receipts with Subsidy	Total Expenditure	Deficit without Govt. Subsidy	Deficit with Govt. Subsidy
1	2011-12	Accumulated deficit upto 2011-12 as per audited financial statement.				9,558.71*	9,558.71
2	2012-13	3,308.54	2,178.81	5,487.35	5,986.58	2,678.04	499.23
3	2013-14	4,217.73	2,051.33	6,269.06	5,783.77	1,566.05	485.29
4	2014-15	4,089.39	3,186.37	7,275.76	7,304.94	3,215.55	29.18
5	2015-16	4,483.49	2,640.63	7,124.11	7,436.82	2,953.33	312.71
6	2016-17	4,546.12	2,809.33	7,355.44	7,452.20	2,906.09	96.76
7	2017-18	5,573.57	2,711.82	8,285.39	8,415.38	2,841.81	129.99
8	2018-19	7,103.01	2,838.67	9,941.67	9,948.03	2,845.02	6.36
9	2019-20	7,996.10	2,625.69	10,621.78	10,664.90	2,668.81	43.12
10	2020-21	8,761.13	2,590.01	11,351.14	12,628.67	3,867.54	1,277.53
Total		50,079.05	23,632.66	73,711.70	75,621.28	35,100.94	12,438.86

Note:

- * Deficit up to 2011-12 as per audited financial statement.
- * Remaining deficits have been calculated from approved budget of WASA.
- * Total Receipts included UIP tax share by the government of the Punjab.

A comparative analysis of the last ten years of non-development expenditure amounting to Rs 82,967.14 million incurred by WASA revealed an inverse relation between operational expenditure and degree of corresponding service delivery and performance of the Agency. The major chunk of operating expenditure i.e. 80.90% was incurred on pay & allowances of the staff (38.14%) and payment of lighting & power charges (42.76%). Whereas, only 12.33% was incurred on repair & maintenance of existing water, sewerage and drainage network of WASA. This resulted in speedy deterioration of existing sewerage & drainage network due to improper repair & maintenance.



(Source: annual budget books of WASA)

Almost 9,000 officers & officials were working in WASA. Almost 95% employees (Grade:1-15) were engaged in the Operation & Maintenance (O&M) tasks in various directorates of WASA. However, it was noticed that during the period June 2019 to October 2020, WASA outsourced the repair & maintenance (R&M) of WASA's infrastructure i.e. 141 disposal stations and 605 tube-wells to different private contractors for a period of three years. Whereas, since the creation of WASA, R&M of disposal stations and tub-wells was the responsibility of the WASA's staff. The major policy shift/outsourcing was done without the approval of LDA Governing Body being competent forum. Besides, thousands of employees i.e. mechanics, electricians, pipe fitters and pump/disposal station operators

etc. were left with no responsibilities and were drawing salaries without a clear job description of work.

Sr. No.	BPS	Nos. of Existing officers/officials
1	17-21	265
2	16	122
3	1-15	6640
4	Work charge employees	2000
Total		9027

Sufficient revenue generation was pivotal to the efficiency and growth of WASA. However, there was a wide gap between operating revenue and expenditure of the Agency. Consequently, the operations of the Agency and its financial sustainability were mainly dependent on funding and financing by the government. The Agency was not a profit-making entity but the revenue generation should meet recurrent expenditure of the entity. During last decade, against the target of Rs 43,807.03 million, the Agency recovered Rs 40,655.21 million which indicated non-achievement of revenue targets/shortfall of Rs 3,151.81 million as under:

(Rs in million)

Sr. No.	Year	Total Estimated Receipts	Actual Receipts	Short Fall	%age
1	2010-11	2124.36	2086.5	37.86	-1.81452
2	2011-12	2511	2248.4	262.6	-11.6794
3	2012-13	3238.7	2382.068	856.632	-35.9617
4	2013-14	3367.2	3137.875	229.325	-7.30829
5	2014-15	3790.7	3075.227	715.473	-23.2657
6	2015-16	3796.15	3102.461	693.689	-22.3593
7	2016-17	3879.1	3212.549	666.551	-20.7484
8	2017-18	4011.6	3735.898	275.702	-7.37981
9	2018-19	4601.49	5313.539	-712.049	13.40065
10	2019-20	5925.727	6022.905	-97.178	1.613474
11	2020-21	6561	6337.791	223.209	-3.52187
Total		43,807.03	40,655.21	3,151.81	

During the last decade, WASA incurred development expenditure of Rs 39,786.112 million. However, the impact of the development expenditure in the sector was not evaluated. As per Punjab Water and Sanitation Policy 2007, monitoring and evaluation should be an integral part of institutional operations. Water utility would use benchmarking indicators of the International Benchmarking Network for Water and Sanitation Utilities (IBNET) for effective monitoring and evaluation of WSS services. However, it was observed that proper monitoring and evaluation mechanism was not in place to gauge the institutional performance of various wings of WASA. The Agency neither prepared Key Performance Indicators (KPI) report nor impact analysis report of expenditure incurred by WASA for effective monitoring and evaluation of WSS services. In the absence of said reports, audit was not in a position to gauge the institutional performance of WASA as an efficient service provider.

It is concluded that WASA's present state of poor performance had historical roots, with decisions taken, and/or not taken, in the past collectively resulting in the declining efficiency of the Agency which was manifested in (i) very low water tariffs, (ii) higher electricity tariff (iii) continuous postponement of maintenance leading to deterioration of assets, and (iv) chronic overstaffing and inefficiencies. These factors resulted in poor customer service and abysmal financial performance with no apparent end to government intervention via transfers and subsidies.

The financial unsustainability and recurring deficit cast doubts on the Agency's capability to continue as efficient service provider. Due to financial constraints, WASA was not in a position to implement the Master Plan 2019 and short term as well as long term plans to encounter future challenges relating to sewerage & drainage of rapidly expanding Lahore city as well as urban flooding.

(Para No. 7.3.8.2.3.2, 7.3.8.2.3.3, 7.3.8.2.3.4 & 7.3.8.2.3.5)

7.3.8.2.2.3 Ineffective Role of WASA in Urban Planning/City Development

The District area of Lahore is 1772 km² with a current population of approximately 11.13 million. Lahore City was comparatively a flat area and therefore, a large quantity of rainwater finds its way into the sewerage system of WASA. The existing sewerage system in WASA service area consists of total length of 5426.10 km. Trunk Sewer serves 54.17% of the total population of Lahore and the remaining 45.83% population was yet to be served with an adequate sewer facility. The drainage network covered less than 25 % (413 km²) of the district area. There were 08 primary drains in the urban area of Lahore with respective catchment areas of varying sizes. There were site specific problems like gravity flow, inadequate pumping capacity, low level bridges, encroachment of ROW and solid waste disposals etc.

WASA INFRASTRUCTURE

Sr. No.	Infrastructure	Length/Nos.	Population/Area Served
	<u>Sewerage System</u>		
	Total Length	= 5426.10 Km	54.17 % population
	Trunk Sewer (Main source of disposal)	= 1177.10 Km	
	Lateral Sewer (Internal Sewerage of Housing Schemes)	= 4249 Km	
	<u>Drainage System</u>		
	Primary Drain	= 55.70 Km	25% (413 Km ²)
	Secondary Drains	= 45.37 Km	
	Roadside Drains	= 383.48 Km	
	<u>Pumping Stations</u>		
	Major Pumping Stations	= 14 No.	
	Lift Stations	= 112 No.	
	<u>Gated Drainage System</u>		
	Drainage Stations	= 04 No	

(Source: Master plan and critique by WASA)

As per the record of LDA, there were 354 approved and 236 unapproved/illegal private housing schemes in Lahore. Mostly the expansion of Lahore City had taken place towards southwest during the last one and a half decade. Most societies did not have ultimate disposal point for their internal sewerage. According to Integrated Master Plan for Lahore (2021) prepared by LDA, there was a dire need to strict development and land use control through enforcement of zoning, environmental protection regulations and adoption of a uniform set of building regulations by all concerned agencies within Lahore city.

Further, as per Integrated Master Plan of LDA, there was a need for additional trunk sewers and pumping stations to meet the demand. Without these provisions, sewage was discharged in open drains/open spaces. The haphazard expansion of the city resulted in the creation of low-lying areas which used to act as a source of relief for the sewerage system during the rainy season. At the same time, WASA had not been able to keep the pace of development with the rapid expansion of the city. The improperly planned development of the land through private or public sector also contributed towards unsatisfactory and incomplete sewerage facilities.

Integrated land use planning should be considered as an iterative process that requires regular review & update. Land use planning that incorporates flood risk management requires planners and decision makers to think at macro and micro scales and across short, medium and long term time frames. In designing and building new urban developments, space for water needs to be integrated with sustainable design so that the means of managing flood risk become an asset for residents and the wider urban community.

Private Housing Scheme Rules 2014 by LDA provided that prior to the processing of application for preliminary planning permission for private housing scheme, WASA would issue a No Objection Certificate or communicate his observations to Director Metropolitan Planning, LDA. Besides, a sponsor at his own cost would connect sewerage & drainage system of the scheme to a trunk sewer wherever available subject to approval of WASA.

It was noticed that no comprehensive record/data about private housing schemes was available with WASA i.e. total housing schemes in Lahore, NOCs issued by WASA for approval of water, sewerage and drainage designs of housing schemes, detail of housing schemes using trunk sewers of WASA etc.

The management of municipal solid waste in Lahore City had also surfaced as a severe problem not only because of environmental and aesthetic concerns but also due to its adverse impact on the urban drainage. This had also emerged as one of the most crucial factors in the urban flooding due to drainage congestion. The open storm water drains were running with raw domestic wastewater and untreated industrial waste which consist of harmful bacteria and poisonous gaseous emissions posing a risk to human life. These were also breeding places of flies and mosquitoes and might become the cause of the spread of an epidemic.

The drainage system of Lahore at present was for the combined flow of sullage and storm water. Primarily, main drains were designed for storm water drainage but with the influx of population in the surrounding areas, the sewer pipe flows entered the drain and the drains work as sullage carriers. All the main drains received sewerage through lift stations and direct pipe connection. The sewage inflow had not only decreased capacity of drains due to sediment accumulation but also reduced the flow of drains.

National Water Policy-2018 stipulated that industrial units would be required to carry out in-house treatment of their effluents and hazardous discharge before disposal. Only in case of Quaid-e-Azam Industrial State, Green Town Lahore, spreading over an area of 565 acres and comprising 350 various types of industries, 45000 cubic meter industrial waste was being discharged daily and disposed off without treatment in Sattu Katla drain. However, WASA neither had any comprehensive data/information about total industries with disposal capacity situated under its jurisdiction nor any plan to ensure the implementation of National Water Policy-2018.

WASA was required to plan, implement and monitor systems of sewerage and drainage but the Agency failed to perform its functions

appropriately. The main reasons were inefficiency, lack of coordination with other departments, institutional capacity etc. Moreover, the role of the Agency in urban planning and development of Lahore city was also insignificant/ineffective.

(Para No.7.3.8.2.3.6)

7.3.8.2.2.4 Non-implementation of Master Plan vis-a-vis short term plans

WASA Lahore had prepared Master Plan for Water Supply, Sewerage and Drainage system for Lahore -2019 which provides strategic directions for WASA until the year 2040. As per the implementation plan, several activities/sub-projects were required to be completed during the period 2018-20 to encounter urban flooding and deal with future expansion of Lahore city. However, it was noticed that WASA failed to achieve the targets as set forth in the Master Plan-2019.

High Priority and Medium Priority Activities to be completed up to 2020

Activity	Sub Project	Cost (Rs in million)	Source of funds	Remarks	Status
Institutional Development	Legal strengthening of WASA	-	Govt. of Punjab	Required to enforce levy on injection of sewerage in storm water drains by private enterprises	Not Implemented
Institutional Development	Strengthening of Drainage Machinery Procurement Program		Govt. of Punjab	Required to ensure more effective Cleaning of open and Covered Drains	Not Implemented
Existing System Component	Remodeling of Low Level Bridges On Main Drains	13	Govt. of Punjab	Medium Priority	Not Implemented
Existing System Component	Rehabilitation of Narrow Sections of Main Drains	31	Govt. of Punjab	High Priority	Not Implemented

Activity	Sub Project	Cost (Rs in million)	Source of funds	Remarks	Status
Existing System Component	Mitigation of Urban Inundation Across City Areas	617	Govt. of Punjab	High Priority	Not Implemented
Existing System Component	Remodeling of Central Drains due to construction of new disposal station at Lakshmi Chowk to discharge in Central Drain and acquisition of ROW in commercial belt along drain	3,735	Govt. of Punjab	High Priority	Not Implemented
Existing System Component	Acquisition of ROW in Residential belt along Lower Chotta Ravi Drain	1,311	Govt. of Punjab	Medium Priority	Not Implemented
Existing System Component	Construction of New Drain from Barkat Town to River Ravi along GT Road in Shahdara Drain Region	95	Govt. of Punjab	High Priority	Not Implemented
Existing System Component	Construction of New Drain from Begum Kot Chowk to Shahdara Drain at Bara Dari Road	55	Govt. of Punjab	Medium Priority	Not Implemented
Existing System Component	Rehabilitation of Shalimar Escape Channel	54	Govt. of Punjab	Medium Priority	Not Implemented
Existing System Component	Procurement of Modern Cleaning Machinery for open and covered drains (Provisional)	500	Govt. of Punjab	High Priority	Not Implemented
New Development Components	Drainage Zone I Proposed Drainage System with outfall at Hudiara Drain	4,252	Govt. of Punjab	High Priority	Not Implemented

Similarly, to deal with problems/emergencies during monsoon season and reduced the ponding period of rainwater in various towns of Lahore city, WASA identified 25 schemes on a short term basis for Rs 517.00 million and 26 schemes for Rs 5,664 million on long term basis.

These schemes involved laying of new sewer lines of various sizes, rehabilitation/improvement of existing drains and raising of low level bridges etc. It had been noticed that the Agency did not develop a comprehensive strategy to implement the short and long terms plans to resolve the problems of the areas to encounter the issues/emergencies during monsoon season.

Non-Implementation of Short Term and Long Term Plans

Town	Short Term Plan (Nos of schemes)	Tentative Cost (Rs in million)	Long Term Plan (Nos of schemes)	Tentative Cost (Rs in million)
Aziz Bhatti/Wagha Town	5	79.00	6	1,105.00
Allama Iqbal Town	2	82.00	4	746.00
Gulberg Town	3	39.00	5	1,055.00
GanjBaksh Town	2	15.00	3	520.00
Jubilee Town	1	25.00	1	588.00
Ravi Town	8	217.00	3	551.00
Shalimar Town	4	60.00	4	1,099.00
Total	25	517.00	26	5,664.00

WASA did not perform its services satisfactorily due to its poor corporate governance.

(Para Nos. 7.3.8.2.3.7 & 7.3.8.2.3.8)

7.3.8.2.2.5 Misuse of Monsoon grant

The average monsoon rainfall precipitation in Lahore was above 600 mm. Mostly, rain took place in the monsoon season from 1st July to 30th September. During monsoon season, high intensity rains caused accumulation of rainwater on city roads & streets and citizens of Lahore face problems of urban flooding. Every year WASA forwarded a summary to Chief Minister Punjab for Grant-in-Aid/additional funds for the preparation of monsoon season and for combating the emergencies. During 2010-11 to 2020-21, government of the Punjab released Rs 3,727.98 million

to WASA, Lahore. However, during the last five years i.e. 2015-2020, government released Rs 425.00 million every year at flat rate. The released of a monsoon grant for a flat rate was not rational and without any need based assessment.

The whole process of demand/release of monsoon funds was on assumption and without any actual requirement in view of ground realities. There was no involvement of Director O&M of various towns in preparation of summary for the demand of monsoon funds nor any Directorate had prepared any repair & maintenance plan for their respective towns. The MD WASA distributed these funds among various O&M Directorates at its own discretion without any demand by the said directorates.

During Audit, several instances of misuse of monsoon grant were observed which included procurement of vehicles, procurement of diesel, salaries of work charge employees not related to monsoon season and retention of and utilization of monsoon grant beyond monsoon season.

HUD & PHE Department No. SO (UD) 1-13/2017 dated 29.03.2018, monsoon rainfall was a recurrent phenomenon and all WASAs in Punjab were directed to envisage expenditure relating to monsoon activities in the regular planning. All WASAs were also directed to prepare a business/ financial plan to meet all requirements on the basis of self-sustainability. Despite lapse of a period of more than three years, WASA Lahore did not prepare any business/financial plan to meet the expenditure on monsoon from own source budget.

(Parra No. 7.3.8.2.3.9)

7.3.8.2.3 Significant Audit observations

7.3.8.2.3.1 Weak legal and regulatory framework of WASA

Punjab Urban Water and Sanitation Policy (2007) read with Clause-5, carries the vision, goals and objectives of sustainable water and sanitation for all. The main objectives of the policy are to: **(i)** provide a legal, regulatory framework and efficient institutional arrangements for sustainable water supply, sanitation and wastewater treatment services **(ii)**

sustainable financing arrangements including community participation and public-private partnership. The government of the Punjab shall notify a legal and regulatory framework to transform Water and Sanitation Agencies/public sector water and sanitation providers into independent utilities with optimum levels of administrative, financial and operational autonomy.

During Audit of MD Office Lahore, it was noticed that WASA was established by LDA in 1976 for the planning, designing, development and maintenance of water supply sewerage and drainage system in Lahore. LDA Act provides the establishment of WASA with some relevant clauses but had no detailed description of its duty and standards of performance. Audit observed that the legal and regulatory framework of WASA was weak and did not cater for the prerequisites to turn the Agency into efficient service provider on a sustainable basis to deal with sewerage & drainage issues of mega city like Lahore. Since the inception of Punjab Urban Water and Sanitation Policy-2007, period of more than fourteen years had lapsed but did not take necessary steps for strengthening of legal and regulatory framework for the Agency. The management replied that water supply, sewerage and drainage regulations were amended in 2017 to regulate the legal and regulatory framework of the Agency.

DP No. 672 (2021-22)

7.3.8.2.3.2 Unsustainable financial position/deficit of WASA during last decade - Rs 35,100.94 million

As per section 28&32 of LDA Act 1975, with the previous consent of the government, adequate funds may be raised by the Authority from time to time to meet the cost of its schemes by imposing rates, fees and other charges. The rates, fees shall be such as to provide sufficient revenues to cover the operating expenses and to finance the normal year to year extension of any of such schemes and to provide a reasonable portion of the cost of future major expansion of such schemes.

During Audit of Managing Director, WASA Lahore it was noticed that WASA was required to prepare the financial statements including

balance sheet, profit and loss statement and cash flow statement for each fiscal year. Audit observed that last financial statement of WASA for the year ended 30.06.2012 was prepared and audited during March 2021 (with disclaimer of opinion) after eight (08) years of close of financial year. It was noticed that since last nine (09) years, neither WASA prepared annual accounts nor got the accounts audited and upto 30.06.2021, the accumulated loss/deficit of WASA was Rs 35,100.94 million. Whereas, during last ten years i.e. 2011-2012 to 2020-2021, government had provided subsidy/funds of Rs 42,213.68 million to WASA (subsidy Rs 23,632.66 million, monsoon grant Rs 3,727.98 million, UIP share Rs 13,607.01 million and foreign aid Rs 2,246.03 million). The management replied that the financial position of WASA was unsustainable because since 2004 no water tariff was increased and each year government was providing subsidy to meet its budgetary shortfall. However, the business plan was forwarded to Cabinet Committee for approval to increase the tariff.

DP No. 673 (2021-22)

7.3.8.2.3.3 Unjustified payment of operating expenses/salary of work charge employees out of monsoon grant – Rs 106.517 million

As per FD No.FD(HUD)5-47/2014 WASA/Monsoon Dated 06.07.2020, technical supplementary grant of Rs 425.701 million was placed at the disposal of MD WASA, Lahore for preparation and combating Monsoon 2020. The expenditure will be incurred after completion of all legal/codal/subject/procedural formalities.

During Audit of Managing Director, WASA Lahore it was noticed that from July to September 2020, Agency made payment of Rs 86,594,424 as salaries of 1603 work charge employees and charged the amount to monsoon grant for 2020. It was noticed that during monsoon season only 08 additional work charge employees were appointed for which salary of Rs 143,384 was paid and remaining 1595 work charge employees were already working in WASA and were regularly drawing a salary from own source budget of WASA. Similarly, Agency made a payment of Rs 20,066,142 on account of salaries of 374 work charge employees posted in

nineteen (19) various wings of WASA which were not directly related to monsoon activities. This resulted in unjustified payment of Rs 106.517 million. The management replied that the revenue generated was insufficient to run the operating expenditure of the Agency.

DP No. 670 (2021-22)

7.3.8.2.3.4 Non-availability of proper monitoring and evaluation system in WASA Lahore

As per Clause-4.7 of Punjab Water and Sanitation Policy 2007, monitoring and evaluation should be an integral part of institutional operations and throughout the project life cycle. Water utility will use benchmarking indicators of the International Benchmarking Network for Water and Sanitation Utilities (IBNET) for effective monitoring and evaluation of WSS services.

During Audit of MD Office Lahore, it was noticed that sewerage & drainage network of WASA covers 350 square kilometers area of Lahore district. The functioning and repair/maintenance of sewerage & drainage network for the administrative purpose was divided into 8 towns and 34 sub-divisions. Sewerage and storm water collected through the sewerage system was pumped through 14 disposal stations and 112 lift station spreading all over Lahore city for ultimate disposal into river Ravi. Audit observed that during last decade, the Agency incurred huge expenditure of Rs 87,741.01 million on account of new infrastructure development works as well as repair & maintenance of existing network. It was noticed that Agency did not prepare Key Performance Indicators (KPI) report by using benchmarking indicators of the International Benchmarking Network for Water and Sanitation Utilities (IBNET) for effective monitoring and evaluation of WSS services. Besides, no impact analysis report of expenditure incurred by WASA was available on record. The management replied that WASA Lahore monitored its performance through key performance indicators as per guidelines issued by JICA.

DP No. 663 (2021-22)

7.3.8.2.3.5 Non-achievement of revenue targets by WASA during last decade - Rs 3,151.81 million

As per section 28 of LDA Act 1975, adequate funds may be raised by the Authority from time to time, to meet the cost of its schemes by imposing rates, fees and other charges. The rates, fees and other charges for water supply, sewerage and drainage schemes shall be such as to provide sufficient revenues to cover the operating expenses and to finance the normal year to year extension of any of such schemes and to provide a reasonable portion of the cost of future major expansion of such schemes.

During Audit of Managing Director, WASA Lahore it was noticed that the main source of WASA's income was the recovery of water supply, sewerage and drainage charges. Audit observed that during the period 2010-11 to 2020-21, against the revenue target of Rs 43,807.03 million, the Agency had recovered Rs 40,655.21 million which indicated non-achievement of revenue targets/shortfall in revenue of Rs 3,151.81 million. The management replied that due to non-revision of domestic tariff since last 17 years, the collection could not be rationalized at the required rate. Despite repeated requests by WASA Lahore, government of the Punjab did not allow any revision in tariff since year 2004 due to social compulsions.

DP No. 667 (2021-22)

7.3.8.2.3.6 Ineffective role of WASA in Urban planning and development of Lahore city

As per Integrated Master Plan for Lahore (2021) prepared by the LDA, there is a dire need to have strict development and land use control through enforcement of zoning and adoption of uniform set of building regulations by all concerned agencies within Lahore city. Besides, as per Private Housing Scheme Rules 2014 by LDA, prior to processing of application for preliminary planning permission for private housing schemes, WASA shall issue a No Objection Certificate or communicate its observations to Director Metropolitan Planning, LDA. A sponsor at his own cost shall connect sewerage & drainage system of the scheme to a trunk

sewer wherever available subject to the approval of the agency maintaining a sewerage system.

During Audit of Managing Director, WASA Lahore it was noticed that haphazard expansion of the city resulted in the creation of low-lying areas, mostly, the expansion of the city had taken place towards South West during last one and a half decades. About 250 new housing schemes came up but most societies had no ultimate disposal point for their internal sewerage. As per the record of LDA, there were 367 legal housing schemes (LDA approved schemes) and 236 illegal housing schemes in Lahore city. It was noticed that role of WASA in future urban planning and development of Lahore city was almost non-existent and ineffective. Even the basic information about private housing schemes i.e. total NOCs issued by WASA for approval of water, sewerage and drainage designs of housing schemes, detail of housing societies using trunk sewers of WASA etc. was not available on record. The management replied that WASA Lahore has prepared its master Plan upto 2040, considering all the factors i.e. existing capacity of drains, contours of Lahore City, rainfall intensities and future population and developments in the city.

DP No. 668 (2021-22)

7.3.8.2.3.7 Non-achievement of targets as per Master Plan 2019 and implementation of short term and long term plans to deal with urban flooding

As per Section-12 “Implementation Plan” mentioned in Master Plan for Water Supply, Sewerage and Drainage system for Lahore 2019, several activities/sub-projects were given high priority and should have been completed during the period 2018-2020 to encounter urban flooding and deal with the future expansion of Lahore city.

During Audit of Managing Director, WASA Lahore it was noticed that Master Plan for Water Supply, Sewerage and Drainage system for Lahore 2019 provided strategic directions for WASA until the year 2040. Audit observed that as per the implementation plan, several activities/sub-projects i.e. legal strengthening of WASA, strengthening of drainage

machinery procurement program, remodeling of low level bridges and remodeling of central drains etc. were required to be completed during the period 2018-20. Moreover, to deal with problems/emergencies during the monsoon season and to reduce the ponding period of rain water in various towns of Lahore city, O&M Directorates of WASA identified 25 schemes on short term basis for Rs 517.00 million and 26 schemes for Rs 5,664 million on long term basis. However, it was noticed that WASA did not take appropriate measures to achieve the targets as set forth in the Master Plan 2019 and implement the short and long terms plans to resolve issues under its jurisdiction. The management replied that the projects reflected in Master Plan were presented to competent forums for inclusion in Annual Development Programme but due to financial constraints of government of the Punjab, most of the projects were yet to be funded.

DP No. 661 (2021-22)

7.3.8.2.3.8 Non-readjustment of WASA service area and creation of new development zones to cater for future requirements of Lahore city

As per Section-5.1 “Recommended Drainage System” of Master Plan for Water Supply, Sewerage and Drainage system for Lahore 2019, extension of storm water drainage to new developing area of Lahore City is an important aspect of the master planning. In this context, seven (07) new drainage zones were proposed to cater for future developments and expansion of Lahore city.

During Audit of Managing Director, WASA Lahore it was noticed that as per WASA’s Master Plan for Water Supply, Sewerage and Drainage system for Lahore 2019, the service area of WASA was required to be readjusted and several new drainage zones were required to be established upto 2040. Audit observed that as per the implementation plan, a new Drainage Zone-I with proposed drainage system with outfall at Hadiara Drain etc. at a cost of Rs 4,252 million was required to be established/completed during the period 2018-20 (High Priority). It was noticed that despite the lapse of the stipulated period, WASA did not initiate steps for establishment/creation of drainage zone. The management replied

that new drainage zones were required to be established until 2040 as per Master Plan.

DP No. 662 (2021-22)

7.3.8.2.3.9 Misuse of monsoon funds - Rs 266.88 million

As per Finance Department No. FD(HUD)5-47/2014/WASA Monsoon dated 06.07.2020, funds of Rs 425.701 million were released to WASA Lahore as Grant-in-Aid for preparation and combating monsoon 2020. The monsoon season starts from 01.07.2020 and ends on 23.09.2020.

During Audit, several instances of misuse of monsoon grant were observed as detailed below.

(Rs in million)

Sr. No.	DP No.	Description	Amount
1	666	Un-justified expenditure on procurement of vehicles out of monsoon grant	40.464
2	664	Unauthorized payment for procurement of diesel for heavy machinery and electricity charges out of monsoon grant	100.931
3	665	Unauthorized retention and utilization of monsoon funds which did not fall under monsoon season i.e. July to September	125.485
4	669	Non-availability of manufacture estimates and calculation of the results of operation and outturn of vehicles	-
5	671	Non-preparation of business/financial plan and unjustified release of monsoon funds without need based assessment	-
Total			266.88

7.3.9 Departmental Responses

7.3.9.1 The management replied that water supply, sewerage and drainage regulations were amended in 2017 to regulate the legal and regulatory frame work of the Agency. The regulations covered all aspects of WASA's functions. The reply was not tenable because as per Punjab Water and Sanitation Policy 2007, government of the Punjab was required to notify a legal and regulatory framework for administrative, financial and operational

autonomy. But no such legal and regulatory framework was notified by the Government.

7.3.9.2 The management replied that audit for the year 2012-13 to 2018-19 was in progress. The financial position of WASA was unsustainable because since 2004, no water tariff was increased and government was providing subsidy to meet its budgetary shortfall each year. However, business plan was forwarded to Cabinet Committee for approval to increase the tariff. After the approval of increase in tariff, the revenue of WASA would increase. The reply was not tenable because as per LDA Act, financial statements including balance sheet, profit and loss statement and cash flow statement were required to be prepared each year. Since 2012, a period of more than eight (08) years lapsed but the financial statements of WASA were not prepared. The financial unsustainability and recurring deficit casted doubts on the Agency's ability to continue as an efficient service provider.

7.3.9.3 The management replied that as per Article 27 of the LDA Act, the sum credited to WASA Lahore against its services shall be exclusively utilized for purpose of water supply sewerage and drainage. Unfortunately, the revenue generated was insufficient to run operating expenditure of the Agency. The reply was not tenable because monsoon funds were credited specifically to deal with emergencies during monsoon season. The expenditure was not relevant to the monsoon season and was incurred in violation of FD's instructions.

7.3.9.4 The management replied that WASA Lahore monitored its performance through key performance indicators as per guidelines issued by JICA which were totally similar to indicators of the International Benchmarking Network for Water and Sanitation Utilities (IBNET). The reply was not tenable because no proper monitoring and evaluation mechanism was in place to gauge the institutional performance of various wings of WASA. The management did not prepare KPI Report in violation of Punjab Water and Sanitation Policy 2007. Besides, no reply about the impact analysis report was given.

7.3.9.5 The management replied that due to non-revision of domestic tariff since last 17 years, the collection could not be rationalized at the required rate. Despite repeated requests by WASA Lahore, government of the Punjab did not allow any revision in tariff since 2004 due to social compulsions. As the revision of tariff was beyond the mandate of WASA and government of the Punjab had already declined a number of requests by the Agency to revise the tariff. The reply was not convincing because the failure of the Agency to achieve the revenue targets was one of the reasons of financial crisis/deficit.

7.3.9.6 The management replied that WASA Lahore has prepared its master Plan upto 2040, considering all the factors i.e. existing capacity of drains, contours of Lahore city, rainfall intensities and future population and developments in the city. As far as private housing societies are concerned, design approval is granted if their internal and external arrangements of sewerage system are completed.

7.3.9.7 The management replied that WASA Lahore intends to implement Master Plan (2019-2040) for upgradation of water supply, sewerage and drainage system of Lahore. The projects reflected in Master Plan were presented to competent forums for inclusion in Annual Development Programme but due to financial constraints of government of the Punjab, most of the projects were yet to be funded. The reply was not tenable because short term plans were required to be implemented through own source budget of WASA. Each year, expenditure on R&M was incurred without proper planning as well as in non-systematic manner. The priority should have been given to schemes relating to short term plans. The mismanagement and absence of proactive approach to address the urban flooding issues would lead to worsening of the problems and would also cause cost over-run in future.

7.3.9.8 The management replied that new drainage zones were required to be established until 2040 as per Master Plan. The consultant proposed the readjustment of jurisdiction and new drainage zones keeping in view the fact that jurisdiction of WASA, Lahore would expand in near future and WASA would facilitate the more population. The reply was not tenable

because as per Master Plan, new Drainage Zone-I was assigned high priority and was to be completed upto 2020 for which no reply was given. This showed that management failed to implement the recommendations of Master plan to cater for the future requirements of Lahore.

7.3.9.9 The issue wise management responses were as under:

1. Vehicles were purchased for field officers for effective working and monitoring in the monsoon season as most of the field officers did not have official vehicles. The reply was not tenable because luxurious vehicles were procured from monsoon grant in violation of approved summary by the Chief Minister of the Punjab.

2. Government of the Punjab assists financially through monsoon grant offering a block allocation of Rs 425.00 million each year to run operating expenditure of the Agency. Payments made against POL of heavy vehicles and electricity bills were quite justified because vehicles were used in monsoon for lifting water and removal of blockages in the system and extra pumping of disposal stations was required in monsoon. The reply was not acceptable because no justification for procurement of diesel and payment of electricity charges from monsoon grant was given.

3. Payment against repair and maintenance works was quite justified as these works were carried out keeping in view the necessity of the system. The reply was not tenable because funds received from government to combat monsoon emergencies were retained beyond the monsoon season and later on were utilized to execute works of routine nature without any justification and approval of the competent authority.

4. Diesel was consumed as per limit fixed by the competent authority according to nature of working in the area. The concerned XENs and SDOs issued diesel according to working of machinery within the prescribed limit. The reply was not tenable because the system regarding procurement and consumption of diesel was neither covered under any rules nor was transparent and the chances of misuse of POL could not be ruled out. It was also added that WASA was maintaining a fleet of machinery/vehicles i.e. suckers, dumpers, excavators, trucks etc. But no system was in place

regarding preparation/approval of manufacture estimates of the vehicles and machinery as well as calculation of outturn to exercise control over expenditure. Due to non-availability of manufacture estimates and calculation of outturns, the gain or loss could not be evaluated.

5. Revenue collected by WASA was insufficient owing to the freezing of water tariff and the government of the Punjab was reluctant to rationalize the tariff. Each year government financially assists WASA through monsoon grant/block allocation of Rs 425.00 million to run operating expenditures of the Agency. Moreover, business/ financial plan of the agency was already in place which would be implemented for next financial years. The reply was not tenable because HUD & PHE Department had issued directions during 2018 but a period of almost four years had lapsed but WASA did not implement any financial plan. The whole process of demand/release of funds was unjustified and without any actual requirements. The MD WASA distributes funds among various O&M Directorates at its own discretion without any demand by the said directorates.

7.3.10 Conclusion

The critical review suggested that policy objectives and directives were not properly guided by higher level which impeded the performance of the implementing agencies. In the current scenario the country's economic realities had been negatively impacted by the Covid-19 pandemic, the existing across-the-board subsidization of water and wastewater tariffs was not sustainable and needed to implement more realistic utility rates.

Due to financial constraints, WASA was not in a position to implement the Master Plan 2019 and short term as well as long term plans to encounter future challenges relating to sewerage & drainage of rapidly expanding Lahore city as well as urban flooding.

7.3.11 Recommendations

Government should take necessary steps for strengthening of legal and regulatory framework of WASA.

- i. Take necessary steps to increase revenue and reduce operating expenditure and should evolve into corporate culture as well as outcome-oriented entity through innovative ideas.
- ii. Minimize the deficit/loss to make the agency sustainable one.
- iii. Reduce wastage of urban flooding water.
- iv. Capacity building issues in HR and operational needs of the Agency should be addressed.
- v. Ensure that an effective monitoring and evaluation system is in place to monitor the performance of the functionaries of the Agency.
- vi. Prepare KPI Report and Impact Analysis Report of development expenditure.

7.3.12 References

- i. LDA Act 1975
- ii. WASA Lahore Final Master Plan Report – Drainage (Volume-III)
- iii. Plan for rain drainage Monsoon 2020-21, WASA Lahore
- iv. FCR of Monsoon Grant, 2019-20, WASA Lahore
- v. Feasibility Study Report Drainage Arrangements for Sore Points

ANNEX-A: MFDAC PARAS

Annex-A/1: C&W Department

Buildings

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	3	BD No. 2 Lahore	Overpayment due to non-reduction of rate for use of local sand	1.378
2	6	BD No. 2 Lahore	Unauthorized payment without approval of competent authority	0.508
3	7	BD No. 2 Lahore	Overpayment due to incorrect application of rate	0.371
4	10	BD No. 2 Lahore	Overpayment due to incorrect calculation	0.094
5	11	BD No. 2 Lahore	Unauthorized payment without approval of competent authority	1.110
6	12	BD No. 2 Lahore	Non-approval of rate analysis	45.410
7	14	BD No. 2 Lahore	Undue financial benefit due to disproportionate rate	0.661
8	15	BD No. 2 Lahore	Non-recovery due to underweight steel used in work	1.612
9	16	BD No. 2 Lahore	Overpayment due to excess consumption of steel	33.287
10	18	BD No. 7 M&R Lahore	Overpayment to contractor due to application of higher rate	0.177
11	19	BD No. 7 M&R Lahore	Irregular expenditure beyond the agreement cost	9.145
12	20	BD No. 7 M&R Lahore	Non-recovery of de-escalation	0.104
13	21	BD No. 7 M&R Lahore	Overpayment due to application of higher rate	0.209
14	22	BD No. 7 M&R Lahore	Non-recovery due to use of substandard bricks	0.351
15	23	BD No. 7 M&R Lahore	Non-recovery on account of de-escalation	0.138
16	25	BD No. 7 M&R Lahore	Unauthorized payment due to paid execution of excess quantities than TS estimate	0.849
17	26	BD No. 7 M&R Lahore	Less recovery of dismantled of old material	0.352
18	27	BD No. 7 M&R Lahore	Excess expenditure than provision and overpayment	1.725
19	28	BD No. 7 M&R Lahore	Non-obtaining of GST invoices	0.814
20	29	BD No. 7 M&R Lahore	Non-obtaining of additional performance securities	1.919

Sr. No.	PDP No.	Formation	Subject	Amount
21	30	BD No. 7 M&R Lahore	Non-recovery of Income Tax on cost of dismantled material	0.162
22	31	BD No. 7 M&R Lahore	Irregular payment due to non-approval of rate analysis	6.482
23	32	BD No. 7 M&R Lahore	Overpayment due to incorrect application of rates	0.465
24	34	BD Bakhar	Non-obtaining of GST invoices	0.712
25	42	BD Bakhar	Irregular enhancement of scope of works	82.319
26	44	BD Bakhar	Overpayment due to incorrect measurement of	0.251
27	45	BD Bakhar	Overpayment due to incorrect calculation	0.217
28	46	BD Bakhar	Less recovery of dismantled material	0.181
29	50	BD No. 4 Lahore	Irregular expenditure due to procurement of steel from the non-sales tax registered firm	13.191
30	52	BD No. 4 Lahore	Non-recovery of liquidated damages	32.261
31	53	BD No. 2 Lahore	Overpayment due to excess payment than agreement	47.908
32	54	BD No. 4 Lahore	Irregular expenditure due to non-approval of rate analyses	7.301
33	55	BD No. 4 Lahore	Non-receipt of vouched account	4.000
34	57	BD No. 4 Lahore	Overpayment due to inadmissible item	0.295
35	58	BD No. 4 Lahore	Irregular expenditure due to procurement of steel from the non-sales tax registered firm	158.650
36	59	BD No. 2 Lahore	Irregular payment due to non-production of quotations	6.931
37	61	BD No. 2 Lahore	Unjustified payment without provision in approved TSE/DNIT	7.097
38	62	BD No. 2 Lahore	Overpayment due to application of incorrect rate	0.155
39	63	BD No. 4 Lahore	Unauthorized expenditure due to change of specification	1.175
40	64	BD No. 4 Lahore	Non-recovery of GST	1.481
41	65	BD No. 4 Lahore	Non-recovery of GST	1.118
42	67	BD No. 4 Lahore	Overpayment due to cement pointing in violation of specification	0.205
43	68	BD No. 4 Lahore	Non-recovery of pre-shipment inspection cost	1.000
44	69	BD No. 4 Lahore	Unauthorized payment due to excess quantity of bored piles than DNIT	11.347
45	72	BD No. 4 Lahore	Overpayment due to violation of specification	1.139
46	75	BD No. 4 Lahore	Overpayment due to issuance of acceptance at higher cost than bid cost	15.942
47	77	BD No. 4 Lahore	Undue financial benefit to the contractor due to less obtaining of additional performance security	17.000

Sr. No.	PDP No.	Formation	Subject	Amount
48	81	BD No. 6 Lahore	Non- imposition of penalty for delay/non-completion of work	2.128
49	87	BD No. 6 Lahore	Unjustified payment due to imbalance rates	10.561
50	88	BD No. 6 Lahore	Undue financial benefit due to not obtaining of additional performance security	11.279
51	90	BD No. 6 Lahore	Un-authorized payment beyond original contract	35.044
52	91	BD Narowal	Unjustified payment for land acquisition	41.932
53	92	BD Narowal	Irregular enhancement of scope of works	83.529
54	93	BD Narowal	Improper maintenance of record and non-reconciliation of interest bearing securities accounts	310.896
55	94	BD Narowal	Unjustified payment for non-standardized item without rate analysis	3.124
56	95	BD Narowal	Non-recovery due to use of sub-standard bricks	5.643
57	103	BD Mandi Bahauddin	Overpayment due to excess measurement	4.492
58	104	BD No. 3 Lahore	Non-accountal of fans	8.335
59	106	BD No. 3 Lahore	Overpayment due to excessive consumption of steel	7.684
60	107	BD No. 3 Lahore	Irregular expenditure due to procurement of steel from un-registered sale tax firms	32.262
61	110	BD No. 3 Lahore	Overpayment due to excess consumption of steel	8.605
62	111	BD No. 3 Lahore	Non-recovery of secured advance	7.718
63	113	BD Mianwali	Irregular payment for non-standardized items	10.441
64	115	BD Mianwali	Non-initiation of action against contractor due to failure to complete the balance work	32.555
65	118	BD Mianwali	Overpayment due to measurement of excessive thickness	0.792
66	121	BD Mianwali	Mis-procurement of work's contractors	416.997
67	122	BD Mianwali	Unjustified payment due to excess consumption of steel	28.425
68	125	BD Mianwali	Non-recovery of secured advance despite elapse of completion period	84.453
69	127	BD GOR M&R Lahore	Non-recovery of General Sales Tax (GST)	0.281
70	128	BD GOR M&R Lahore	Less recovery of cost of retrieved material	0.177
71	131	BD GOR M&R Lahore	Loss to government due to non-recovery of cost of retrieved material	0.812
72	132	BD GOR M&R Lahore	Non-recovery due to use of under sized bricks	0.075
73	133	BD GOR M&R Lahore	Non-recovery of General Sales Tax (GST)	0.155

Sr. No.	PDP No.	Formation	Subject	Amount
74	134	BD GOR M&R Lahore	Non-imposition of penalty on account of delay in completion of work	9.507
75	135	BD GOR M&R Lahore	Unauthentic payment	7.307
76	136	BD GOR M&R Lahore	Overpayment due to non-reduction of rate of sand	0.648
77	137	BD GOR M&R Lahore	Loss to Government due to non-deduction of General Sales Tax	0.287
78	139	BD GOR M&R Lahore	Loss to govt. due to approval of incorrect rate	0.411
79	140	BD GOR M&R Lahore	Irregular expenditure due to procurement of steel from the non-sales tax registered firms	17.622
80	141	BD GOR M&R Lahore	Overpayment due to allowing payment beyond agreed percentage	1.437
81	142	BD No. 1 M&R Lahore	Lapse of funds	23.246
82	143	BD No. 1 M&R Lahore	Non-recovery of income tax on PST	0.207
83	144	BD No. 1 M&R Lahore	Irregular expenditure due to non-conducting the laboratory tests	0.486
84	145	BD No. 1 M&R Lahore	Non-production of vouched account involving expenditure	1.200
85	146	BD No. 1 M&R Lahore	Loss to government due to non-rendering services of the departmental labour and work charge establishment	0.125
86	147	BD No. 1 M&R Lahore	Overpayment due to application of incorrect rate	0.051
87	148	BD No. 1 M&R Lahore	Irregular payment due to allowing payment without approval of rate analysis	0.381
88	149	BD No. 1 M&R Lahore	Non-execution of M&R works	55.000
89	150	BD Mandi Bahauddin	Overpayment beyond agreed percentage	4.177
90	152	BD Mandi Bahauddin	Overpayment due to use of un-economical item	2.358
91	154	BD Mandi Bahauddin	Overpayment due to excess measurement	0.259
92	157	BD Mandi Bahauddin	Un-justified payment due to non-obtaining of vouched account	14.520
93	159	BD Mandi Bahauddin	Irregular payment without approved rate analysis	11.792
94	161	BD No. 2 M&R Lahore	Irregular payment without taking detail measurement of each work	0.160
95	162	BD No. 2 M&R Lahore	Non-recovery of general sales tax (GST) - Rs 35,530 and non-provision of invoices - Rs 142,120	0.178

Sr. No.	PDP No.	Formation	Subject	Amount
96	163	BD No. 2 M&R Lahore	Irregular payment due to non-obtaining of certificates	0.101
97	164	BD No. 2 M&R Lahore	Irregular payment due to allowing payment without approval of rate analysis	0.507
98	165	BD No. 2 M&R Lahore	Less recovery of PST	0.543
99	166	BD No. 2 M&R Lahore	Non-recovery of GST	0.181
100	167	BD No. 2 M&R Lahore	Overpayment due to excess rate PVC wall paneling	0.534
101	168	BD No. 2 M&R Lahore	Overpayment due to allowing extra payment of same item of work	0.250
102	169	BD No. 2 M&R Lahore	Non-recovery due to use of substandard bricks	2.165
103	170	BD No. 2 M&R Lahore	Irregular/overpayment of - Rs 730,411 due to applying two coat of weather shield on old surface	0.730
104	171	BD No. 2 M&R Lahore	Non-obtaining of additional performance guarantees	2.402
105	172	BD No. 2 M&R Lahore	Irregular payment due to purchase of PVC cables from unapproved manufacturer	0.118
106	173	BD No. 2 M&R Lahore	Less recovery of PST	0.209
107	174	BD No. 2 M&R Lahore	Irregular expenditure due to non-obtaining of administrative approval of M&R works	287.908
108	175	BD Bahawalnagar	Loss to Govt. due to cost overrun and time overrun	6.225
109	180	BD Bahawalnagar	Non-imposition/recovery of liquidated damages of incomplete schemes within stipulated period	201.576
110	188	BD No. 5 Lahore	Overpayment due to application of higher rate of non-standardized item	0.621
111	190	BD No. 5 Lahore	Overpayment due to excessive measurement than provision of technically sanctioned estimate	25.859
112	191	BD No. 5 Lahore	Overpayment due to higher rates and wrong carry forward of quantity	2.283
113	192	BD No. 5 Lahore	Less recovery of income tax - Rs 10.258 million and GST - Rs 46.506 million	56.764
114	196	BD No. 5 Lahore	Undue financial benefit due to disproportionate rate	0.586
115	201	BD No. 5 Lahore	Overpayment due to application of higher rate	0.287
116	202	BD No. 5 Lahore	Overpayment due to application of higher rates	3.573

Sr. No.	PDP No.	Formation	Subject	Amount
117	207	BD Bahawalnagar	Overpayment due to award of work at higher percentage	0.539
118	208	BD Bahawalnagar	Overpayment due to non-recovery of old material	0.132
119	214	BD Bahawalnagar	Non-recovery of secured advance	5.293
120	217	BD Bahawalnagar	Overpayment due to non-deduction of road crust	1.267
121	218	BD Bahawalnagar	Overpayment due to incorrect rate	1.332
122	220	BD No. 4 Lahore	Less recovery on account of price de-escalation	1.248
123	221	BD No. 4 Lahore	Overpayment due to change of specification	2.896
124	225	BD No. 4 Lahore	Overpayment due to application of higher rates	2.145
125	230	BD No. 4 Lahore	Irregular expenditure due to procurement of steel from un-registered sale tax firms Rs 392.718 million and non-recovery of GST Rs 66.76 million.	459.478
126	231	BD No. 4 Lahore	Overpayment due to non-reduction of rate for using local sand	5.089
127	232	BD No. 4 Lahore	Overpayment due to incorrect rate	16.902
128	233	BD No. 4 Lahore	Non-execution of free of cost items	4.919
129	235	BD No. 4 Lahore	Non-recovery of GST	5.422
130	237	BD No. 4 Lahore	Less recovery of income tax	0.132
131	238	BD No. 4 Lahore	Undue financial benefit due to grant of secured advance at higher rates	43.125
132	239	BD No. 4 Lahore	Overpayment due to excessive measurement	72.772
133	241	BD No. 4 Lahore	Non-recovery from the contractor due to non-employment of qualified engineers	18.330
134	242	BD No. 4 Lahore	Overpayment due to application of higher rate	5.661
135	243	BD No. 1 Bahawalpur	Non-Recovery of outstanding secured advance	3.734
136	245	BD No. 1 Bahawalpur	Undue financial benefit due to incorrect assessment of the value of secured advance	1.006
137	247	BD No. 1 Bahawalpur	Irregular procurement of steel from sales tax unregistered firms & Non-recovery of GST	5.939
138	250	BD No. 1 Bahawalpur	Irregular payment due to beyond the agreement amount	2.585
139	251	BD No. 1 Bahawalpur	Overpayment due to incorrect application of rate	0.178
140	253	BD No. 1 Bahawalpur	Overpayment due to application of higher rate	0.112

Sr. No.	PDP No.	Formation	Subject	Amount
141	257	BD No. 1 Bahawalpur	Irregular payment due to excess quantities than agreement /TS estimate without prior approval -	11.707
142	259	BD No. 1 Bahawalpur	Non-conducting the inquiry of substandard work	-
143	263	BD No. 1 Bahawalpur	Overpayment due to non-reduction of rate for use of local sand	2.366
144	264	BD No. 1 Bahawalpur	Non-recovery of risk and cost of balance work and security deposit	0.269
145	265	BD No. 1 Bahawalpur	Irregular payment due to non-preparation/ non-production of rate analysis	6.051
146	266	BD No. 1 Bahawalpur	Non-obtaining the GST invoices	1.560
147	269	BD Mandi Bahauddin	Overpayment due to execution of inadmissible item	0.768
148	272	BD Mandi Bahauddin	Irregular award of work in violation of codel rules	103.940
149	274	BD No. 1 M&R Lahore	Irregular discharge of liabilities for the unpaid instruments	3.828
150	275	BD No. 1 M&R Lahore	Loss to government due to non-rendering services of special repairs on account of nominal/usual supply items	0.144
151	276	BD No. 1 M&R Lahore	Difference of figures booked by SAP R-3 and DG Accounts Works	1.546
152	277	BD No. 1 M&R Lahore	Irregular payment due to splitting of work	0.156
153	278	BD No. 1 M&R Lahore	Unjustified payment	0.072
154	279	BD No. 1 M&R Lahore	Less recovery of PST	0.218
155	280	BD No. 1 M&R Lahore	Irregular expenditure due to non-obtaining of administrative approval of M&R works	256.062
156	281	BD No. 1 M&R Lahore	Irregular expenditure against fixed charges	8.000
157	282	BD No. 1 M&R Lahore	Lapse of funds	21.597
158	283	BD No. 1 M&R Lahore	Non-recovery of income tax	0.057
159	284	BD No. 1 M&R Lahore	Overpayment due to calculation of higher rate	0.233
160	285	BD No. 1 M&R Lahore	Non-reconciliation of receipts and expenditures account	-
161	286	BD No. 1 M&R Lahore	Non-recovery of departmental charges	3.171
162	287	BD No. 1 M&R Lahore	Non-provision of vouched accounts	14.319

Sr. No.	PDP No.	Formation	Subject	Amount
163	288	BD No. 2 M&R Lahore	Non-recovery of dismantled/old material	0.309
164	289	BD No. 2 M&R Lahore	Doubtful payment due to non-recovery of old material	1.253
165	290	BD No. 2 M&R Lahore	Irregular payment on account of unnecessary item of work executed	0.367
166	291	BD No. 6 Lahore	Un-authorized payment of price variation	1.344
167	292	BD No. 6 Lahore	Overpayment due to application of higher rate	1.153
168	294	BD Sheikhpura	Irregular expenditure due non-approval of rate analysis of NS item	3.429
169	295	BD Sheikhpura	Overpayment due to less utilization of available earth	0.803
170	296	BD Sheikhpura	Overpayment due to higher rate of Drilling	0.368
171	297	BD Sheikhpura	Overpayment due to higher rate than TS estimate item	0.299
172	298	BD Sheikhpura	Overpayment due to non-recovery of GST	0.845
173	307	BD Sheikhpura	Overpayment due to inadmissible cost of dressing and chamfering	0.195
174	308	BD Sheikhpura	Overpayment due to cement pointing in violation of specification	0.132
175	311	BD Sheikhpura	Overpayment due to inadmissible cost of fly proofing in addition to composite rate of aluminum window	0.584
176	313	BD Sheikhpura	Overpayment due to non-recovery of GST	0.961
177	316	BD Sheikhpura	Overpayment due to extra quantity of steel	0.188
178	322	BD D.G Khan	Non-recovery of secured advance amounting	97.081
179	323	BD D.G Khan	Loss to government due to less recovery of cost of retrieved material	0.697
180	324	BD D.G Khan	Unjustified payment on account of subsequent of carriage of bajri	0.907
181	325	BD D.G Khan	Non-recovery of general sales tax	13.359
182	327	BD D.G Khan	Overpayment due to application of incorrect rate	0.089
183	329	BD D.G Khan	Overpayment due to non-reduction of rate of sand	8.464
184	334	BD D.G Khan	Overpayment due to application of higher rate	0.996
185	340	BD Chakwal	Overpayment due to application of higher rates	8.407
186	341	BD Chakwal	Overpayment due to application of higher rate	0.182
187	342	BD Chakwal	Overpayment due to application of higher rate	0.600
188	343	BD Chakwal	Overpayment due to application of higher rate	0.092

Sr. No.	PDP No.	Formation	Subject	Amount
189	344	BD Chakwal	Irregular payment without granting time extension	84.627
190	348	BD Chakwal	Non-recovery of secured advance	27.670
191	352	BD Chakwal	Non-recovery on account of use of local sand	2.608
192	355	BD Chakwal	Less recovery of mobilization advance	1.097
193	358	BD Chakwal	Irregular expenditure due to non-production of lab. test reports of bricks	7.063
194	359	BD Chakwal	Overpayment due to allowing premium on non-scheduled item	0.178
195	365	BD Chakwal	Overpayment due to execution of inadmissible item	0.288
196	366	BD No. 1 Multan	Overpayment due to non-reduction of rate of sand	2.686
197	368	BD No. 1 Multan	Non recovery of Income Tax Rs 7.780 and GST Rs 15072 million	22.853
198	370	BD No. 1 Multan	Irregular expenditure for Rs 20.721 million and non-recovery of GST on pumping machinery – Rs 1.587 million	56.184
199	371	BD No. 1 Multan	Overpayment due to application of higher rates	0.736
200	372	BD No. 1 Multan	Loss to government due to non-utilization of available earth	1.816
201	381	BD No. 1 Multan	Overpayment due to excess execution of rehandling	0.311
202	386	BD No. 1 Multan	Irregular expenditure due to procurement of steel from the non-sales tax registered firms	173.691
203	387	BD No. 1 Multan	Overpayment due to application of incorrect rate	11.151
204	389	BD No. 1 Gujranwala	Overpayment due to application of incorrect /higher rate	2.289
205	394	BD No. 1 Gujranwala	Undue financial benefit to the contractor due to non- obtaining of additional performance guarantees	38.292
206	396	BD No. 1 Gujranwala	Irregular expenditure due to procurement of steel from the non-sales tax registered firms	132.510
207	399	BD No. 1 Gujranwala	Irregular/unjustified expenditure in violation of PPRA Rules	263.774
208	401	BD No. 1 Gujranwala	Non-recovery of general sales tax	8.437
209	402	BD No. 1 Gujranwala	Overpayment due to non-reduction of rate of sand	10.512
210	403	BD No. 1 Gujranwala	Non-recovery of secured advance amounting	48.129
211	404	BD No. 1 Gujranwala	Less recovery of income tax – Rs 780,232 and Sales tax amounting	3.164

Sr. No.	PDP No.	Formation	Subject	Amount
212	407	BD No. 1 Gujranwala	Undue financial benefit due to non-obtaining of performance security	134.772
213	408	BD No. 1 Gujranwala	Excess payment beyond approved scope of the work	28.889
214	411	BD Sahiwal	Overpayment due to use of NS item than MRS	18.130
215	414	BD Sahiwal	Overpayment due to higher rate of steel	3.202
216	417	BD Sahiwal	Overpayment due to higher rate of 4 inch dia PVC Pipe	2.628
217	418	BD Sahiwal	Overpayment due to use of NS item than MRS	14.908
218	419	BD Sahiwal	Non-recovery of secured advance	34.977
219	420	BD Sahiwal	Overpayment due to premium on NS items of work	5.042
220	425	BD Sahiwal	Overpayment due to extra quantity than TS estimate	2.060
221	429	BD Sahiwal	Overpayment due to use of local sand	0.449
222	439	BD Sahiwal	Overpayment due to higher rate of XP sin rigid insulation	0.665
223	440	BD Sahiwal	Overpayment due to higher rate of false ceiling than agreement	0.388
224	442	BD No. 1 Rawalpindi	Overpayment due to use of superfluous item	0.590
225	443	BD No. 1 Rawalpindi	Non-recovery	0.206
226	445	BD No. 1 Rawalpindi	Non-recovery of available stone	0.637
227	447	BD No. 1 Rawalpindi	Non-recovery due to use of local sand	3.703
228	448	BD No. 1 Rawalpindi	Non-recovery due to use of local sand	0.297
229	449	BD No. 1 Rawalpindi	Non-Recovery of income tax	5.379
230	450	BD No. 1 Rawalpindi	Overpayment due to superfluous item	2.442
231	453	BD No. 1 Rawalpindi	Overpayment due to higher rate	0.356
232	454	BD No. 1 Rawalpindi	Overpayment due to higher rate	1.111
233	455	BD No. 1 Rawalpindi	Overpayment due to use of higher rates than estimate	0.313
234	458	BD No. 1 Rawalpindi	Overpayment due to use of local sand	0.740
235	460	BD No. 1 Rawalpindi	Irregular expenditure due to non-obtaining GST invoices	17.057

Sr. No.	PDP No.	Formation	Subject	Amount
236	463	BD No. 1 Rawalpindi	Non-Recovery of cost of old material	0.840
237	465	BD No. 1 Rawalpindi	Less-recovery of income tax on PST	0.118
238	466	BD Sargodha	Overpayment due to superfluous item	1.166
239	474	BD Sargodha	Overpayment due to application of wrong unit	0.379
240	475	BD Sargodha	Overpayment due to use of excess area of paint	0.095
241	476	BD Sargodha	Overpayment due to cement pointing in violation of specification	0.396
242	477	BD Sargodha	Overpayment due to inadmissible provision of contingency in the rate analysis of laboratory table	0.070
243	478	BD Sargodha	Overpayment due to superfluous item	0.505
244	481	BD Sargodha	Irregular expenditure due to non-approval of rate analysis	2.919
245	483	BD GOR M&R Lahore	Overpayment due to higher rate	0.650
246	486	BD GOR M&R Lahore	Non-recovery of Stamp fee	0.478
247	487	BD GOR M&R Lahore	Non-recovery of old material	0.364
248	488	BD GOR M&R Lahore	Overpayment due to higher rate	0.408
249	490	BD GOR M&R Lahore	Non-obtaining invoices of 4/5th GST	0.821
250	491	BD GOR M&R Lahore	Irregular expenditure due to non-approval of rate analysis	1.155
251	493	BD GOR M&R Lahore	Less recovery of income tax	0.352
252	494	BD GOR M&R Lahore	Irregular expenditure due to non-approval of rate analysis	9.443
253	496	BD GOR M&R Lahore	Overpayment due to in-admissible disposal of unused material	1.908
254	498	BD GOR M&R Lahore	Overpayment due to wrong conversion factor of steel	0.106
255	499	BD GOR M&R Lahore	Overpayment due to less weight of steel	1.682
256	505	BD Mianwali	Unjustified payment due to non-preparation of rate analysis	0.224
257	510	BD Mianwali	Unjustified payment due to non-preparation of rate analysis	3.000
258	514	BD Mianwali	Overpayment due to arithmetical error	0.130
259	518	BD Mianwali	Non-recovery on account of compensation for delay	9.637

Sr. No.	PDP No.	Formation	Subject	Amount
260	521	BD No. 4 Lahore	Overpayment due to inadmissible cushion on electrical/firefighting items	0.637
261	525	BD No. 3 Lahore	Unauthentic payment for mosaic flooring	2.645
262	526	BD No. 3 Lahore	Overpayment due to incorrect calculation of quantity of steel	9.827
263	527	BD No. 3 Lahore	Overpayment due to allowing payment at higher rate	3.188
264	528	BD No. 3 Lahore	Non-recovery of secured advance	6.727
265	533	BD Narowal	Overpayment due to excessive consumption of steel	11.396
266	534	BD Narowal	Overpayment due to application of incorrect rate	0.423
267	536	BD Narowal	Overpayment due to application of higher rate and non-utilization of available earth	0.133
268	539	BD No. 5 Lahore	Less recovery of old material – Rs 114,337	0.114
269	541	BD No. 2 M&R Lahore	Unjustified/extra expenditure due to use of granite tile - Rs 0.505 million	0.505
270	542	BD No. 2 M&R Lahore	Overpayment due to payment of higher rate - Rs 246,918	0.247
271	543	BD No. 2 M&R Lahore	Non-recovery of income tax- Rs 47,025	0.047
272	544	BD No. 2 M&R Lahore	Irregular payment due to non-preparation of rate analysis - Rs 208,128	0.208
273	545	BD No. 2 M&R Lahore	Non-production of vouched account involving expenditure - Rs 21.779 million	21.779
274	546	BD No. 2 M&R Lahore	Overpayment due to calculation of higher rate - Rs 105,802	0.106

Highways

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	1	HD Lahore Ring Road Authority	Loss to Government due to allowing carriage twice	1.525
2	2	HD Lahore Ring Road Authority	Non-preparation of assets management schemes regarding the property of Lahore Ring Road Authority	-
3	3	HD Lahore Ring Road Authority	Loss to Government due to allowing excess labour and man hours	9.664
4	5	HD M&R No. I Rawalpindi	Loss due to non-auction of toll plaza	86.043
5	6	HD M&R No. I Rawalpindi	Irregular expenditure due to non-provision of bitumen invoices	106.704

Sr. No.	PDP No.	Formation	Subject	Amount
6	7	HD M&R No. I Rawalpindi	Non-recovery due to use of local sand	2.136
7	8	HD M&R No. I Rawalpindi	Overpayment due to excess thickness of PCC	0.520
8	9	HD M&R No. I Rawalpindi	Overpayment due to non-recovery/less adjustment of road crust	0.100
9	10	HD M&R No. I Rawalpindi	Irregular expenditure due to procurement of steel from the no- sales tax registered firm	4.519
10	11	HD M&R No. I Gujranwala	Less-recovery of income tax on PST	8.742
11	12	HD M&R No. I Gujranwala	Non-recovery lease money and tax	1.865
12	13	HD M&R No. I Gujranwala	Non-recovery of lease money	23.726
13	14	HD M&R No. I Gujranwala	Non-recovery from lessee of toll plaza	39.602
14	15	HD M&R No. I Gujranwala	Loss to government due to excess charging the fuel wood component	1.162
15	16	HD M&R No. I Gujranwala	Weak mechanism of monitoring system of recovery of lease money of ROW	6.605
16	17	HD M&R No. I Gujranwala	Un-justified payment on account of preparation of hilly pad	1.580
17	18	HD M&R No. I Gujranwala	Non-accountal/auction of 2112empty drums	2.112
18	19	HD M&R No. I Gujranwala	Unjustified payment due to non-obtaining of JMF	10.765
19	20	HD M&R No. I Gujranwala	Less recovery of dismantled old material	0.930
20	21	HD M&R No. I Gujranwala	Overpayment due to non-reduction of rate for use of local sand	5.826
21	22	HD M&R No. I Gujranwala	Non-recovery of Compensation due to delay in completion of works	1.655
22	23	HD M&R No. I Gujranwala	Undue favour to the contractor due to non-obtaining of additional performance securities	3.626
23	24	HD M&R No. II Faisalabad	Non-recovery of lease money from petrol pumps owners worth millions of rupees	-
24	25	HD M&R No. II Faisalabad	Non-recovery of utility charges lying along right of way of roads	18.685
25	26	HD M&R No. II Faisalabad	Procurement of bitumen from unauthorized dealer	162.439
26	27	HD M&R No. II Faisalabad	Non-recovery of income tax on cost of old material	0.314
27	28	HD M&R No. II Faisalabad	Unjustified payment on account of advertisement	3.925

Sr. No.	PDP No.	Formation	Subject	Amount
28	29	HD M&R No. II Faisalabad	Non-imposition of penalty on account of delay in completion of work	1.989
29	30	HD M&R No. II Faisalabad	Undue financial benefit due to non-obtaining of performance security	4.732
30	31	HD M&R No. II Faisalabad	Non-auction of un-serviceable machinery	-
31	32	HD M&R No. II Faisalabad	Non- existence of Third-Party Monitoring (TPM) System in M&R works	-
32	33	HD M&R No. II Faisalabad	Overpayment due to non-reduction of rate of sand	0.285
33	34	HD M&R No. II Faisalabad	Non-recovery due to use of substandard bricks	0.931
34	35	HD M&R No. II Faisalabad	Undue financial benefit due to non-obtaining of additional performance security	8.716
35	36	HD M&R No. II Faisalabad	Irregular expenditure due to procurement of steel from the non-sales tax registered firm	1.192
36	37	HD M&R No. II Faisalabad	Less recovery of income tax on PST	4.167
37	38	HD Lahore Ring Road Authority	Non-recovery of salvage @10% from the compensation of tree while making payment to affectees	0.396
38	39	HD Lahore Ring Road Authority	Non-recovery of cost of fallen trees from Concessionaires of SL-1, 2 & 3	-
39	42	HD Lahore Ring Road Authority	Non-obtaining of vouched accounts from DG PHA and LWMC	161.171
40	43	HD Lahore Ring Road Authority	Irregular expenditure without approval by the Council	237.889
41	44	HD Lahore Ring Road Authority	Non-extension in deputation period beyond 03 years	-
42	45	HD M&R Sahiwal	Irregular expenditure of Price Variation	0.499
43	46	HD M&R Sahiwal	Irregular expenditure due to non-provision of bitumen invoices	32.380
44	47	HD M&R Sahiwal	Non recovery of Income Tax on PST	32.380
45	48	HD M&R Sahiwal	Non recovery on account of dismantled material	0.102
46	49	HD M&R Sahiwal	Loss to Govt. due to non-auction of Toll Plaza	18.000
47	50	HD Bhakhar	Overpayment due to payment of inadmissible price variation	1.879
48	51	HD Bhakhar	Loss due to non-auction of toll plaza	249.290

Sr. No.	PDP No.	Formation	Subject	Amount
49	52	HD Bhakhar	Non-recovery due to use of local sand	0.144
50	53	HD Bhakhar	Non-obtaining of additional performance security	6.936
51	54	HD Bhakhar	Non-recovery of liquidated damages	5.874
52	55	HD Bhakhar	Overpayment due to excess lead for carriage of base course	2.960
53	56	HD Bhakhar	Overpayment due to non-adjustment of available earth	0.257
54	57	HD Bhakhar	Overpayment due to non-reduction of rate for use of local sand	0.317
55	58	HD Bhakhar	Irregular expenditure due to use of local bitumen	41.406
56	62	HD Bhakhar	Non-recovery of liquidated damages from the contractor	84.140
57	63	HD Bhakhar	Non-recovery of de-escalation	0.379
58	64	HD Bhakhar	Non-recovery due to use of below standard bricks	0.921
59	65	HD Bhakhar	Non-recovery on account of less use of bitumen	0.464
60	69	HD Bhakhar	Loss to government due to non-recovery of risk and cost from original contractors	-
61	70	HD M&R No. I Faisalabad	Non-recovery of balance installment on account of Toll collection from the contractor	-
62	71	HD M&R No. I Faisalabad	Non-recovery due to use of under sized bricks	0.980
63	72	HD M&R No. I Faisalabad	Procurement of bitumen from unauthorized dealer	98.953
64	73	HD M&R No. I Faisalabad	Irregular payment over and above Revised TSE	20.931
65	74	HD M&R No. I Faisalabad	Irregular payment for carpeting without approved JMF	25.560
66	75	HD M&R No. I Faisalabad	Unjustified payment of advertisement	4.281
67	76	HD M&R No. I Faisalabad	Non-imposition of penalty on account of delay in completion of work	8.469
68	80	HD Hafizabad	Unjustified payment for removal & plantation of trees and non-submission of vouched account	5.434
69	84	HD Hafizabad	Overpayment due to incorrect measurement	3.130
70	88	HD Hafizabad	Overpayment due to application of higher rate	6.118
71	97	HD Toba Tek Singh	Improper maintenance of record and non-reconciliation of interest bearing securities accounts	63.936
72	98	HD Toba Tek Singh	Overpayment due to non-reduction of rate	1.657

Sr. No.	PDP No.	Formation	Subject	Amount
73	100	HD M&R D.G. Khan	Loss to Govt. due to less toll collection than reserved price	94.054
74	101	HD M&R D.G. Khan	Non-recovery of House rent from the allottees/occupants of Govt. accommodation	0.113
75	102	HD M&R D.G. Khan	Irregular expenditure due to non-maintenance of Pay bill of Work charge establishment on Form DFR (PW) 29	13.558
76	105	HD Layyah	Unjustified expenditure for the item earthwork due to violation of specification	5.511
77	114	HD M&R II Rawalpindi	Irregular expenditure due to non-provision of bitumen invoices	81.529
78	115	HD Nankana Sab	Overpayment due to incorrect rate	1.753
79	120	HD Nankana Sab	Non-recovery of general sales tax	0.863
80	121	HD Nankana Sab	Non-imposition/recovery of liquidated damages of incomplete schemes within stipulated period	63.737
81	125	HD Nankana Sab	Overpayment due to non-deduction of income tax	0.210
82	126	HD Nankana Sab	Non-recovery of general sales tax	1.450
83	127	HD Nankana Sab	Non-recovery of general sales tax	0.505
84	128	HD Nankana Sab	Loss to Government due to less use of old material	0.639
85	130	HD Nankana Sab	Overpayment due to non-reduction of rate	0.516
86	137	HD M&R D.G. Khan	Overpayment due to incorrect rate	0.228
87	138	HD M&R D.G. Khan	Non-maintenance of the Stock Register	31.977
88	139	HD M&R D.G. Khan	Undue financial benefit due to non-obtaining of the performance guarantees	16.173
89	140	HD M&R D.G. Khan	Non-recovery on account of de-escalation	0.629
90	141	HD M&R D.G. Khan	Non-recovery of general sales tax	2.480
91	142	HD M&R D.G. Khan	Non-recovery on account of de-escalation	0.433
92	143	HD M&R D.G. Khan	Non-recovery on account of de-escalation	0.686
93	144	HD M&R D.G. Khan	Overpayment due to non-deduction of available earth	0.691
94	145	HD M&R D.G. Khan	Non-imposition/recovery of liquidated damages	46.125

Sr. No.	PDP No.	Formation	Subject	Amount
95	146	HD M&R D.G. Khan	Less recovery of income tax	12.080
96	147	HD M&R D.G. Khan	Overpayment and non-recovery	0.847
97	148	HD M&R D.G. Khan	Overpayment due to non-recovery of old material	5.487
98	149	HD M&R D.G. Khan	Non-production of comparative statements	-
99	150	HD M&R D.G. Khan	Overpayment due to non-deduction of crust	0.938
100	151	HD M&R D.G. Khan	Non-recovery of lease amount from petrol pumps and Non-construction of drain from petrol pumps owners	-
101	152	HD M&R D.G. Khan	Overpayment due to incorrect rate	0.659
102	153	HD M&R D.G. Khan	Non-auction of empty drums	-
103	154	HD M&R D.G. Khan	Non-recovery on account of less use of bitumen	0.169
104	155	HD M&R D.G. Khan	Overpayment due to non-deduction of income tax	0.210
105	156	HD Khushab	Overpayment due to non-reduction of rate for use of local sand	0.636
106	158	HD Khushab	Irregular procurement of steel from sales tax unregistered firms & Non-recovery of GST	4.199
107	159	HD Khushab	Unjustified expenditure due to execution of base course without edging	26.457
108	169	HD Khushab	Unjustified payment of price variation	2.349
109	170	HD Khushab	Overpayment due to application of incorrect rate	0.136
110	172	HD Bahawalpur	Overpayment due to incorrect rate	0.500
111	177	HD Bahawalpur	Overpayment due to non-reduction of rate for use of local sand	0.627
112	178	HD Bahawalpur	Overpayment due to incorrect measurement	0.117
113	181	HD Bahawalpur	Less-recovery of dismantled material	1.819
114	184	HD Bahawalpur	Unjustified payment due to use of local bitumen and non-provision of invoices	357.249
115	187	HD Gujrat	Overpayment due to wrongly carry forwarded quantity	0.112
116	190	HD Gujrat	Overpayment due to non-reduction in rate	2.228
117	194	HD Gujrat	Overpayment due to miscalculation	12.887
118	197	HD Gujrat	Overpayment due to wrong calculation	0.156

Sr. No.	PDP No.	Formation	Subject	Amount
119	198	HD Gujrat	Overpayment due to release of withheld qty twice	0.348
120	203	HD Gujrat	Less recovery of income tax	2.658
121	210	HD Pak Pattan	Non-utilization of 1% Plantation/Horticulture funds	3.589
122	211	HD Pak Pattan	Loss to Govt. due to time overrun	55.300
123	217	HD Pak Pattan	Unauthentic expenditure on account of contingency	9.719
124	219	HD Pak Pattan	Non-recovery of general sales tax	0.387
125	220	HD Pak Pattan	Unjustified payment due to execution of inadmissible items of work at higher rate	1.186
126	223	HD Pak Pattan	Loss to Govt. due to non-award of work in time	2.711
127	227	HD M&R I Rawalpindi	Non-recovery of liquidated damages	4.999
128	228	HD M&R I Rawalpindi	Overpayment due to inadmissible shuttering in plum concrete	0.276
129	229	HD M&R I Rawalpindi	Overpayment due to superfluous item of re-handling	0.157
130	230	HD M&R II Rawalpindi	Irregular expenditure due to violation of specification	15.299
131	231	HD M&R II Rawalpindi	Irregular expenditure due to non-approval of pavement design and violation of yard stick notified by the FD	39.043
132	232	HD M&R Sahiwal	Non-recovery of Income Tax/Punjab Sales Tax amounting	51.183
133	233	HD M&R II Rawalpindi	Irregular expenditure due to award of work after expiry of bid validity period	34.602
134	234	HD M&R Sahiwal	Non-recovery of Income Tax-Rs 6.175 million and PST	9.880
135	235	HD Lahore Ring Road Authority	Loss to Government due to adding excess quantity labour and material	1.780
136	242	HD Lahore Ring Road Authority	Excess payment of Ring Road Allowance to Deputationist from Police Department	77.117
137	246	Secretary C&W, Lahore	Non allocation of funds for RAP-II in Districts Sialkot and Gujranwala in budget year 2020-21	-
138	250	Secretary C&W, Lahore	Loss due to expenditure on self-advertisement and media campaign charges	40.000
139	251	Secretary C&W, Lahore	Non-recovery of conveyance/pay & allowances	0.195
140	252	Secretary C&W, Lahore	Excess payment due to non-withholding of annual increment	0.352

Sr. No.	PDP No.	Formation	Subject	Amount
141	253	Secretary C&W, Lahore	Non - Recovery of penal rent from un-authorized occupants	8.478
142	254	Secretary C&W, Lahore	Unlawful re-appropriation of funds of running ADP schemes	179.519
143	257	Secretary C&W, Lahore	Double payment of land compensation to affectee	6.881
144	258	Secretary C&W, Lahore	Loss due to application of higher rates of land compensation than market rates in District Mianwali	130.950
145	262	HD Lahore Ring Road Authority	Non-recovery of rent of LRRR Building and non-handing over of site office by Concessionaire M/s FWO	2.400
146	263	HD Lahore Ring Road Authority	Loss due to incorrect assessment of structure by applying incorrect life of building	3.286
147	264	HD Lahore Ring Road Authority	Loss due to allowing higher loss of business allowance on 38 houses in Khayabane Ameen	5.327
148	266	HD Bahawalpur	Irregular procurement of steel from sales tax unregistered firms & Non-recovery of GST	0.992
149	267	Secretary C&W, Lahore	Ill planning due to non-allocation of funds during completion time of RAP-II	1,098.005
150	270	Secretary C&W, Lahore	Loss of constructed roads under RAP due to non- maintenance of Axle Load as per designed of RR & MTI- Rs 30 billion	-
151	271	Secretary C&W, Lahore	Irregular release of M&R funds by Chief Engineer Punjab Building Department Central Zone without his Jurisdiction -Rs 30 Million.	30.000
152	272	HD Bahawalpur	Loss to government due to incorrect application of rate	0.479
153	278	HD Sahiwal	Non- preparation of PC-4 of the completed schemes	2,113.904
154	283	HD T. T Singh	Non-recovery due to imbalance rates	15.555
155	285	HD T. T Singh	Unjustified payment without approved design	15.134
156	289	HD T. T Singh	Non-execution of work relating to road structure etc.	15.232
157	290	HD Mianwali	Overpayment due to incorrect calculation of weight of steel	1.732
158	291	HD Mianwali	Overpayment due to incorrect calculation of weight of steel	1.550
159	294	Secretary C&W, Lahore	Fraudulent payment on M&R Works and charged to deposits works other than allocation of deposit works	7.549
160	295	HD Sheikhupura	Overpayment due to non-deduction of quantity of sand cushion from Earthwork	3.477

Sr. No.	PDP No.	Formation	Subject	Amount
161	296	HD Sheikhpura	Overpayment due to double payment of dressing and non- deduction of regular excavation	1.284
162	297	HD Sheikhpura	Non-recovery on account of less use of bitumen	5.742
163	303	HD Sheikhpura	Overpayment due to application of incorrect/higher rate	0.142
164	306	HD Sheikhpura	Overpayment due to non-reduction of rate of sand	2.657
165	308	HD Sheikhpura	Non-recovery of general sales tax	0.929
166	311	HD Sialkot	Overpayment due to grant of secured advance at higher rates	1.016
167	312	HD Sialkot	Non-recovery on account of less use of bitumen	11.847
168	313	HD Sialkot	Loss to Govt. due to allowing inadmissible carriage	31.428
169	315	HD Sialkot	Loss to Govt. due to application of incorrect/higher rate	3.020
170	330	HD Muree	Overpayment due to extra quantity of disposal of dismantled material	2.636
171	333	HD Muree	Irregular payment due to non-obtaining of invoices of bitumen	8.185
172	336	HD Muree	Non-recovery due to use of local sand	1.221
173	337	HD Muree	Overpayment due excess quantity of steel than approved in design	0.549
174	345	HD Muree	Overpayment due to inadmissible item	7.429
175	346	HD Lahore Ring Road Authority	Non recovery of amount related to leasing of land at Saggian Park from Lessee	3.437
176	348	HD Rahim yar khan	Non recovery due to de-escalation in price of diesel	0.323
177	349	HD Rahim yar khan	Less-recovery of dismantled material	3.360
178	354	HD Rahim yar khan	Non recovery due to de-escalation in price of Bitumen	0.378
179	357	HD Kasur	Overpayment due excess quantity of steel than approved in design	22.751
180	358	HD Kasur	Overpayment due excess quantity of RCC than approved in design	15.727
181	359	HD Kasur	Overpayment due to use of local sand	2.410
182	360	HD Kasur	Irregular execution/expenditure due to variation in record entries	57.848
183	361	HD Kasur	Irregular expenditure due to non-conducting PSI test of RCC and steel	90.791

Sr. No.	PDP No.	Formation	Subject	Amount
184	362	HD Kasur	Overpayment due to non-adjustment of regular excavation in embankment	1.066
185	363	HD Kasur	Overpayment due to non-adjustment earth of regular excavation in embankment	3.607
186	364	HD Kasur	Overpayment due to less use of bitumen	5.497
187	365	HD Kasur	Irregular expenditure due to unauthentic record entries and non-conducting extractions test of carpeting	184.487
188	366	HD Kasur	Irregular execution due to defective work without conducting lab test of material used	324.446
189	367	HD Kasur	Irregular expenditure due to non-obtaining invoices of bitumen from approved refinery	95.392
190	368	HD Sahiwal	Overpayment due to non-deduction of area of sand filling	0.187
191	369	HD Sahiwal	Un-justified payment due to non-receipt of vouched account	54.706
192	376	HD Rahim yar khan	Overpayment due to non-utilization of available earth	0.369
193	378	HD Chakwal	Non-recovery on account of less use of bitumen	0.739
194	385	HD Chakwal	Overpayment due to execution of inadmissible items	0.189
195	386	HD Chakwal	Overpayment due to application of higher rate	0.536
196	387	HD Chakwal	Overpayment due to allowing higher rate	2.730
197	388	HD Chakwal	Overpayment due to execution of excess quantity of asphalt wearing course (AWC) than asphalt base course (ABC)	0.130
198	389	HD Chakwal	Overpayment due to application of higher rate	0.190
199	390	HD Chakwal	Overpayment due to application of higher rate	0.401
200	397	HD Chakwal	Less-recovery of income tax due to non-inclusion of amount of PST	0.278
201	399	HD Mianwali	Overpayment due to less deduction of crust from earthwork	5.954
202	406	HD Mianwali	Non-recovery of dismantled material	0.650
203	408	HD Mianwali	Overpayment due to miscalculation and wrong carry forward	0.785
204	410	HD Mianwali	Overpayment due to the excess quantities than the agreement	18.657
205	411	HD Mianwali	Overpayment due to non-recovery of less use of bitumen as per JMF	7.295
206	412	HD Mianwali	Overpayment due to excessive measurement than 2nd revised estimate	0.842

Sr. No.	PDP No.	Formation	Subject	Amount
207	415	HD Mianwali	Overpayment due to application of incorrect rate	0.246
208	417	HD Mianwali	Non-recovery due to less use of bitumen	0.463
209	419	HD Sargodha	Non recovery on account of de-escalation in the rate of diesel	3.413
210	421	HD Sargodha	Loss to government due to non-utilization of available earth	0.268
211	426	HD Sargodha	Irregular payment due to non-reconciliation with DGPR	0.800
212	431	HD Sargodha	Excess payment beyond approved scope of the work	27.383
213	433	HD Sargodha	Loss to Govt. due to application of higher rate for	0.311
214	434	HD Hafizabad	Substandard work	409.441
215	436	HD Hafizabad	Unjustified payment without obtaining JMF	5.117
216	437	HD Hafizabad	Unjustified payment due to Non-obtaining of extraction test reports for the work	151.970
217	438	HD Hafizabad	Irregular expenditure due to non-preparation of rate analysis	2.432
218	439	HD Hafizabad	Wasteful expenditure due to defective planning of work	2.077
219	443	HD Hafizabad	Overpayment due to approval of exorbitant rate	0.514
220	444	HD Hafizabad	Overpayment due to application of incorrect rate	0.152
221	447	HD Hafizabad	Overpayment due to incorrect adjustment of de-escalation	0.219
222	451	HD Hafizabad	Award of work without prequalification process	304.008
223	454	HD Jhang	Irregular procurement of steel from sales tax unregistered firms & Non-recovery of GST	1.150
224	455	HD Jhang	Overpayment due to application of incorrect rate	0.308
225	456	HD Jhang	Unjustified award of work without prequalification process	421.391
226	457	HD Jhang	Unauthentic payment due to non-availability of spray rate	22.125
227	459	HD Jhang	Overpayment due to application of incorrect rate	0.367
228	460	HD Jhang	Overpayment due to application of incorrect rate	0.336
229	461	HD Jhang	Non-imposition of penalty due to delayed work	23.694
230	465	HD Jhang	Overpayment due to excess lead	0.393
231	468	HD Jhang	Non-recovery of de-escalation of price variation	2.115

Sr. No.	PDP No.	Formation	Subject	Amount
232	469	HD Jhang	Overpayment due to non-utilization of available earth	0.560
233	472	HD Jhang	Overpayment	0.092
234	474	HD Kasur	Non recovery of penalty	1.602
235	475	HD Kasur	Overpayment due to extra quantity of base course by violating the instructions of P&D department	4.314
236	476	HD Kasur	Overpayment due to extra quantity than TS estimate	8.673
237	477	HD Kasur	Loss to Govt. due to non-compliance of P&D directives and pavement design	99.207
238	478	HD Kasur	Overpayment due to extra quantity of base course by violating the instructions of P&D department	13.898
239	479	HD Kasur	Non-recovery due to non-submission of work programme/schedule	10.785
240	480	HD Kasur	Less recovery of cost of old material	0.235
241	481	HD Kasur	Loss to Govt. due to non-compliance of P&D directives and pavement design	147.066
242	482	HD Kasur	Unauthentic expenditure due to without referencing record entry and RD's of base course	-
243	483	HD Kasur	Unauthentic secured advance	39.588
244	484	HD Kasur	Overpayment due to sanction extra quantity of base course	45.380
245	485	HD Kasur	Overpayment due to sanction of excess quantity of bitumen than JMF	4.197
246	486	HD Kasur	Irregular obtaining of performance security with additional condition	29.300
247	487	HD Kasur	Irregular award of work without signing the document of agreement	585.608
248	488	HD Kasur	Non-recovery due to non-utilization of available earth	0.250
249	489	HD Kasur	Non-recovery due to non-utilization of available earth	0.199
250	490	HD Kasur	Non-recovery due to non-utilization of available earth	0.576
251	491	HD Kasur	Overpayment due to less use of dismantled material	8.417
252	492	HD Kasur	Loss to Govt. due to less use of dismantled material	8.096
253	493	HD Kasur	Overpayment due to excess Rate of	0.493
254	494	HD Kasur	Overpayment due to non-deduction of re-handling	0.259
255	495	HD Kasur	Irregular payment due to without approval of JMF	17.127

Sr. No.	PDP No.	Formation	Subject	Amount
256	496	HD Kasur	Loss to Govt. due to less use of dismantled material	6.703
257	497	HD Kasur	Overpayment due to use of local sand	2.185
258	498	HD Kasur	Loss to Govt. due to use of rich specification items	5.514
259	499	HD Kasur	Overpayment	1.029
260	500	HD Kasur	Overpayment	1.668
261	501	HD Kasur	Non recovery of liquidated damages due to non-completion of the work within Gestation period	14.488
262	502	HD Kasur	Non-recovery of De-Escalation in the price of Bitumen and Diesel	10.127
263	503	HD Kasur	Irregular estimate/expenditure without approval of pavement design	136.213
264	504	HD Kasur	Non-obtaining of performance security	7.204
265	505	HD Kasur	Irregular expenditure due to non-obtaining of invoices of bitumen from approved refinery	12.170
266	506	HD Kasur	Overpayment due to use of local sand	1.142
267	507	HD Kasur	Irregular expenditure due to non-conducting PSI test of RCC and steel	40.448
268	508	HD Kasur	Overpayment due to excess disposal	4.129
269	509	HD Kasur	Unjustified expenditure due to unjustified provision of excavation of Tharas/Ramps	2.127
270	510	HD Kasur	Irregular expenditure due to non-conducting PSI test of RCC and steel	40.267
271	511	HD Kasur	Overpayment due to use of local sand	1.631
272	512	HD Kasur	Non-obtaining of performance security and additional performance security	15.836
273	513	HD Kasur	Overpayment due to inadmissible provision of Re-cambering	0.925
274	514	HD Kasur	Overpayment due to non-adjustment of regular excavation in embankment	0.476
275	518	HD Rawalpindi	Overpayment due to higher rate of Gantry Post	0.993
276	519	HD Rawalpindi	Irregular expenditure due to extra quantity of carpeting than prime coat/tack coat	9.416
277	520	HD Rawalpindi	Overpayment due to higher rate of Gantry Post	0.671
278	524	HD Rawalpindi	Non recovery of liquidated damages	34.957
279	525	HD Rawalpindi	Overpayment due to application of higher rate	0.127
280	529	HD Bhakhar	Unjustified payment due to incorrect measurement	0.806
281	531	HD Rawalpindi	Overpayment due to higher rate of Gantry Post	0.616

Sr. No.	PDP No.	Formation	Subject	Amount
282	535	HD Rawalpindi	Overpayment due to higher rate of Gantry Post	0.610
283	536	HD Rawalpindi	Overpayment due to excess quantity of RCC for Drain than TS estimate	0.615
284	538	HD Rawalpindi	Overpayment due to application of higher rate	0.106
285	539	HD Rawalpindi	Non-recovery due to non-deduction of expansion joints	0.191
286	542	HD Rawalpindi	Irregular expenditure due to non-obtaining invoices of steel	4.898
287	544	HD Rawalpindi	Non Receipt of vouched account	5.303
288	545	HD M.B Din	Non-recovery of mobilization advance along with mark	539.437
289	546	HD M.B Din	Non-recovery/vouched account	45.197
290	548	HD M.B Din	Loss of due to theft of transformer during the construction period	1.000
291	550	HD M.B Din	Overpayment due to application of incorrect rate	1.156
292	551	HD M.B Din	Unjustified payment on account of premixed carpeting without JMF and extraction test reports	50.238
293	553	HD M.B Din	Overpayment due to application of incorrect rate	0.215
294	556	HD M.B Din	Overpayment due to incorrect calculation of de-escalation in price of diesel	0.465
295	558	HD M.B Din	Unjustified record entries and price variation for the work done	36.792
296	559	HD M.B Din	Non-obtaining of GST invoices and test reports before releasing the payment	41.497
297	560	HD M.B Din	Overpayment due to application of higher rates	0.102
298	561	HD M.B Din	Non-obtaining of GST invoices and rate analysis of item	4.825
299	563	HD M.B Din	Overpayment due to application of incorrect rate	1.580
300	567	HD Layyah	Non recovery due to de-escalation in price of Bitumen	4.587
301	568	HD Layyah	Overpayment due to non-utilization of available earth	0.659
302	571	HD Layyah	Overpayment due to excess payment on account of dressing	0.316
303	572	HD Layyah	Overpayment due to excess lead	0.333
304	574	HD Layyah	Overpayment due to application of higher rate	1.137
305	575	HD Bhakhar	Overpayment due to excess payment on account of dressing	0.717

Sr. No.	PDP No.	Formation	Subject	Amount
306	579	HD Bhakhar	Irregular payment due to use of local bitumen	720.818
307	580	HD Bhakhar	Overpayment due to application of higher rate	0.249
308	582	HD Bhakhar	Non-recovery of GST	1.058
309	584	HD Khushab	Overpayment due to application of incorrect rate	0.184
310	585	HD Khushab	Overpayment due to overall measurement for earth	0.485
311	588	HD Sahiwal	Irregular payment beyond agreement	1.252
312	589	HD Gujranwala	Non utilization/ non-return of deposit	18.015
313	590	Secretary C&W, Lahore	Splitting to of point to avoid approval of ECNEC – Rs 30 billion	-
314	591	Secretary C&W, Lahore	Loss of Capital Asset of Roads due to non-maintenance Rs 2.115 Trillion.	2.115
315	592	Secretary C&W, Lahore	Loss due to non-recovery of right of way used by the other departments and private owners.	-
316	601	HD Jhelum	Overpayment due to allowing higher rate	0.864
317	602	HD Jhelum	Overpayment due to allowing payment on incorrect/higher rate	2.613
318	608	HD Gujranwala	Non-recovery on account of less use of bitumen	22.662
319	611	HD Gujranwala	Non-recovery of secured advance	10.434
320	616	HD Gujranwala	Overpayment due to non- deduction of quantity of Sand cushion from Earthwork for making embankment	20.959
321	617	HD Gujranwala	Less recovery of income tax	1.569
322	618	HD Gujranwala	Overpayment due to non-reduction of rate of sand	18.351
323	619	HD Gujranwala	Less recovery of PST and income tax on PST and dismantled material	1.518
324	623	HD Gujranwala	Overpayment due to application of incorrect rate	0.477
325	624	HD T. T Singh	Overpayment due to excessive quantity than verified by the consultant	0.507
326	625	HD T. T Singh	Overpayment due to deduction of road crust	2.988
327	626	HD Sahiwal	Unjustified award of work without prequalification process	311.592
328	629	HD Muree	Loss to Govt. due to higher rate of sub base of surplus stone than new sub base	0.450
329	631	HD Muree	Non-recovery of defective work	2.069
330	632	HD Muree	Overpayment due to excess quantity of steel in RCC	0.299
331	634	HD Muree	Unjustified payment	0.122
332	635	HD M&R I Faisalabad	Irregular/unjustified payment due to disposal of excavated material without lab test report	0.224

Sr. No.	PDP No.	Formation	Subject	Amount
333	636	HD M&R I Faisalabad	Undue financial benefit due to non-obtaining of additional performance security	9.893
334	637	HD M&R I Faisalabad	Non- achievement of the performance/targets as per annual yardstick of M&R Works	-
335	638	HD M&R I Faisalabad	Overpayment due to allowing inadmissible item	0.659
336	639	HD M&R I Faisalabad	Non-recovery due to non-employment of Graduate Engineers	1.040
337	640	HD M&R I Faisalabad	Loss to government due to non-auction of un-serviceable machinery worth millions of Rupees	-
338	641	HD Sargodha	Non-recovery on account of less use of bitumen	15.284
339	642	HD Sargodha	Non-recovery of mobilization advance	19.680
340	643	HD M&R II Faisalabad	Loss to government due to less recovery of cost of retrieved material	0.411
341	644	HD M&R II Rawalpindi	Overpayment due to allowing excess lead	2.939
342	645	HD M&R I Rawalpindi	Overpayment due to higher rate of RCC for rigid pavement	11.025
343	646	HD M&R I Rawalpindi	Overpayment due to excess lead of base course	0.218
344	647	HD Muree	Non auction of Toll Plaza	-
345	649	HD Muree	Irregular expenditure due to use of steel of less weight	5.665
346	706	HD Narowal	Overpayment due to wrongly carry forwarded quantity	1.886
347	733	HD Mechanical Lahore	Less recovery of income tax	0.388
348	776	HD Multan	Non-submission of vouched account of advance payment	269.960
349	687	HD Khanewal	Non-recovery on account of less use of bitumen	0.719
350	688	HD Khanewal	Overpayment due to use of less quantity of dismantled material in sub base	3.026
351	691	HD Narowal	Non-recovery of secured advance - Rs 1.953 million and undue financial benefit was given to contractor	0.561
352	692	HD Narowal	Undue financial benefit due to non-revalidation of bank guarantee of mobilization advance	56.488
353	693	HD Narowal	Non-recovery of cost of bitumen used less than approved Job Mix Formula	0.627
354	694	HD Narowal	Overpayment due to non-reduction of rates of brick work	2.539

Sr. No.	PDP No.	Formation	Subject	Amount
355	695	HD Narowal	Overpayment due to incorrect measurements of sub base	1.799
356	715	HD Narowal	Overpayment due to violation of TSE Design	0.529
357	716	HD Narowal	Overpayment due to non-deduction of Road Crust from earthwork embankment	0.362
358	717	HD Narowal	Overpayment due to rich specification in violation of approved design	12.907
359	718	HD Narowal	Overpayment due to incorrect measurement	0.304
360	719	HD Narowal	Excess payment of earthwork	0.312
361	720	HD Narowal	Overpayment due to in violation of approved design	18.478
362	721	HD Gujrat	Overpayment due to double measurement for	15.149
363	722	HD Gujrat	Overpayment of due to non-deduction of available earth	0.932
364	723	HD Gujrat	Overpayment due to incorrect calculation of weight of steel	5.474
365	724	HD Gujrat	Non-recovery due to less use of bitumen	2.647
366	725	HD Gujrat	Overpayment due to higher rate of sand	0.268
367	727	HD Mianwali	Less recovery on account of cost of old material	2.156
368	728	HD Mianwali	Less recovery of income tax on old material and PST	59.700
369	730	HD Khanewal	Overpayment due to incorrect calculation of cement bags	2.244
370	731	HD Khanewal	Overpayment due to incorrect rates	8.098
371	732	HD Mechanical Lahore	Non-recovery of general sales tax	0.346
372	734	HD Mechanical Lahore	Non-recovery of general sales tax	2.664
373	735	HD Mechanical Lahore	Overpayment due to application of incorrect rate	1.027
374	741	HD Mechanical Lahore	Unjustified payment of POL due to non-maintenance of Accounts Prescribed/ Log Books	23.245
375	742	HD Mechanical Lahore	Non-obtaining of performance/additional performance guarantees	64.729
376	743	HD Mechanical Lahore	Overpayment due to incorrect rate	5.594
377	744	HD Mechanical Lahore	Wasteful expenditure due to lying of asphalt pre mixed on DST	16.801
378	745	HD Mechanical Lahore	Loss due to non-auction of old replaced Mobil oil	2.100
379	746	HD Mechanical Lahore	Overpayment due to application of incorrect rate	12.337
380	747	HD Mechanical Lahore	Unauthentic expenditure on POL due to non-maintenance of Log Books	246.571

Sr. No.	PDP No.	Formation	Subject	Amount
381	748	HD Mechanical Lahore	Overpayment in violation of TS Estimate	0.314
382	749	HD Mechanical Lahore	Overpayment due to non-reduction of rate of sand	0.146
383	750	HD Mechanical Lahore	Irregular expenditure without maintenance of prescribed accounts	953.217
384	751	HD Mechanical Lahore	Overpayment due to application of incorrect rate	2.227
385	752	HD Mechanical Lahore	Non-conducting the physical verification of stock of boat bridges and other stores of division	191.844
386	753	HD Mechanical Lahore	Unjustified purchases of new wooden chasses instead of using the old chases	30.550
387	754	HD Mechanical Lahore	Irregular expenditure due to procurement of steel from un-registered sale tax firms and non-recovery of GST	16.411
388	755	HD Mechanical Lahore	Overpayment due to longer carriage route from Attock refinery Karachi instead of Rawalpindi	22.238
389	756	HD Multan	Wasteful expenditure due to violation of design/TSE	3.116
390	757	HD Multan	Overpayment due to double measurement of item sub base course	0.563
391	758	HD Multan	Non-recovery of cost of old material	6.983
392	759	HD Multan	Overpayment due to unjustified measurement	7.737
393	760	HD Multan	Overpayment due to extra execution of item beyond requirement at site	1.013
394	761	HD Multan	Non recovery old material	0.591
395	762	HD Multan	Overpayment due to rich specifications	0.867
396	763	HD Multan	Non-recovery on account of less use of bitumen	0.622
397	764	HD Multan	Non-recovery of general sales tax	0.679
398	765	HD Multan	Non-recovery old material	0.358
399	766	HD Multan	Overpayment due to non-recovery of old material	0.894
400	767	HD Multan	Loss to Government due to less use of old material	2.443
401	768	HD Multan	Overpayment due to miscalculation	2.803
402	769	HD Multan	Less recovery on account of old material from contractors	1.949
403	770	HD Multan	Non-recovery on account of old steel from dismantling of existing manholes	1.262
404	771	HD Multan	Overpayment to the contractors due to non-adjustment of available earth	6.836
405	772	HD Multan	Overpayment due to non-deduction of crust form earthwork	0.423

Sr. No.	PDP No.	Formation	Subject	Amount
406	773	HD Multan	Non-recovery on account of less use of bitumen	11.376
407	774	HD Multan	Overpayment due to non-reduction of rate of sand	1.047
408	775	HD Multan	Overpayment due to non-reduction of rates of road edging	1.844
409	777	HD Multan	Less recovery of income tax	0.531
410	778	HD Multan	Overpayment due to incorrect measurement of steel	0.444
411	779	HD Multan	Overpayment due to non-reduction of rates of brick work	3.656
412	780	HD Multan	Overpayment due to incorrect rate	0.606
413	781	HD Multan	Non-recovery of old material	0.434
414	650	HD Muree	Loss to Govt. due to non-utilization of economical item for concrete shoulders	3.165
415	652	HD M&R I Rawalpindi	Overpayment due to excess lead for carriage of bajri	0.452
416	654	HD Kasur	Overpayment due to higher in put rate of tuff tile	2.969
417	655	HD Kasur	Non recovery of Damages	0.440
418	656	HD Kasur	Non recovery on account of non-establishing laboratory at site and non-hiring of graduate engineer	7.800
419	657	HD Kasur	Overpayment due to superfluous quantity of sub base under rigid pavement	4.176
420	658	HD Kasur	Irregular enhancement of estimates	2,133.425
421	659	HD Kasur	Overpayment due to higher rate	4.469
422	660	HD Kasur	Overpayment due to excess steel in RCC than design	0.976
423	661	HD Kasur	Overpayment due to excess steel in RCC	3.474
424	662	HD Kasur	Irregular expenditure due to declaring material un-suitable	1.242
425	663	HD Kasur	Irregular obtaining of performance and additional performance security of non-schedule institute	26.155
426	664	HD Kasur	Irregular expenditure due to non-conducting PSI test of RCC and steel	24.820
427	665	HD Kasur	Overpayment of Rs 233,808 due to use of local sand	0.234
428	666	HD Kasur	Loss to Govt. due to less use of dismantled material for	13.172
429	667	HD Kasur	Loss to Govt. due to less use of dismantled material	3.140
430	668	HD Kasur	Loss to Govt. due to less use of dismantled material	0.812

Sr. No.	PDP No.	Formation	Subject	Amount
431	669	HD Kasur	Irregular payment due to sub-standard work	5.382
432	670	HD Kasur	Overpayment due to use of local sand	0.089
433	671	HD Kasur	Loss to Govt. due to less use of dismantled material	0.298
434	672	HD Kasur	Overpayment due to non-reuse of dismantled material	0.692
435	673	HD Kasur	Irregular expenditure due to non-approval of pavement design	72.881
436	674	HD Kasur	Irregular expenditure due to execution of below specification base course	19.240
437	675	HD Kasur	Irregular release of securities without completion/finalization of accounts	61.123
438	676	HD Kasur	Non-Production of record for conducting of Annual Audit	-
439	679	HD Khanewal	Overpayment due to non-application of General Standard Design	1.446
440	696	HD Narowal	Non-recovery on account of less use of bitumen	0.421
441	697	HD Narowal	Excess payment of sub base course	1.823
442	698	HD Narowal	Overpayment due to non-deduction of quantity of road crust from earthwork embankment	3.260
443	699	HD Narowal	Less recovery of old material	4.375
444	700	HD Narowal	Less-recovery of cost of old material	0.570
445	701	HD Narowal	Less recovery of old material	0.368
446	702	HD Narowal	Non-recovery on account of less use of bitumen	8.358
447	703	HD Narowal	Non-recovery of secured advance	54.587
448	704	HD Narowal	Less recovery of income tax	0.751
449	705	HD Narowal	Overpayment to the contractors due to non-adjustment of available earth	7.810
450	707	HD Narowal	Loss to Government due to less use of old material	19.607
451	708	HD Narowal	Unjustified payment on account of earthwork embankment without cross sections/NSL and million and overpayment due to non-deduction of road crust	9.153
452	709	HD Narowal	Overpayment due to violation of approved design	0.322
453	710	HD Narowal	Overpayment due to incorrect measurement	0.100
454	711	HD Narowal	Irregular expenditure due to procurement of steel from un-registered sale tax firms and non-recovery of GST	24.716
455	712	HD Narowal	Overpayment due to non-reduction of rates of road edging	0.997
456	713	HD Narowal	Un-reliable payment of price variation	6.895

Sr. No.	PDP No.	Formation	Subject	Amount
457	714	HD Narowal	Overpayment due to non-deduction of culverts area	0.266
458	726	HD Mianwali	Overpayment due to less deduction of crust form earthwork	0.503
459	729	HD Mianwali	Overpayment due to incorrect rate	20.557
460	736	HD Mechanical Lahore	Non-recovery of general sales tax	1.854
461	737	HD Mechanical Lahore	Overpayment due to incorrect measurement of bitumen	0.492
462	738	HD Mechanical Lahore	Loss due to non-auction of empty drums	19.544
463	739	HD Mechanical Lahore	Overpayment due to higher rate	3.223
464	740	HD Mechanical Lahore	Unjustified expenditure without vouchers/Accounts record	54.504

Annex-A/2: HUD & PHE Department

Development Authorities/Agencies

GDA UD-Wing

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	140	Director Engineering UD-Wing Gujranwala	Unjustified payment on account of TS charges	2.376

GDA WASA

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	139	Director Engineering WASA Gujranwala	Unauthentic payment of PCC having no location and record entries in MB	5.710
2	661	Director Engineering WASA Gujranwala	Non lodging of FIR for lost MBs	-

LDA UD-Wing

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	215	Director Building-I, LDA	Overpayment due to non-reduction of rate due to use of local sand	3.409
2	224	Director ADS-I, LDA	Non-recovery of secured advance	59.874
3	226	Director ADS-I, LDA	Non obtaining of additional performance security	9.654
4	227	Director ADS-I, LDA	Non-accountal/recovery of cost of cut trees	120.000
5	230	Director ADS-I, LDA	Excess payment due to wrong carrying forward	0.062
6	231	Director ADS-I, LDA	Excess payment due to excess measurement	0.099
7	232	Director ADS-I, LDA	Excess payment due to excess measurement	1.672
8	233	Director ADS-I, LDA	Excess payment due to excess measurement	0.166
9	234	Director ADS-I, LDA	Unjustified sanction/expenditure on account of excavation of earth from the surface of old road before it's dismantling	0.283

Sr. No.	PDP No.	Formation	Subject	Amount
10	239	Director ADS-I, LDA	Unjustified expenditure on widened portion of land	0.405
11	240	Director ADS-I, LDA	Undue benefit due to non-obtaining of additional performance security	1.249
12	243	Director ADS-II, LDA	Non-recovery of mobilization advances	257.281
13	244	Director Finance, LDA	Loss of revenue due to non-affixing of Revenue Stamps	0.246
14	245	Director Finance, LDA	Loss to Authority due to less earning of bank profit	5.227
15	247	Director Building-I, LDA	Loss to Govt. due to non-completion of works in time	211.104
16	256	Director ADS-II, LDA	Unjustified expenditure on account of excavation of earth from the surface of old road before dismantling	0.149
17	257	Director ADS-II, LDA	Unjustified expenditure on account of excavation of earth from the surface of old road before dismantling	2.318
18	260	Director ADS-II, LDA	Less recovery of income tax	8.325
19	263	Director Building-I, LDA	Unjustified payment of mega project allowance on non-BOQ items	8.402
20	265	Director Building-I, LDA	Execution of below specification work	28.657
21	268	Director ADS-II, LDA	Overpayment due to excess measurements	0.679
22	277	Director ADS-II, LDA	Excess payment due to double measurement	0.460
23	278	Director ADS-II, LDA	Unjustified payment due to non-execution of allied item	3.601
24	280	Director ADS-II, LDA	Unjustified payment of brick work without conducting bricks tests	1.234
25	284	Director ADS-II, LDA	Unjustified payment of brick work without conducting bricks tests	1.020
26	285	Director ADS-II, LDA	Unjustified expenditure on account of excavation of earth from the surface of old road before carpeting	0.106
27	286	Director ADS-II, LDA	Unjustified expenditure due to inclusion of irrelevant item of work	0.471
28	291	Director ADS-I, LDA	Loss due to non-accountal of material	0.920
29	294	Director ADS-I, LDA	Unauthentic payment of imported item without evidence of source of copper	4.866
30	295	Director ADS-I, LDA	Overpayment due to excessive rate	0.880

Sr. No.	PDP No.	Formation	Subject	Amount
31	297	Director ADS-I, LDA	Overpayment due to non-maintaining weighted percentage	30.299
32	300	Director Finance, LDA	Non-maintenance of detailed record of revenue earned on Long term investment and Short term investment	37.195
33	303	Director Finance, LDA	Creation of excess Current liabilities	9,514.847
34	304	Director Finance, LDA	Irregular booking of expenditure	1,319.505
35	305	Director Finance, LDA	Non-adjustment of Long term/ Short term deposits and Pre Payments	116.395
36	345	Director Town Planning-IV	Non-production of record of Private Housing Schemes and Non-Preparation/production of record	-
37	348	Director Town Planning-IV	Loss to the Authority in billions due to weak supervision	-
38	359	Director C&I	Unjustified expenditure on account of procurement of parking tickets	0.804
39	366	Director C&I	Non retrieve/receipt back of laptops	0.157
40	367	Director Town Planning-III, LDA	Non-Recovery of fine/penalty due to irregular utilization of residential plots as commercial	90.546
41	368	Director Town Planning-III, LDA	Non-Recovery of fine/penalty due to irregular utilization of residential plots as commercial	102.200
42	369	Director Town Planning-III, LDA	Non-Recovery of fine/penalty due to irregular utilization of residential plots as commercial	69.350
43	376	Director ADS-II, LDA	Undue financial benefit due to late receipt of performance guarantee	5.439
44	384	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	0.094
45	385	Director ADS-II, LDA	Overpayment due to payment beyond agreed percentage	0.829
46	386	Director ADS-II, LDA	Overpayment due to payment beyond agreed percentage	1.036
47	390	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	0.219
48	394	Director ADS-II, LDA	Loss to Govt. due to non-deduction of below percentage	10.844
49	395	Director ADS-II, LDA	Overpayment due to incorrect item	3.136
50	396	Director ADS-II, LDA	Loss to Govt. due to non-deduction of area of manholes	0.535
51	397	Director ADS-II, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	81.667

Sr. No.	PDP No.	Formation	Subject	Amount
52	403	Director ADS-II, LDA	Irregular payment due to non-approval of rates	47.392
53	405	Director ADS-II, LDA	Unauthorized payment due to non-approval of rates of Non-BOQ items	88.837
54	406	Director ADS-II, LDA	Loss due to non-deduction of rebate	2.221
55	408	Director ADS-II, LDA	Non-provision of 1% plantation component for reduction of pollution	19.934
56	411	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	80.873
57	413	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	22.153
58	414	Director ADS-I, LDA	Overpayment due to payment beyond agreed percentage	1.917
59	416	Director ADS-I, LDA	Non-recovery of PST and income tax	4.545
60	418	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	5.611
61	420	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	5.402
62	421	Director ADS-I, LDA	Overpayment due to application of higher/incorrect rates	0.448
63	423	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	4.772
64	424	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	17.425
65	428	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	8.698
66	429	Director ADS-I, LDA	Overpayment due to payment beyond agreed percentage	2.247
67	432	Director Town Planning-I, LDA	Non-Imposing of fine/penalty due to irregular utilization of residential plots as commercial	105.250
68	441	Director Town Planning-I, LDA	Loss to the Authority in billions due to weak supervision	-
69	445	Director Town Planning-II, LDA	Non-Imposing of fine/penalty due to irregular utilization of residential plots as commercial	33.570
70	449	Director Town Planning-II, LDA	Non-Imposing of fine/penalty due to irregular utilization of residential plots as commercial	66.895
71	451	Director Town Planning-II, LDA	Non-Imposing of fine/penalty due to irregular utilization of residential plots as commercial	104.020
72	453	Director Town Planning-II, LDA	Loss to the Authority in billions due to weak supervision	-

Sr. No.	PDP No.	Formation	Subject	Amount
73	490	Director ADS-I, LDA	Loss to Govt. due to non-recovery of old material	11.968
74	491	Director ADS-I, LDA	Loss to Govt. due to non-adjustment of old material	10.586
75	492	Director ADS-I, LDA	Overpayment due to application of incorrect item	3.860
76	493	Director ADS-I, LDA	Non-recovery of government taxes	50.700
77	494	Director ADS-I, LDA	Irregular payment at higher quoted rates instead of payment on TSE rates	15.296
78	495	Director ADS-I, LDA	Overpayment due to payment beyond agreed percentage	25.969
79	496	Director ADS-I, LDA	Less recovery of PST and income tax	4.721
80	497	Director ADS-I, LDA	Wasteful expenditure	2.652
81	498	Director ADS-I, LDA	Overpayment due to application of higher/incorrect rates	0.881
82	499	Director ADS-I, LDA	Undue financial benefit due to non-obtaining of the performance guarantee	3.674
83	500	Director ADS-I, LDA	Irregular payment due to non-obtaining of JMF	26.539
84	501	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	26.539
85	502	Director ADS-I, LDA	Overpayment due to non-deduction of crust	3.990
86	503	Director ADS-I, LDA	Overpayment due to non-deduction of shrinkage	1.119
87	504	Director ADS-I, LDA	Overpayment due to non-utilization of available earth	0.588
88	505	Director ADS-I, LDA	Irregular payment due to non-obtaining of JMF	22.523
89	506	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	22.523
90	507	Director ADS-I, LDA	Loss to Govt. due to non-recovery of old material	2.148
91	508	Director ADS-I, LDA	Irregular payment at higher quoted rates instead of payment on TSE rates	6.208
92	509	Director ADS-I, LDA	Overpayment due to non-utilization of available earth	5.716
93	510	Director ADS-I, LDA	Irregular payment due to non-obtaining of JMF	9.771
94	511	Director ADS-I, LDA	Less recovery of PST and income tax	2.598
95	512	Director ADS-I, LDA	Overpayment due to payment beyond agreed percentage	0.334

Sr. No.	PDP No.	Formation	Subject	Amount
96	513	Director ADS-I, LDA	Less recovery of PST and income tax	0.262
97	514	Director ADS-I, LDA	Irregular payment due to non-obtaining of JMF	4.753
98	515	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	4.753
99	516	Director ADS-I, LDA	Excess payment beyond the provision of approved cost	0.342
100	517	Director ADS-I, LDA	Less recovery of PST and income tax	0.873
101	518	Director ADS-I, LDA	Overpayment due to payment beyond agreed percentage	1.030
102	519	Director ADS-I, LDA	Irregular enhancement of agreement in violation of Punjab Procurement Rules	11.680
103	520	Director ADS-I, LDA	Irregular payment due to non-obtaining of JMF	5.475
104	521	Director ADS-I, LDA	Doubtful payment for bitumen without invoices of NRL Karachi	5.475
105	522	Director ADS-I, LDA	Overpayment due to application of higher/incorrect rates	0.100
106	523	Director ADS-I, LDA	Overpayment due to incorrect rate	2.028
107	524	Director ADS-I, LDA	Overpayment due to incorrect rate	0.928
108	525	Director ADS-I, LDA	Overpayment due to excess ratio of steel	81.907
109	526	Director ADS-I, LDA	Non-recovery of government taxes	71.960
110	527	Director ADS-I, LDA	Overpayment due to excess rates	31.420
111	528	Director ADS-I, LDA	Loss to Govt. due to non-recovery of old material	2.929
112	529	Director ADS-I, LDA	Less recovery of old material	0.311
113	530	Director ADS-I, LDA	Non-provision of 1% plantation component for reduction of pollution	43.349
114	531	Director ADS-I, LDA	Non-maintenance of Account Form-27 schedule of work expenditure	-
115	532	Director Finance, LDA	Non-recovery of departmental charges	50.782
116	533	Director ADS-I, LDA	Non-recovery of mobilization advances	820.580
117	534	Director ADS-I, LDA	Unjustified payment	0.557
118	535	Director ADS-I, LDA	Overpayment due to excessive rate	0.178

Sr. No.	PDP No.	Formation	Subject	Amount
119	536	Director Building-I, LDA	Overpayment due to incorrect rate	0.462
120	537	Director Building-I, LDA	Overpayment due to incorrect rate	1.840
121	538	Director Building-I, LDA	Overpayment due to incorrect rate	4.786
122	539	Director Building-I, LDA	Overpayment due to incorrect rate	0.619
123	540	Director Building-I, LDA	Overpayment due to incorrect rate	11.872
124	541	Director Building-I, LDA	Overpayment due to incorrect rate	0.400
125	542	Director Building-I, LDA	Overpayment due to incorrect rate	0.968
126	543	Director Building-I, LDA	Overpayment due to incorrect rate	0.752
127	544	Director Building-I, LDA	Overpayment due to incorrect rate	2.625
128	545	Director Building-I, LDA	Unauthorized payment	3.120
129	546	Director Building-I, LDA	Execution of below specification work	4.302
130	547	Director ADS-II, LDA	Loss due to allowing higher rate item	1.736
131	548	Director Finance, LDA	Non-maintenance of Assets Register	3,324.201
132	549	Director ADS-I, LDA	Unjustified payment due to non-obtaining of JMF	84.493
133	550	Director Building-I, LDA	Overpayment due to incorrect rate	3.809
134	551	Director Building-I, LDA	Loss due to application of excess rate	0.396
135	552	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular execution of work without work plan	0.473
136	553	Director (O&M) Gunj Baksh Town	Excess payment due to application of higher rate	0.106
137	554	Director (O&M) Gunj Baksh Town	Overpayment due to allowing higher rate	0.186
138	555	Director (O&M) Gunj Baksh Town	Overpayment due to allowing extra item of work	0.167
139	556	Director (O&M) Gunj Baksh Town	Excess payment due to application of higher rate	0.134
140	557	Director (O&M) Gunj Baksh Town	Overpayment due to allowing higher rate	0.143

Sr. No.	PDP No.	Formation	Subject	Amount
141	558	Director (O&M) Gunj Baksh Town	Non-recovery of dismantled/old material	0.376
142	559	Director (O&M) Gunj Baksh Town	Non-recovery of old material	0.170
143	560	Director (O&M) Gunj Baksh Town	Non-recovery of old material	0.249
144	561	Director Marketing, PHA Lahore	Non-recovery of advertisement fee	-
145	562	Director Marketing, PHA Lahore	Illegal installation of sky sign	-
146	563	Director Engineering, PHA Lahore	Non-maintenance of PW deposit register	-
147	564	Director Engineering, PHA Lahore	Non traceable of additional performance security from the record of Director Engineering	3.777
148	565	Director Engineering, PHA Lahore	Unjustified provision of higher rate of item of work in TS estimate	4.510
149	566	Director (M&O), PHA Lahore	Overpayment due to less deduction of shrinkage factor	0.105
150	567	Director (M&O), PHA Lahore	Unauthentic procurement of seeds on account of directly purchased from different zones of horticulture	-
151	568	Director (M&O), PHA Lahore	Irregular expenditure on repair of vehicle due to non-Lodging of FIR	2.346
152	569	Director (M&O), PHA Lahore	Unjustified payment of POL	1.172
153	570	Director (M&O), PHA Lahore	Likely mis-appropriation of POL	-
154	571	Director (M&O), PHA Lahore	Non-accountal of uniforms for PHA staff	2.037
155	572	Director (M&O), PHA Lahore	Non-adjustment of advances	0.570
156	573	Director (M&O), PHA Lahore	Uu-justified payment of service charges	1.742
157	574	Director (M&O), PHA Lahore	Irregular expenditure on account of repair & maintenance of operational vehicles	3.396
158	575	Director ADS-II, LDA	Unjustified payment of mega project allowance	46.769
159	576	Director ADS-II, LDA	Loss to Govt. due to non-deduction of below percentage	2.432
160	577	Director ADS-II, LDA	Non-recovery of Punjab Sales Tax	11.710

Sr. No.	PDP No.	Formation	Subject	Amount
161	578	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	390.755
162	579	Director ADS-II, LDA	Undue benefit to the contractor due to less execution of quantity	1.494
163	580	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	5.762
164	581	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	9.300
165	582	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	6.405
166	583	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	8.245
167	584	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	1.600
168	585	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	10.605
169	586	Director ADS-II, LDA	Non-recovery of government taxes	42.569
170	587	Director ADS-II, LDA	Overpayment due to application of incorrect rate	2.837
171	588	Director ADS-II, LDA	Overpayment due to incorrect rate	2.069
172	589	Director ADS-II, LDA	Overpayment due to incorrect rate	0.460
173	590	Director ADS-II, LDA	Loss to Govt. due to non-recovery of old material	0.741
174	591	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	17.888
175	592	Director ADS-II, LDA	Less recovery of PST and income tax	1.938
176	593	Director ADS-II, LDA	Less recovery of PST and income tax	0.292
177	594	Director ADS-II, LDA	Unjustified addition of PST in the bill of the contractor	0.992
178	595	Director ADS-II, LDA	Loss to Govt. due to non-recovery of old material	1.264
179	596	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	1.758
180	597	Director ADS-II, LDA	Loss to Govt. due to non-recovery of old material	1.452
181	598	Director ADS-II, LDA	Less recovery of old material	1.247
182	599	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	1.759
183	600	Director ADS-II, LDA	Irregular enhancement of agreement in violation of Punjab Procurement Rules	1.874

Sr. No.	PDP No.	Formation	Subject	Amount
184	601	Director ADS-II, LDA	Overpayment due to payment beyond agreed percentage	0.352
185	602	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	1.676
186	603	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	2.697
187	604	Director ADS-II, LDA	Overpayment due to excess measurement	0.539
188	605	Director ADS-II, LDA	Unjustified addition of PST in the bill of the contractor	0.213
189	606	Director ADS-II, LDA	Overpayment due to application of higher/incorrect rates	0.352
190	607	Director ADS-II, LDA	Non-recovery of government taxes	0.664
191	608	Director ADS-II, LDA	Irregular payment due to non-obtaining of JMF	2.157

LDA WASA

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	56	Director (O&M) Nishter Town	Non-recovery due to use of under sized bricks	0.996
2	62	Director (O&M) Nishter Town	Irregular expenditure due to non-preparation/non-approval of rate analysis	1.878
3	64	Director (O&M) Nishter Town	Overpayment due to inadmissible item	1.112
4	71	Director (O&M) Ravi Town	Overpayment due to allowing payment of inadmissible item	0.298
5	72	Director (O&M) Ravi Town	Un-justified payment due to non-conducting to lab test of bricks	10.934
6	75	Director (O&M) Ravi Town	Overpayment to account of repair of water supply/sewerage connection amounting	0.177
7	79	Director (O&M) Ravi Town	Overpayment due to payment against inadmissible item	0.282
8	80	Director (O&M) Ravi Town	Irregular expenditure due to non-preparation/non-approval of rate analysis	3.352
9	81	Director (O&M) Ravi Town	Non-imposition of penalty on account of delay in completion of work	1.021
10	85	Director (O&M) Allama Iqbal Town	Unjustified payment due to violation of design criteria	0.196
11	88	Director Construction-I, WASA Lahore	Non-obtaining of performance security	6.377

Sr. No.	PDP No.	Formation	Subject	Amount
12	89	Director Construction-I, WASA Lahore	Loss due to non-auction/accountal of available earth	4.413
13	90	Director Construction-I, WASA Lahore	Undue financial benefit to the contractor due to non-insurance of work	127.547
14	91	Director Construction-I, WASA Lahore	Non-recovery of liquidated damages	34.145
15	93	Director Construction-I, WASA Lahore	Non-obtaining of GST invoices of steel	31.603
16	94	Director Construction-I, WASA Lahore	Overpayment due to extra carriage of bajri	0.509
17	97	Director Construction-I, WASA Lahore	Irregular payment of non-BOQ item of work	0.544
18	98	Director Construction-I, WASA Lahore	Non-recovery of old manhole covers	0.282
19	99	Director Construction-I, WASA Lahore	Irregular expenditure due to non-approval of rate analysis	5.542
20	100	Director Construction-I, WASA Lahore	Irregular expenditure due to payment without lab test of HDPE Pipe	7.560
21	103	Director Construction-I, WASA Lahore	Loss to government due to allowing payment against inadmissible item of work	1.105
22	104	Director Construction-I, WASA Lahore	Overpayment due to execution of inadmissible item	0.139
23	105	Director Construction-I, WASA Lahore	Overpayment due to excess quantities than acceptance/bid	0.393
24	108	Director Construction-II, WASA Lahore	Overpayment due to extra carriage than Bajri used in RCC work	2.050
25	109	Director Construction-II, WASA Lahore	Non-obtaining of performance security	64.613
26	111	Director Construction-II, WASA Lahore	Non-recovery of liquidated damages	106.569

Sr. No.	PDP No.	Formation	Subject	Amount
27	114	Director Construction-II, WASA Lahore	Non-recovery due to non-employment of qualified Engineers	2.760
28	115	Director Construction-II, WASA Lahore	Irregular payment due to execution of item not provided in estimate/bid	1.281
29	170	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular payment due to non-preparation of rate analysis	0.205
30	171	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular payment of de-silting	1.841
31	173	Director (O&M) Shalimar & Aziz Bhatti Town	Non-production of details regarding expenditure against 2% contingency	0.792
32	174	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular expenditure due to non-production of lab.test reports	0.165
33	175	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular payment without preparation of rate analysis and not rendering the services of departmentally labour for an item of work for	0.216
34	176	Director (O&M) Shalimar & Aziz Bhatti Town	Overpayment due to non-deduction of cost of dressing from surplus earth	0.056
35	177	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular payment due to non-availability of detailed measurement	0.189
36	181	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular expenditure due to non-production of lab. test reports	1.008
37	206	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular expenditure due to non-production of lab.test reports and detailed measurement in MBs/TS estimate	0.274
38	264	Director (O&M) Shalimar & Aziz Bhatti Town	Overpayment due to allowing higher item of work	0.239
39	316	Director (O&M) Shalimar & Aziz Bhatti Town	Overpayment due to allowing excess quantity of transportation of earth	0.156
40	317	Director (O&M) Shalimar & Aziz Bhatti Town	Un-justified payment on account of manual de-silting	0.215
41	319	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular repair of pump	0.246

Sr. No.	PDP No.	Formation	Subject	Amount
42	323	Director (O&M) Gunj Baksh Town	Overpayment due to allowing higher item of work	0.136
43	324	Director (O&M) Gunj Baksh Town	Irregular payment due to non-preparation of rate analysis	0.140
44	325	Director (O&M) Gunj Baksh Town	Irregular payment due to non-preparation of rate analysis	0.152
45	331	Director (O&M) Shalimar & Aziz Bhatti Town	Unjustified charging of monsoon grant for replacement of sewer line	1.416
46	485	Director (O&M) Shalimar & Aziz Bhatti Town	Unjustified expenditure booked against monsoon grant	0.551
47	486	Director (O&M) Shalimar & Aziz Bhatti Town	Irregular charging of monsoon grant for repair of generators	1.309

MDA UD-Wing

(Rs in million)

S#	PDP #	Formation	Subject	Amount
1	116	Director Engineering MDA Multan	Overpayment due to allowing inadmissible item having higher rate	0.482
2	117	Director Engineering MDA Multan	Inadmissible payment on account if an inadmissible item	0.092
3	119	Director Engineering MDA Multan	Irregular expenditure without approval of detail analysis of rate	0.732
4	120	Director Admin & Finance MDA Multan	Non developing of Fatima Jinnah Town Phase I & II	-
5	656	Director Engineering Multan	Irregular provision of departmental charges	119.390
6	657	Director Engineering Multan	Excess payment to the contractor due to excess measurement of sand	10.580
7	664	Director Admin & Finance MDA Multan	Less-receipt of revenue against the target	687.678

MDA WASA

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	651	Director Admin & Finance WASA Multan	Irregular expenditure due to irregular recruitment of work charge establishment/daily paid labor	13.901

Sr. No.	PDP No.	Formation	Subject	Amount
2	653	Director Admin & Finance WASA Multan	Irregular hiring of private vehicles in violation of PPRA Rules and incurring of irregular expenditure	8.568
3	655	Director Admin & Finance WASA Multan	Irregular creation of liabilities	51.219

RDA UD-Wing

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	127	Director Engineering UD-Wing Rawalpindi	Irrelevant hiring of material engineer having irrelevant degree	1.080
2	128	Director Engineering UD-Wing Rawalpindi	Irregular grant of secured advance	10.240
3	662	Director Engineering UD-Wing Rawalpindi	Irregular expenditure on account of construction and installation & non-mutation of land in the name of RDA	65.622
4	663	Director Engineering UD-Wing Rawalpindi	Irregular provision of design vetting from third party consultancy	5.000

RDA WASA

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	129	Director Admin & Finance WASA Rawalpindi	Lapse of funds	171.116
2	131	Director Engineering WASA Rawalpindi	Non-recovery of departmental charges	1.809

BDA Bahawalpur

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	133	Director Engineering BDA, Bahawalpur	Inadmissible payment without provision in revised scope of work	0.325
2	134	Director Engineering BDA, Bahawalpur	Irregular without preparation of rate analysis and import document	16.306

Sr. No.	PDP No.	Formation	Subject	Amount
3	135	Director Engineering BDA, Bahawalpur	Unjustified payment due to procurement of bitumen from unauthorized dealer	78.639
4	137	Director Engineering BDA, Bahawalpur	Non-recovery/levy of fees on commercial use of tube wells	0.675

PHA Lahore

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	148	Director Marketing, PHA Lahore	Unjustified expenditure due to non-availability of supporting documents	10.277
2	182	Director (M&O), PHA Lahore	Unauthentic Utilization of seeds	1.030
3	183	Director (M&O), PHA Lahore	Irregular supply of flowering cabbage pigeon series seeds to the horticulture Zones	0.597
4	184	Director (M&O), PHA Lahore	Non-recovery of GST and non-provision of invoices on account of supply item	0.765
5	185	Director (M&O), PHA Lahore	Unjustified supply of peat moss to various horticulture zones	3.147
6	186	Director (M&O), PHA Lahore	Non-insurance of Govt. owned Property	-
7	187	Director (M&O), PHA Lahore	Irregular payment due to non-approval of rate analysis regarding Christmas Tree	0.259
8	314	Director (M&O), PHA Lahore	Unjustified enhancement of POL ceiling against lorry No. 03 and charging to PHA	-
9	326	Director Marketing, PHA Lahore	Irregular transfer of sign board	0.520
10	328	Director Engineering, PHA Lahore	Non-credit of departmental charges in PHA account	9.367
11	370	Director Marketing, PHA Lahore	Non-finalization of court case regarding exemption of advertising fee	-
12	372	Director (M&O), PHA Lahore	Irregular payment from own sources instead from Deposit work	2.265
13	458	Director Coordination, PHA Lahore	Irregular tendering due to non-assessment of leased out site	0.534
14	460	Director Coordination, PHA Lahore	Irregular tendering without obtaining assessment of leased out site of canteen	1.857
15	463	Director Coordination, PHA Lahore	Irregular tendering without obtaining assessment of leased out site of edible food stalls	1.800

Sr. No.	PDP No.	Formation	Subject	Amount
16	468	Director Coordination, PHA Lahore	Irregular tendering without obtaining assessment of leased out site of edible food stalls	1.680
17	477	Director Coordination, PHA Lahore	Irregular enhancement in contract agreement and less recovery of rent	0.968
18	478	Director Coordination, PHA Lahore	Irregular expenditure due to not obtaining passenger boat safety certificates	5.540

PHA Gujranwala

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	665	Director General PHA Gujranwala	Imposition of penalty by PHA on delayed payment of PST	1.256

PHA Sahiwal

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	126	Director General PHA Sahiwal	Irregular purchase of vehicles and machinery in violation of PPRA Rules	9.576

PHA Sargodha

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	123	Director General PHA Sargodha	Overpayment due to non-deduction of rate	0.135
2	124	Director General PHA Sargodha	Loss to the authority due to purchase of generators through contractor	0.242
3	125	Director General PHA Sargodha	Loss to Authority due to non-deduction of Professional Tax	0.600

PHA Rawalpindi

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	146	Director General PHA Rawalpindi	Loss to authority due to non-auction of contract of shop boards	78.650

PHE

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	2	PHE Division, Multan	Overpayment due to incorrect rate	0.133
2	7	PHE Division, Multan	Irregular expenditure due to Non preparation of rate analysis	2.324
3	18	PHE Division, Multan	Overpayment due to less deduction of shrinkage	0.523
4	19	PHE Division, Multan	Unauthorized payment than approved scope of TS estimate	25.270
5	26	PHE Division No.I DG Khan	Irregular expenditure due to Non compliance of condition imposed by Director Design	1.592
6	29	PHE Division No.I DG Khan	Unauthorized expenditure due to change in scope of work	5.346
7	32	PHE Division No.I DG Khan	Overpayment due to excess measurement of fabrication of mild steel	1.146
8	33	PHE Division No.I DG Khan	Overpayment due to Non reduction of rate	0.062
9	39	PHE Division No.II DG Khan	Irregular expenditure due to payment without obtaining certificate of approved manufacturer and without recording locations in MB	211.381
10	42	PHE Division No.II DG Khan	Irregular estimation/expenditure due to Non approval of rate analysis	10.970
11	45	PHE Division No.II DG Khan	Overpayment due to payment of secured advance on excessive rate	9.538
12	48	PHE Division No.II DG Khan	Irregular expenditure due to non-approval of rate analyses	33.959
13	50	PHE Division No.II DG Khan	Non-recovery of secured advance from defaulting contractor	12.862
14	54	PHE Division Faisalabad	Loss due to Non utilization of available earth	0.543
15	57	PHE Division Faisalabad	Overpayment due to Non Recovery of old material	0.339
16	59	PHE Division Faisalabad	Overpayment due to non-reduction of rate	0.212
17	62	PHE Division Faisalabad	Non-submission of progress report of 1% Plantation/Horticulture funds utilization	9.279
18	68	PHE Division Faisalabad	Overpayment due to incorrect item	1.037
19	69	PHE Division Faisalabad	Non-recovery of liquidated damages	93.739
20	72	PHE Division Okara	Unjustified payment for earthwork	1.417
21	74	PHE Division Okara	Irregular payment due to measurement of excess length of pipe	10.835

Sr. No.	PDP No.	Formation	Subject	Amount
22	79	PHE Division Okara	Overpayment due to application of higher rate	10.000
23	82	PHE Division Okara	Overpayment due to excessive measurement	2.655
24	88	PHE Division Sargodha	Overpayment over & above Revised T.S estimate	0.805
25	90	PHE Division Sargodha	Unjustified provision of Loader Rickshaw	0.191
26	91	PHE Division Sargodha	Non-recovery due to Non auction of scrap material	1.811
27	92	PHE Division Sargodha	Excess payment due to excess measurement	8.143
28	94	PHE Division Sargodha	Unjustified payment due to Non preparation of rate analysis	0.314
29	95	PHE Division Sargodha	Unjustified payment due to Non preparation of rate analysis	1.254
30	97	PHE Division Sargodha	Irregular payment due to Non preparation of rate analysis	0.183
31	99	PHE Division No.I DG Khan	Irregular execution/expenditure due to Non approval of Specification/Drawing/Design of tuff tile	52.636
32	102	PHE Division No.I DG Khan	Irregular estimation due to Non obtaining of market quotations	14.333
33	104	PHE Division No.I DG Khan	Irregular expenditure due to non-approval of rate analyses	8.830
34	112	PHE Division No.II DG Khan	Overpayment due to Non deduction of rate of timbering & shuttering	0.157
35	118	PHE Division Lahore	Overpayment due to inadmissible cushion on RO plants and UF plants	0.927
36	119	PHE Division Lahore	Loss to Govt. due to extra quantity of manhole covers than design criteria	6.475
37	128	PHE Division Lahore	Overpayment due to extra transportation of surplus material	0.119
38	129	PHE Division Lahore	Non-recovery on account of use of local sand	0.216
39	132	PHE Division Toba Tek Singh	Non recovery of mobilization advance	64.200
40	135	PHE Division Toba Tek Singh	Unjustified payment due to Non preparation of rate analysis	1.100
41	137	PHE Division Toba Tek Singh	Irregular expenditure due to Non conducting the laboratory tests	0.699
42	139	PHE Division Toba Tek Singh	Overpayment due to allowing higher rate for item of work	0.500
43	144	PHE Division Muzaffargarh	Non-recovery of General Sales Tax and Non provision of invoices	0.343

Sr. No.	PDP No.	Formation	Subject	Amount
44	145	PHE Division Muzaffargarh	Irregular payment due to Non availability of detail measurement of wet sinking of well	0.945
45	147	PHE Division Muzaffargarh	Non-recovery on account of compensation for delay	18.070
46	149	PHE Division Muzaffargarh	Irregular procurement of Generator for	5.350
47	152	PHE Division Muzaffargarh	Unjustified payment due to Non preparation of rate analysis	0.260
48	154	PHE Division Muzaffargarh	Overpayment due to inadmissible item of work	0.630
49	155	PHE Division Sialkot	Overpayment due to wrong applying unit factor for transportation of earth	0.417
50	156	PHE Division Sialkot	Overpayment due to violation of M	0.521
51	157	PHE Division Sialkot	Non recovery of dismantled material	0.232
52	158	PHE Division Sialkot	Overpayment due to Non deduction of shrinkage	0.153
53	159	PHE Division Sialkot	Overpayment due to Non deduction of area of C.I frame	0.520
54	163	PHE Division Sialkot	Overpayment due to wrong measurement	0.408
55	165	PHE Division Sialkot	Overpayment due to miscalculation	0.203
56	167	PHE Division Sialkot	Overpayment due to Non deduction of available material	0.287
57	168	PHE Division Sialkot	Non-recovery due to less deduction of shrinkage and chambering	1.033
58	170	PHE Division Sialkot	Overpayment due to Non reduction of rate of sand	0.582
59	171	PHE Division Sialkot	Less recovery of income tax	0.246
60	173	PHE Division Sialkot	Unauthorized expenditure on account of payment beyond the approved scope of work	8.276
61	177	PHE Division Sialkot	Overpayment due to wrong calculation	1.076
62	178	PHE Division Toba Tek Singh	Wasteful expenditure due to Non completion of work	135.600
63	180	PHE Division Toba Tek Singh	Non-recovery of General Sales Tax (GST) and Non provision of invoices	1.426
64	183	PHE Division Toba Tek Singh	Irregular payment of re handling of excavated material	0.284
65	184	PHE Division Toba Tek Singh	Unjustified payment of re handling of excavated material	0.392
66	185	PHE Division Toba Tek Singh	Excess payment due to application of higher rate	10.310

Sr. No.	PDP No.	Formation	Subject	Amount
67	189	PHE Division Toba Tek Singh	Irregular payment due to Non availability of detail measurement for	2.222
68	191	PHE Division Toba Tek Singh	Non-recovery on account of compensation for delay	41.038
69	192	PHE Division Toba Tek Singh	Unjustified payment due to Non preparation of rate analysis for	13.750
70	195	PHE Division Toba Tek Singh	Unjustified incurrence of Horticulture charges and public awareness charges	4.885
71	198	PHE Division Toba Tek Singh	Unjustified payment on account of provision of Portland cement for	3.329
72	200	PHE Division Kasur	Overpayment due to wrong measurement factor of dismantling of soling	0.763
73	219	PHE Division No.II DG Khan	Irregular payment due to Non availability of detail measurement of item of work for	1.095
74	222	PHE Division No.II DG Khan	Sub Standard work due to Non getting of 3 edge testing of RCC Pipe for	14.236
75	223	PHE Division Multan	Overpayment due to non-utilization of available earth and non-deduction of shrinkage	0.131
76	224	PHE Division No.II DG Khan	Non submission of vouched accounts for	1.114
77	225	PHE Division No.II DG Khan	Procurement of Pumping Machinery at earlier stage for	1.205
78	235	PHE Division No.II DG Khan	Non-recovery on account of Non getting of 3 edge testing of RCC Pipe for	0.125
79	236	PHE Division No.II DG Khan	Irregular payment due to Non availability of detail measurement of item of work for	2.496
80	238	PHE Division Mianwali	Overpayment due to excess measurement	65.682
81	243	PHE Division Mianwali	Overpayment due to allowing excess Rate	0.203
82	244	PHE Division Mianwali	Non-recovery of GST	0.939
83	247	PHE Division Mianwali	Non-recovery of outstanding secured advance	1.528
84	250	PHE Division Mianwali	Unauthorized expenditure due to payment of unapproved item	4.011
85	255	PHE Division Multan	Non-recovery	1.622
86	256	PHE Division Multan	Non-recovery of shrinkage and camber from embankment	0.513
87	257	PHE Division Multan	Overpayment due to less deduction of shrinkage from earthwork	0.246
88	258	PHE Division Multan	Overpayment due to non-utilization of economical item MS pipe	0.107
89	259	PHE Division Multan	Non-recovery	0.245

Sr. No.	PDP No.	Formation	Subject	Amount
90	260	PHE Division Multan	Overpayment due to change of lead for earthwork	0.235
91	261	PHE Division Multan	Overpayment due to non-deduction of camber from earthwork	0.083
92	262	PHE Division Multan	Overpayment due to inadmissible loose factor of crush bajri	0.180
93	263	PHE Division Multan	Overpayment due to non-deduction cost of timbering and	0.573
94	264	PHE Division Multan	Non-recovery of dismantled material	0.237
95	265	PHE Division Multan	Overpayment due to non-deduction of camber from earthwork	0.099
96	266	PHE Division Multan	Overpayment due to Non utilization of available earth	0.173
97	267	PHE Division Multan	Non-recovery	0.124
98	268	PHE Division Multan	Overpayment due to non-utilization of available earth Rs 54,383 and less deduction of shrinkage	0.088
99	269	PHE Division Multan	Overpayment due to non-reduction of grey tiles	0.119
100	270	PHE Division Multan	Overpayment due to non-utilization of economical item	0.515
101	272	PHE Division Multan	Non-recovery on account of compensation for delay	5.613
102	273	PHE Division Attock	Irregular expenditure due to Non conducting the Laboratory tests specification	0.257
103	275	PHE Division Attock	Overpayment due to Non deduction of shrinkage	0.253
104	277	PHE Division Attock	Non-mutation of scheme's land in the name of Public Health Engineering Department	4.681
105	280	PHE Division Attock	Overpayment due to extra measurement	1.060
106	281	PHE Division Attock	Irregular payment due to Non preparation of rate analysis	6.268
107	284	PHE Division Attock	Irregular payment due to Non availability of detail measurement	7.980
108	286	PHE Division Toba Tek Singh	Overpayment due to incorrect rate	0.015
109	287	PHE Division Toba Tek Singh	Overpayment due to non-utilization of available earth	1.747
110	288	PHE Division Toba Tek Singh	Overpayment due to non-reduction of rate	0.259
111	290	PHE Division Toba Tek Singh	Overpayment due to incorrect measurement	0.273

Sr. No.	PDP No.	Formation	Subject	Amount
112	294	PHE Division Attock	Overpayment due to allowing item carrying higher rate	0.376
113	296	PHE Division Attock	Wasteful expenditure due to Non handing over /taking over of water supply scheme Fateh Jang	420.167
114	286	PHE Division Attock	Non-recovery on account of compensation for delay	46.528
115	305	PHE Division Sheikhpura	Overpayment due to excess quantity paid	0.094
116	306	PHE Division Sheikhpura	Overpayment due to higher rate of item of work of	0.228
117	307	PHE Division Sheikhpura	Overpayment due to Non deduction of shrinkage & Chamber	0.215
118	308	PHE Division Sheikhpura	Non Recovery of secured advance	60.516
119	309	PHE Division Sheikhpura	Overpayment due to excess quantity of sand under RCC pipe	0.116
120	310	PHE Division Sheikhpura	Overpayment due to Non utilization of available earth	0.283
121	311	PHE Division Sheikhpura	Overpayment due to Non utilization of available earth	0.857
122	312	PHE Division Sheikhpura	Non-recovery due to use of local sand	0.120
123	313	PHE Division Sheikhpura	Overpayment due to Non deduction of shrinkage and Non utilization of available earth	0.078
124	314	PHE Division Sheikhpura	Overpayment due to wrong measurement of dismantling of flagged flooring	0.080
125	315	PHE Division Sheikhpura	Overpayment due to Non deduction of shrinkage	0.318
126	316	PHE Division Sheikhpura	Overpayment due to Non utilization of available earth	0.723
127	319	PHE Division Sheikhpura	Overpayment due to wrong measurement of dismantling of flagged flooring	0.191
128	321	PHE Division Sheikhpura	Overpayment due to inadmissible cost on account of testing of tube well	2.587
129	322	PHE Division Sheikhpura	Non-recovery of secured advance	25.219
130	287	PHE Division Attock	Irregular payment due to Non preparation of rate analysis	1.139
131	323	PHE Division Sheikhpura	Non-recovery of secured advance	3.791
132	329	PHE Division Sheikhpura	Overpayment due Non Recovery on account use of local sand	0.972
133	331	PHE Division Sheikhpura	Non-recovery due to use of local sand	0.076
134	339	PHE Division Kasur	Overpayment due to extra payment of extra quantities than measured	0.234

Sr. No.	PDP No.	Formation	Subject	Amount
135	344	PHE Division Muzaffargarh	Irregular transfer of work from one contractor to another contractor for	78.796
136	345	PHE Division Muzaffargarh	Pre mature release of Additional Performance Security	4.129
137	346	PHE Division Muzaffargarh	Overpayment due to less deduction of shrinkage of earth	0.230
138	347	PHE Division Muzaffargarh	Irregular payment due to Non availability of detailed measurement of filling sand floor for	1.650
139	348	PHE Division Muzaffargarh	Overpayment due to less deduction of shrinkage of earth	0.363
140	350	PHE Division Muzaffargarh	Un Authentic Payment of	15.472
141	351	PHE Division Muzaffargarh	Excess payment than agreement amount	11.725
142	352	PHE Division Muzaffargarh	Irregular payment without enhancement of agreement	11.725
143	356	PHE Division Multan	Non Recovery of	0.084
144	357	PHE Division Multan	Overpayment due to inadmissible addition of income tax in rate analysis	0.197
145	358	PHE Division Okara	Non Recovery of long outstanding secured advance	0.026
146	359	PHE Division Okara	Unauthentic payment of	1.372
147	360	PHE Division Okara	Irregular payment beyond approved scope of work	42.540
148	361	PHE Division Okara	Overpayment due to Non reduction of rates	0.116
149	362	PHE Division Okara	Non Termination of contract and completion of balance work at the risk & cost	1.183
150	363	PHE Division Sialkot	Overpayment due to higher rate than approved in TS estimate	0.168
151	364	PHE Division Sialkot	Overpayment due to non-utilization of available earth	0.681
152	365	PHE Division Sialkot	Overpayment due to application of higher rate	0.139
153	366	PHE Division Sialkot	Overpayment due to transportation of surplus earth by using excess lead	1.504
154	367	PHE Division Lahore	Overpayment due to wrong factor of measurement	1.415
155	368	PHE Division Lahore	Overpayment due to wrong measurement of dismantling of brick soling	0.131
156	369	PHE Division Lahore	Non-recovery of secured advance	7.294
157	370	PHE Division Sheikhpura	Overpayment due to higher rate of item of work of	0.154

Sr. No.	PDP No.	Formation	Subject	Amount
158	371	PHE Division Sheikhupura	Non-revalidation of performance security	10.000
159	290	PHE Division No.I DG Khan	Unjustified payment for UF Plant	1.177
160	372	PHE Division Sialkot	Wasteful expenditure due to payment of needless items in violation of standard design	6.863
161	373	PHE Division Sialkot	Overpayment due to rich specification	1.382
162	374	PHE Division Sialkot	Overpayment due to inadmissible item	1.617
163	375	PHE Division Sialkot	Overpayment due to excess measurement	0.440
164	376	PHE Division Sialkot	Overpayment due to wrong measurement of steel	2.029
165	377	PHE Division Attock	Excess payment due to application of higher rate	2.694
166	378	PHE Division Attock	Overpayment due to allowing higher item of work	1.061
167	379	PHE Division Attock	Unjustified incurrence of Horticulture charges and public awareness charges	5.751
168	380	PHE Division Attock	Overpayment due to allowing higher rate of item of work for	0.560
169	381	PHE Division Attock	Non-recovery of water supply charges for	10.854
170	382	PHE Division Attock	Irregular payment	1.985
171	383	PHE Division Attock	Non-recovery of dismantled material	1.157
172	384	PHE Division Attock	Excess payment due to application of higher rate	0.211
173	385	PHE Division Attock	Non-recovery of dismantled material	0.155
174	386	PHE Division Attock	Irregular payment of price variation	0.297
175	387	Secretary HUD & PHE	Double payment of salaries to Officer	0.122
176	388	Secretary HUD & PHE	Non-recovery of 5% house maintenance charges from the pay of officer	0.021
177	389	Secretary HUD & PHE	Illegal additional charge without approval of S&GAD department to officer	-
178	390	Secretary HUD & PHE	Non-recovery of conveyance allowance from officers	0.093
179	391	Secretary HUD & PHE	Non-submission of PC-IV of the Project WASH (Water, Sanitation and Hygiene)	34.480

Sr. No.	PDP No.	Formation	Subject	Amount
180	392	Secretary HUD & PHE	Inadmissible Ta/Da Claim Without Office Orders Of Competent Authority For Rs And Excess Draw Of Daily Of Rs	0.160
181	393	Secretary HUD & PHE	Wasteful expenditure on review and vetting of Joint Venture rules and regulations from legal consultant	0.475
182	394	Secretary HUD & PHE	Irregular expenditure on pay and allowances without achieving individual targets and achievements as per Job Description	21.730
183	395	Secretary HUD & PHE	Double payment of lab equipment supplied by UNICEF to PHE Water testing laboratories	35.000
184	396	Secretary HUD & PHE	Non audit of accounts by 3rd party or independent auditor/CA Firm	-
185	397	Secretary HUD & PHE	Irregular expenditure on open defecation	124.000
186	398	Secretary HUD & PHE	Non recovery of penalty due to use of illegal commercialization on residential properties in collusion with LDA management	14.400
187	399	PHE Division Sheikhpura	Overpayment due to inadmissible cushion on O&M component	0.340
188	400	PHE Division Gujranwala	Overpayment due to violation of approved design standards	10.519
189	401	PHE Division Gujranwala	Overpayment due to incorrect rate	0.834
190	402	PHE Division Gujranwala	Overpayment due to violation of approved design standards	9.187
191	403	PHE Division Gujranwala	Overpayment due to non-deduction of shrinkage for	0.203
192	404	PHE Division Gujranwala	Overpayment due to application of incorrect MRS item	0.449
193	405	PHE Division Gujranwala	Undue benefit to the contractor due to less execution of quantity	1.100
194	406	PHE Division Gujranwala	Overpayment due to Non Recovery of old material	0.134
195	407	PHE Division Gujranwala	Irregular expenditure due to procurement of pumping machinery and steel from un registered sale tax firms and Non recovery of GST	12.503
196	408	PHE Division Gujranwala	Overpayment due to Non deduction of area of C.I frame	0.526
197	409	PHE Division Gujranwala	Overpayment due to Non reduction of rate of sand	5.351
198	410	PHE Division Gujranwala	Less recovery of income tax	0.369
199	411	PHE Division Gujranwala	Overpayment due to non-utilization of available earth	0.245

Sr. No.	PDP No.	Formation	Subject	Amount
200	412	PHE Division Gujranwala	Overpayment due to Non reduction of rates of brick work	1.109
201	413	Secretary HUD & PHE	Non recovery of penalty and non-ejectment of encroachment from illegal occupants on government land	-
202	414	Secretary HUD & PHE	Loss to Government due to execution of substandard work	-
203	415	Secretary HUD & PHE	Irregular splitting of works in packages in mega sewerage scheme of Rahim Yar Khan	-
204	416	Secretary HUD & PHE	Excess payment to the contractor for the works which was not executed at site	3.750
205	417	Secretary HUD & PHE	Excess payment to the contractor due to deduction of less below quoted percentage	3.953
206	418	Secretary HUD & PHE	Undue financial benefit to the contractor due to non-obtaining of bank guarantee from the contractor	62.250
207	419	Secretary HUD & PHE	Undue financial benefit to the contractor due to non-obtaining of insurance documents from the contractor	6.225
208	420	Secretary HUD & PHE	Non deposit of income tax by contractor of IT services	13.609
209	421	Secretary HUD & PHE	Loss due to non-deposit of share @ Rs 150 per transaction in Government account	15.492
210	422	Secretary HUD & PHE	Non imposition of penalty and its recovery from the contractor	62.250
211	423	Secretary HUD & PHE	Fraudulent activity due to providing fake earnest money by the contractor	8.881
212	424	PHE Division Toba Tek Singh	Irregular payment on account of supply of Pumping Machinery at earlier stage	7.809
213	425	PHE Division Toba Tek Singh	Non provision of invoices for pumping machinery for Tubwells for	37.675
214	426	PHE Division Toba Tek Singh	Unjustified payment on account of rich specifications	9.561
215	427	PHE Division Sargodha	Non recovery from contractors due to use of substandard bricks	1.619
216	428	PHE Division Sargodha	Non Recovery of secured advance	0.728
217	429	PHE Division Sargodha	Overpayment due to Non deduction of shrinkage	0.333
218	430	PHE Division Sargodha	Non recovery of dismantled material for	0.227
219	431	PHE Division Sargodha	Exaggerated T.S for	11.801
220	432	PHE Division Sargodha	Non recovery of cost of old material	0.846

Sr. No.	PDP No.	Formation	Subject	Amount
221	433	PHE Division Sargodha	Non credit of Proceeds obtained from Auction to proper head of account for	6.245
222	434	PHE Division Sargodha	Non recovery of dismantled material for	2.104
223	435	PHE Division Sargodha	Overpayment due to allowing higher rate for item of work	0.452
224	436	PHE Division Sargodha	Overpayment due to application of higher rate of Tuff paver for	0.321
225	437	PHE Division Sargodha	Irregular payment due to application of inadmissible item of work for	0.991
226	438	PHE Division Sargodha	Non recovery on account of compensation for delay	9.000
227	439	PHE Division Sargodha	Overpayment due to allowing higher rate for item of work	0.154
228	440	PHE Division Sargodha	Overpayment due to application of extra item of work for	0.551
229	441	PHE Division Sargodha	Overpayment due to allowing higher rate for item of work	1.279
230	442	PHE Division Sargodha	Overpayment due to allowing higher rate for item of work	1.067
231	443	PHE Division Sargodha	Unjustified Provision of Horticulture charges for	0.800
232	444	PHE Division Sargodha	Irregular payment due to non-availability of detailed measurement	4.882
233	445	PHE Division Sargodha	Non recovery of cost of old steel obtained from replacing damaged manhole covers	0.443
234	446	PHE Division Sargodha	Unjustified provision of O&M charges of scheme along with contingency charges for	2.532
235	447	PHE Division Sargodha	Non Production of record for	0.942

Annex-A/3: Irrigation

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	1	Mailsi Syphon Div. Thingi Vehari	Non-credit of lapsed deposits placed in deposit	17.651
2	2	Mailsi Syphon Div. Thingi Vehari	Non-recovery of advance income tax	0.102
3	5	Mailsi Syphon Div. Thingi Vehari	Irregular payment due to excess over revised estimate	284.083
4	8	Mailsi Syphon Div. Thingi Vehari	Non-recovery of GST	0.398
5	10	Mailsi Syphon Div. Thingi Vehari	Unjustified payment beyond recommended final IPC	20.441
6	12	Mailsi Syphon Div. Thingi Vehari	Overpayment due to enhancement of rate after execution -	35.313
7	13	Mailsi Syphon Div. Thingi Vehari	Overpayment due to allowing higher rates	1.559
8	14	Bhakkar Canal Div. Bhakkar	Non-recovery due to use of sub-standard bricks –	0.127
9	16	Bhakkar Canal Div. Bhakkar	Overpayment due to application of higher rater	1.741
10	17	Bhakkar Canal Div. Bhakkar	Overpayment due to application of incorrect rates –	12.318
11	19	Mailsi Syphon Div. Thingi Vehari	Substandard/defective consultancy services	284.083
12	21	Jampur Const. Div. Rajanpur	Undue financial benefit to the contractor due to pre-mature release of security deposit	0.455
13	26	Jampur Const. Div. Rajanpur	Overpayment due to grant of secured advance on higher rate	0.523
14	28	Jampur Const. Div. Rajanpur	Non-recovery due to non-reduction in rate for use of local sand	0.289
15	29	Jampur Const. Div. Rajanpur	Less recovery of income tax	0.066
16	31	Jampur Const. Div. Rajanpur	Overpayment due to application of incorrect rates	1.025
17	32	Jampur Const. Div. Rajanpur	Non-recovery of compensation charges due to delay in completion of work	6.377
18	34	M/garh Canal Div. M/garh	Allotment of work without fair competition	59.386
19	37	Machinery Div. LHR	Loss to Govt. due to non-deposit of saving into Govt. account	3.636
20	39	Machinery Div. LHR	Non-recovery due to use of economical item	2.986
21	40	Machinery Div. LHR	Expected loss to Govt. due to less verification of earthwork	4.478

Sr. No.	PDP No.	Formation	Subject	Amount
22	44	Machinery Div. LHR	Loss to Govt. due to less execution of earthwork	15.520
23	46	Machinery Div. LHR	Non-deposit of excess amount in Govt. revenue due to incorrect rate	0.930
24	47	Machinery Div. LHR	Unauthentic stock balances due to non-physical verification of the stock	79.098
25	48	Machinery Div. LHR	Less recovery of PST	0.245
26	50	Machinery Div. LHR	Loss to Govt. due to non-deposit of saving into Govt. account	1.803
27	53	Kalabagh Headworks Div. DaudKhel	Undue financial benefit due to non-obtaining of insurance for risk coverage	188.271
28	54	Kalabagh Headworks Div. DaudKhel	Overpayment due to incorrect rate	0.849
29	56	Kalabagh Headworks Div. DaudKhel	Overpayment due to incorrect rate	0.982
30	57	Kalabagh Headworks Div. DaudKhel	Overpayment due to incorrect rates	0.807
31	60	Kalabagh Headworks Div. DaudKhel	Overpayment due to non-deduction of shrinkage	1.426
32	61	Kalabagh Headworks Div. DaudKhel	Overpayment due to incorrect item	12.321
33	62	Kalabagh Headworks Div. DaudKhel	Overpayment due to incorrect rate	2.450
34	64	Kalabagh Headworks Div. DaudKhel	Irregular retention of 1% Plantation/Horticulture funds	18.291
35	65	Kalabagh Headworks Div. DaudKhel	Non-provision of contract record to NAB	1,342.183
36	67	Kalabagh Headworks Div. DaudKhel	Overpayment due to excessive consumption of stone -	0.722
37	68	Kalabagh Headworks Div. DaudKhel	Overpayment due to non-recovery of old material -	0.282
38	71	Kalabagh Headworks Div. DaudKhel	Irregular expenditure due to violation of original scope of work	3.182

Sr. No.	PDP No.	Formation	Subject	Amount
39	78	Rachna Drainage Div. S/pura	Non-recovery of minus bills amount due to excessive measurements	1.983
40	80	Rachna Drainage Div. S/pura	Overpayment due to non-recovery of old material -	23.878
41	84	Machinery Div. LHR	Non-deposit of excess amount in Govt. revenue due to receipt of excess rate	13.575
42	85	Machinery Div. LHR	Non-deposit of excess amount in Govt. revenue due to receipt of excess rate	0.353
43	87	Machinery Div. LHR	Non-deposit of excess amount in Govt. revenue due to receipt of excess rate	0.837
44	88	Machinery Div. LHR	Un-justified consumption of diesel	0.658
45	89	Machinery Div. LHR	Unauthentic closing balance	2.805
46	90	Machinery Div. LHR	Unauthentic booking of work in log books	14.202
47	92	Rachna Drainage Div. S/pura	Non-recovery of mobilization advances	110.588
48	93	Rachna Drainage Div. S/pura	Non-recovery of income tax on PST	2.812
49	94	Rachna Drainage Div. S/pura	Non-recovery of secured advances	15.215
50	104	Mailsi Syphon Div. Thingi Vehari	Irregular payment due to without approval of JMF	3.096
51	106	Mailsi Syphon Div. Thingi Vehari	Overpayment due to application of incorrect rate	0.115
52	107	Mailsi Syphon Div. Thingi Vehari	Non-deposit of Income Tax	0.856
53	110	Bhakkar Canal Div. Bhakkar	Overpayment due to allowing inadmissible lead	0.280
54	111	Balloki H/W Div. Balloki	Loss to Government due to less collection of Toll tax than reserve price	40.269
55	112	Balloki H/W Div. Balloki	Loss to government due to non-forfeiture of Earnest money and security	11.595
56	114	Balloki H/W Div. Balloki	Undue financial aid due to non-obtaining of additional performance security	1.003
57	118	Balloki H/W Div. Balloki	Misclassification/ Irregular booking of expenditure	0.370
58	119	Balloki H/W Div. Balloki	Unjustified payment for uprooting/removal of Sarkanda growth	0.682
59	123	Kalabagh Headworks Div. DaudKhel	Loss to Govt. in millions of rupees due to non-installing AMI meters	-
60	124	Kalabagh Headworks Div. DaudKhel	Loss to Govt. due to non-encroachment of Govt. land (pond area) from encroachers	10.325

Sr. No.	PDP No.	Formation	Subject	Amount
61	129	Jampur Const. Div. Rajanpur	Excess payment due to excessive measurement	27.422
62	131	Jampur Const. Div. Rajanpur	Non-mutation of scheme's land in favour of Irrigation Department	428.000
63	132	Jampur Const. Div. Rajanpur	Unjustified payment on account of excess quantity of earth	0.376
64	133	Jampur Const. Div. Rajanpur	Overpayment due less/non- deduction of shrinkage factor	0.538
65	137	Jampur Const. Div. Rajanpur	Non-submission of vouched accounts	20.000
66	138	Jampur Const. Div. Rajanpur	Excess payment on account of execution of item of work	0.654
67	143	Jampur Const. Div. Rajanpur	Wasteful expenditure due to non-completion of work	32.995
68	144	Jampur Const. Div. Rajanpur	Irregular payment due to non-availability of detail measurement for	32.500
69	146	D.G Khan Const. Div.	Overpayment due to application of incorrect rates	99.907
70	147	D.G Khan Const. Div.	Overpayment due to allowing payment to the contractor on higher percentage	26.063
71	149	D.G Khan Const. Div.	Overpayment due to excess carriage of stone	2.007
72	151	D.G Khan Const. Div.	Misclassification/Irregular booking of expenditure	0.472
73	153	D.G Khan Const. Div.	Irregular expenditure due to procurement of steel from the non-sales tax	28.196
74	154	D.G Khan Const. Div.	Overpayment due to excessive measurement of stone filling in wire crates	0.095
75	163	Taunsa Barrage Div. Kot Adu	Overpayment due to less dumping of old stone	0.266
76	164	Taunsa Barrage Div. Kot Adu	Non-recovery due to non-execution for quantities of items of work	26.721
77	165	Taunsa Barrage Div. Kot Adu	Less recovery of installment of Toll Tax	6.806
78	166	Taunsa Barrage Div. Kot Adu	Fraudulent collection of Toll Tax not deposited into treasury/Bank	3.917
79	167	Taunsa Barrage Div. Kot Adu	Less obtaining additional performance security	10.396
80	168	Taunsa Barrage Div. Kot Adu	Irregular payment on account of Running Diesel Generator	0.679
81	169	Taunsa Barrage Div. Kot Adu	Non production of quotation	1.069
82	170	Taunsa Barrage Div. Kot Adu	Non-recovery on account of compensation for delay-	1.091
83	171	Mailsi Syphon Div. Thingi Vehari	Excess payment due to non-enhancement of contract agreement	9.342

Sr. No.	PDP No.	Formation	Subject	Amount
84	175	Mailsi Syphon Div. Thingi Vehari	Overpayment due to non-deduction of shrinkage allowance	0.638
85	176	Mailsi Syphon Div. Thingi Vehari	Unjustified payment without approval of JMF	3.196
86	178	Mailsi Syphon Div. Thingi Vehari	Unjustified provision on account of lumpsum payment of survey equipment and laboratory testing	6.113
87	181	Mailsi Syphon Div. Thingi Vehari	Non execution of necessary item of work	40.246
88	182	Mailsi Syphon Div. Thingi Vehari	Excess payment of	1.546
89	185	Mailsi Syphon Div. Thingi Vehari	Excess payment due to non-provision in BOQ/VO for	1.577
90	187	Mailsi Syphon Div. Thingi Vehari	Willful delay in completion of work	14.019
91	189	Mailsi Syphon Div. Thingi Vehari	Irregular payment due to non-preparation of rate analysis for	7.293
92	191	Mailsi Syphon Div. Thingi Vehari	Overpayment due to allowing inadmissible item of work for	1.110
93	192	Mailsi Syphon Div. Thingi Vehari	Non-revalidation of performance security	700.100
94	196	Mailsi Syphon Div. Thingi Vehari	Non-revalidation of additional performance security for	140.400
95	199	Mailsi Syphon Div. Thingi Vehari	Overpayment due to allowing inadmissible item of work	0.975
96	200	Mailsi Syphon Div. Thingi Vehari	Overpayment due to allowing higher rate for item of work	0.597
97	202	Mailsi Syphon Div. Thingi Vehari	Overpayment to contractor due to application of incorrect rate -	1.194
98	207	Bhakkar Canal Div. Bhakkar	Overpayment due to excess carriage of stone	51.315
99	208	Jampur Const. Div. Rajanpur	Non-obtaining of vouched account of	139.463
100	209	Jampur Const. Div. Rajanpur	Non-Credit of unclaimed deposits placed in Public Works deposit for	25.748
101	210	Jampur Const. Div. Rajanpur	Undue financial benefit to the contractor due to non- revalidation of additional performance security and less obtaining of performance security	41.568
102	211	Jampur Const. Div. Rajanpur	Irregular expenditure in excess of budget allocation –	0.052
103	212	Jampur Const. Div. Rajanpur	Loss to Govt. due to non-execution of low quoted items of work-	17.839
104	214	Jampur Const. Div. Rajanpur	Non-recovery of long outstanding secured advance -	4.850

Sr. No.	PDP No.	Formation	Subject	Amount
105	215	M/garh Canal Div. M/garh	Overpayment on account of higher/incorrect rate –	3.243
106	219	M/garh Canal Div. M/garh	Non-recovery due to non-employment of Graduate Engineers -	3.280
107	220	M/garh Canal Div. M/garh	Overpayment due to excess carriage of stone	1.689
108	222	D.G Khan Const. Div.	Non-obtaining of vouched account	65.732
109	223	Jampur Const. Div. Rajanpur	Non-completion of work due to slow progress & non-utilization of deposit	478.257
110	225	Taunsa Barrage Div. Kot Adu	Unjustified provision for the items of work	0.450
111	227	Taunsa Barrage Div. Kot Adu	Non-recovery on account of compensation for delay	19.292
112	228	Taunsa Barrage Div. Kot Adu	Likely misappropriation of government revenue	5.035
113	229	Taunsa Barrage Div. Kot Adu	Non-Reconciliation of	17.771
114	231	Taunsa Barrage Div. Kot Adu	Loss to government due to excessive rate of lead	0.883
115	232	Taunsa Barrage Div. Kot Adu	Loss to government due to excessive rate of lead	0.613
116	233	Taunsa Barrage Div. Kot Adu	Un Authentic Payment of	2.915
117	237	Secretary Irrg. Deptt. LHR	Non-submission of clear findings/recommendation on account of charges against the officers	-
118	239	Secretary Irrg. Deptt. LHR	Lapse of funds on the accounts of DLRR	0.624
119	240	Secretary Irrg. Deptt. LHR	Irregular payment on account of rehabilitation of Khadir Feeder, Khadir Disty and Chenab Escape	2.000
120	241	Secretary Irrg. Deptt. LHR	Un-Justified payment on account of Establishment of Strategic Planning/Reform Unit	19.346
121	243	Secretary Irrg. Deptt. LHR	Unjustified supply of fertilizers	0.829
122	244	Secretary Irrg. Deptt. LHR	Unjustified payment of pay and allowances through SNEs	53.773
123	245	Secretary Irrg. Deptt. LHR	Irregular expenditure on account of pay and allowance of PKPA without elections	123.480
124	246	Secretary Irrg. Deptt. LHR	Irregular grant of Technical Allowance to the staff of strategic planning reform unit (SPRU)	1.407
125	247	Secretary Irrg. Deptt. LHR	Non-recovery of penal rent from Mr. Tariq Aziz Ex SE Havili Canal Circle Multan	2.107

Sr. No.	PDP No.	Formation	Subject	Amount
126	248	Secretary Irrg. Deptt. LHR	Non recovery from Mr. M. Afzal Anjum Toor Ex DD (Design) Research Zone, Lahore	5.500
127	249	Secretary Irrg. Deptt. LHR	Non-recovery of overpaid Utility & Executive allowance etc. from M.Hamad Attique Khan	1.960
128	251	Secretary Irrg. Deptt. LHR	Irregular/bogus appointment of work charged employer by Executive Engineer Ch. M Ather	-
129	252	Secretary Irrg. Deptt. LHR	Unauthentic/Doubtful release of expenditure on account of Capacity Development and Technical Assistance	3.459
130	253	Secretary Irrg. Deptt. LHR	Irregular payment due excess expenditure on account of grant in AID	1.098
131	254	Secretary Irrg. Deptt. LHR	Unjustified expenditure on account of pay and allowances of contract employees for 2020-21	21.223
132	255	Secretary Irrg. Deptt. LHR	Unjustified expenditure on P.O.L & Maintenance of vehicles	2.898

Annex-A/4: LG&CD

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	1	XEN LG&CD Civil Division Gujranwala	Overpayment of brick work without conducting brick test	1.434
2	2	XEN LG&CD Civil Division Gujranwala	Irregular expenditure due to procurement of steel from non-sales tax register firm	7.850
3	4	XEN LG&CD Civil Division Gujranwala	Overpayment due to non-reduction of rate	0.576
4	5	XEN LG&CD Civil Division Gujranwala	Irregular expenditure to payment without JMF and bitumen test report	25.868
5	9	XEN LG&CD Civil Division Gujranwala	Overpayment on account of levelling and dressing	0.400
6	10	XEN LG&CD Civil Division Multan	Mis procurement of contractors services	45.500
7	12	XEN LG&CD Civil Division Multan	Irregular expenditure due to procurement of steel from non-sales tax register firm	0.881
8	13	XEN LG&CD Civil Division Multan	Non-recovery of GST	0.769
9	16	XEN LG&CD Civil Division Multan	Undue financial benefit to contractor due to non-obtaining of performance security	2.500
10	17	XEN LG&CD Civil Division Multan	Procurement of LED lights in violation of approved specification	20.363
11	18	XEN LG&CD Civil Division Multan	Non-obtaining of additional performance security	7.779
12	22	XEN LG&CD Civil Division Multan	Release of Additional performance guarantee before completion of work	8.136
13	23	XEN LG&CD Civil Division Multan	Irregular Enhancement of agreement	7.953
14	25	XEN LG&CD Civil Division Multan	Non-recovery due to use of substandard bricks	0.389
15	26	XEN LG&CD Civil Division Multan	Unjustified payment due to non-obtaining of JMF	43.820
16	29	XEN LG&CD Civil Division Rawalpindi	Irregular expenditure due to non-obtaining of GST invoices	18.011
17	32	XEN LG&CD Civil Division Rawalpindi	Irregular expenditure due to non-conducting lab tests	39.254
18	35	XEN LG&CD Civil Division Rawalpindi	Overpayment due to less adjustment of road crust	0.100
19	37	XEN LG&CD Civil Division Lahore	overpayment due to use of undersize bricks	0.941
20	41	XEN LG&CD Civil Division Lahore	Irregular payment beyond agreement amount	2.806

Sr. No.	PDP No.	Formation	Subject	Amount
21	44	Secretary LG&CD Lahore	Pilferage of public money due to release of salary to sacked people	0.450
22	46	Secretary LG&CD Lahore	Unauthorized expenditure incurred by defunct	62.116
23	47	Secretary LG&CD Lahore	Embezzlement of public money by transferring in bank account	2.633
24	49	Secretary LG&CD Lahore	Non-provision of due share of Provincial Finance Award to Local Governments	44.806
25	54	XEN LG&CD Civil Division Faisalabad	Unauthentic payment	1.457
26	58	XEN LG&CD Civil Division Faisalabad	Overpayment due to substandard bricks	0.544
27	60	XEN LG&CD Civil Division Faisalabad	Overpayment due to application of incorrect rate	0.599
28	62	XEN LG&CD Civil Division Faisalabad	Unjustified payment of plant premixed	8.558
29	64	XEN LG&CD Civil Division Faisalabad	Overpayment due to incorrect measurement	0.888
30	65	XEN LG&CD Civil Division Faisalabad	Unjustified advance payment	7.498
31	66	XEN LG&CD Civil Division Faisalabad	Irregular reduction in scope of work	5.734
32	69	DG Walled City Lahore	Overpayment due to use of substandard bricks	0.075
33	71	DG Walled City Lahore	Loss to govt due to MRS rates of irrelevant district	0.133
34	75	DG Walled City Lahore	Non recovery of mobilization advance of first installments	26.415
35	79	DG Walled City Lahore	Irregular expenditure on royal kitchen Lahore fort beyond MOU	33.000
36	80	DG Walled City Lahore	Non-execution of Projects on PPP mode	-
37	83	Secretary LG&CD Lahore	Non-transfer of funds	5,107.000
38	84	Secretary LG&CD Lahore	Overpayment due to not work done at site to the contractor	0.529
39	85	Secretary LG&CD Lahore	Excess payment due to allowing two allowances instead of one	2.779
40	87	Secretary LG&CD Lahore	Bogus appointment in shape of transfer orders of 32 Secretaries and Naib Qasids in Union Councils of District Sheikhpura resulting in loss of million rupees	-
41	89	XEN LG&CD Civil Division Lahore	Overpayment to contractor due to allowing inadmissible item having higher rate-Rs 560,750 and less	0.561

Sr. No.	PDP No.	Formation	Subject	Amount
			deduction of shrinkage of earth-Rs 143,458	
42	90	XEN LG&CD Civil Division Lahore	Irregular expenditure due to execution without pavement design	28.846
43	91	XEN LG&CD Civil Division Lahore	Over payment to the contractor on account of cost of manhole covers	0.606
44	94	XEN LG&CD Civil Division Lahore	Overpayment due to non-recovery/adjustment of available earth and road crust	0.168
45	95	XEN LG&CD Civil Division Rawalpindi	Irregular expenditure due to non-obtaining of invoices from approved refinery	6.567
46	96	XEN LG&CD Civil Division Rawalpindi	Overpayment due to higher rate of GI sheet	1.267
47	97	XEN LG&CD Civil Division Gujranwala	Overpayment due to allowing higher rate	1.680
48	98	DG Walled City Lahore	Loss of Potential Revenue	-
49	101	XEN LG&CD Civil Division Gujranwala	Less recovery of dismantled material	0.198
50	102	XEN LG&CD Civil Division Gujranwala	Overpayment due to wrong calculation	0.102
51	103	XEN LG&CD Civil Division Gujranwala	Irregular expenditure due to procurement of steel from un-registered sale tax firms Rs 48.050 million and non-recovery of GST Rs 8.169 million	8.169
52	106	XEN LG&CD Civil Division Gujranwala	Less recovery of income tax	0.328
53	108	XEN LG&CD Civil Division Gujranwala	Overpayment due to higher rate and miscalculation	138.696
54	117	DG Walled City Lahore	Loss to Government due to provision of 4% consultancy charges instead of 2% as in other mega projects	5.797
55	119	DG Walled City Lahore	Non-refund of advance payment form LAC/DC Lahore	36.225
56	120	DG Walled City Lahore	Overpayment due to allowing higher rates instead of approval of Non-BOQ item at MRS rates	0.160
57	123	XEN LG&CD DG KHAN	Non-recovery of GST	0.238
58	124	XEN LG&CD DG KHAN	Less-recovery of cost of dismantled material – Rs 100,165 and non-deduction of income tax	0.025
59	125	XEN LG&CD DG KHAN	Non-provision of invoices of bitumen from sales tax registered firm	14.983

Sr. No.	PDP No.	Formation	Subject	Amount
60	127	XEN LG&CD DG KHAN	Irregular expenditure due to procurement of steel from the non-sales tax registered firm and non-recovery of GST	2.194
61	129	XEN LG&CD DG KHAN	Overpayment due to application of incorrect rate	0.249
62	133	XEN LG&CD Faisalabad	Non-recovery of professional tax, enlistment and renewal fee	3.913
63	134	DG Walled City Lahore	Overpayment due to allowing horizontal shuttering in RCC	0.077
64	135	XEN LG&CD Faisalabad	Overpayment due to double payment for same work	1.037
65	138	XEN LG&CD DG KHAN	Less obtaining Non-obtaining/non-revalidation of performance/additional performance securities	55.348
66	140	XEN LG&CD DG KHAN	Overpayment due to excess lead	0.418
67	141	XEN LG&CD Civil Division Rawalpindi	Unjustified payment without soil classification	5.986
68	142	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate and inadmissible item	20.939
69	143	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate on account of excess lead	1.084
70	144	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate on account of excess lead	1.301
71	145	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate	0.352
72	146	XEN LG&CD Civil Division Rawalpindi	Irregular payment due to non-execution of primary item road embankment	7.186
73	147	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of incorrect rate	0.186
74	148	XEN LG&CD Civil Division Rawalpindi	Unjustified payment due to non-obtaining of invoices/proof regarding procurement of bitumen from NRL Karachi/PARCO Muzaffargarh	18.888
75	149	XEN LG&CD Civil Division Rawalpindi	Undue financial benefit to contractor due to non-obtaining of additional performance security	14.174
76	150	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of incorrect rate and execution of inadmissible items	2.100
77	151	XEN LG&CD Civil Division Rawalpindi	Non-recovery due to use of 2nd class bricks	0.308
78	152	XEN LG&CD Civil Division Rawalpindi	Non-recovery of dismantled material	0.464

Sr. No.	PDP No.	Formation	Subject	Amount
79	153	XEN LG&CD Civil Division Rawalpindi	Irregular payment due to misclassification	4.481
80	154	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate on account of excess lead	0.821
81	155	XEN LG&CD Civil Division Rawalpindi	Irregular payment due to non-conducting the Laboratory tests for verification of executed work as per specification	32.514
82	156	XEN LG&CD Civil Division Rawalpindi	Non-recovery of price de-escalation on diesel	1.481
83	157	XEN LG&CD Civil Division Rawalpindi	Overpayment due to non-deduction of quantity of available earth	2.773
84	158	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate	5.030
85	159	XEN LG&CD Civil Division Rawalpindi	Unjustified payment due to non-production of measurement books	20.495
86	160	XEN LG&CD Civil Division Rawalpindi	Irregular payment without approved rate analysis	1.165
87	161	XEN LG&CD Civil Division Rawalpindi	Unjustified payment without job mix formula and bitumen test report	4.244
88	162	XEN LG&CD Civil Division Rawalpindi	Overpayment due to non-deduction/adjustment of quantity of road crust	0.635
89	163	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate	1.755
90	164	XEN LG&CD Civil Division Rawalpindi	Unjustified deduction and release of testing charges	9.500
91	165	XEN LG&CD Civil Division Rawalpindi	Irregular payment on account of grant of secured advance	1.226
92	166	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate	2.778
93	167	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of incorrect rate	0.086
94	168	XEN LG&CD Civil Division Rawalpindi	Overpayment due to application of higher rate and allowing excess lead	1.000
95	169	XEN LG&CD Civil Division Rawalpindi	Non-obtaining/adjustment of 2% earnest money	10.271
96	170	XEN LG&CD Civil Division Rawalpindi	Overpayment due to non-deduction of site slope, camber and shrinkage	1.828
97	172	XEN LG&CD Civil Division Multan	Irregular payment due to procurement of bitumen from sales tax unregistered firm	11.030
98	173	XEN LG&CD Civil Division Multan	Irregular expenditure due to excess over budget allocation	6.950
99	174	XEN LG&CD Civil Division Multan	Unjustified payment due to non-production of invoices/proof regarding	30.582

Sr. No.	PDP No.	Formation	Subject	Amount
			procurement of bitumen from NRL Karachi/PARCO Muzaffargarh	
100	175	XEN LG&CD Civil Division Multan	Non-obtaining of additional performance securities	7.893
101	176	XEN LG&CD Civil Division Multan	Non-obtaining of vouched account	4.562
102	180	XEN LG&CD Civil Division Multan	Over payment due to non-reduction in rate of bricks	98.910
103	181	XEN LG&CD Civil Division Multan	Overpayment due to higher rate of carriage	0.249
104	182	XEN LG&CD Civil Division Multan	Unjustified payment due to non-obtaining of JMF	69.826
105	183	XEN LG&CD Civil Division Multan	Loss due to allowing inadmissible contractor's overhead & profit	0.806
106	185	XEN LG&CD Civil Division Multan	Non-surrender of funds/budget	347.813
107	186	XEN LG&CD Civil Division Multan	Non-recovery due to non-employment of Graduate Engineers	0.240
108	189	Secretary LG&CD Lahore	Non-preparation of budget, accounts and works rules under the new Punjab Local Government Act 2019	-
109	190	Secretary LG&CD Lahore	Loss to Punjab Local Government due to non-distribution of share as per new Local Government Act 2019	462.613
110	191	Secretary LG&CD Lahore	Loss to Punjab Local Government due to non-share of Provincial Finance Commission share to the defunct local governments as per Award	25,577.552
111	193	Secretary LG&CD Lahore	Loss due to ban on non-auction of Government sites and land of Local Government	31,863.299
112	194	Secretary LG&CD Lahore	Loss to Punjab Government due to less share of Provincial Finance Award	15,412.000
113	196	Secretary LG&CD Lahore	Non-recovery of conveyance allowance during leave period	0.037
114	197	Secretary LG&CD Lahore	Non-recovery due to execution of sub-standard specification	0.076
115	200	XEN LG&CD DG KHAN	Irregular expenditure due to procurement of steel from un-registered sale tax firms Rs 17.995 million and non-recovery of GST Rs 3.059 million	2.105
116	201	XEN LG&CD DG KHAN	Unjustified payment due to procurement of bitumen from unauthorized dealer	5.803
117	202	XEN LG&CD DG KHAN	Unjustified payment due to procurement of bitumen from unauthorized	5.363

Sr. No.	PDP No.	Formation	Subject	Amount
118	203	XEN LG&CD DG KHAN	Overpayment due to non-deduction of crust from earthwork	0.685
119	204	XEN LG&CD DG KHAN	Less recovery on account of non-maintenance of below percentage	0.105
120	206	XEN LG&CD DG KHAN	Incorrect maintenance of tender sale register	27.737
121	207	XEN LG&CD DG KHAN	Un-reliable expenditure due to non-maintenance of prescribed account format PWA-26	2,491.679
122	209	XEN LG&CD DG KHAN	Overpayment due to application of higher rates	0.167
123	215	XEN LG&CD DG KHAN	Overpayment due to non-reduction of rates of road edging	0.220
124	216	XEN LG&CD DG KHAN	Less deposit of Income Tax than deducted at source	66.360
125	217	XEN LG&CD DG KHAN	Overpayment due to non-utilization of retrieved excavated earth	0.227
126	219	XEN LG&CD DG KHAN	Less-recovery of cost of old material	0.207
127	220	XEN LG&CD DG KHAN	Overpayment due to higher rate of earthwork without approved lead	2.660
128	221	XEN LG&CD DG KHAN	Non maintenance of complete cash book for the financial year 2020-21	-
129	222	XEN LG&CD DG KHAN	Irregular expenditure due to non-entry of the cheque particulars on the counterfoil of used cheque books	2,491.679
130	223	XEN LG&CD DG KHAN	Non-recovery of cost of old material	0.372
131	224	XEN LG&CD DG KHAN	Non-recovery of income tax	0.506
132	227	XEN LG&CD DG KHAN	Overpayment due to allowing excess lead	0.123
133	229	XEN LG&CD Civil Division Gujranwala	Overpayment due to application of incorrect rate	0.165

Annex-A/5: Energy

(Rs in million)

Sr. No.	PDP No.	Formation	Subject	Amount
1	116	PEECA	Unjustified payment due to non-inspection/verification of supplied items	227.534
2	118	PEECA	Non-obtaining of approval from PEC	-
3	120	PEECA	Unjustified payments due to non-production of invoices, certificate of origin and pre-shipment documents	194.931
4	129	PEECA	Undue financial benefit to the contractor due to allowing excess amount against approval of drawing & design and clearance of site	22.753
5	130	PEECA	Inadmissible expenditure due to hiring of consultants for Energy Audits	1.747
6	134	PPMU	Non-revalidation of performance bank guarantee	11.020
7	135	PPMU	Non-clearance of contractor claim/withheld amounts	65.096
8	136	PPMU	Overpayment due to allowing excess amount as quoted by the contractor	19.384
9	138	PPMU	Unjustified payment of concrete lining of feeder channel	20.490
10	139	PPMU	Non-clearance of contractor's claim and withheld amounts	1,389.206
11	140	PPMU	Overpayment due to allowing higher conversion rate of US\$	1,066.660
12	143	PPMU	Loss due to delay in clearing of contractor's claim	0.946
13	144	PPMU	Loss to government due to payment of interest against delayed payments	0.662
14	146	PPMU	Overpayment due to allowing higher conversion rate of US\$	324.353
15	147	PPMU	Loss to government due to payment of interest against delayed payments	0.256
16	149	PPMU	Unjustified payment of additional work	33.788
17	150	PPMU	Non-clearance of contractor's claim/withheld amounts	746.407
18	151	PPMU	Unjustified payment/expenditure of concrete lining of feeder channel	194.794
19	152	PPMU	Overpayment due to allowing higher conversion rate of US\$	898.215
20	153	PPMU	Loss to government due to payment of interest against delayed payments	3.899
21	155	PPMU	Loss due to delay in payment of contractor's claim	0.946
22	157	PPMU	Non-deduction of income tax	0.514
23	159	PPMU	Non-rescinded of contract of consultants	-
24	161	PPMU	Overpayment due to allowing higher conversion rate of US\$	170.341

Sr. No.	PDP No.	Formation	Subject	Amount
25	165	PPMU	Loss of millions of Rupees due to non-provision of personnel for pre-commissioning	-
26	166	PPMU	Loss due to awarding of contracts to same contractor	9,767.000
27	167	PPMU	Inadmissible/unauthentic payment to the contractor	20.211
28	169	PPMU	Unauthentic payment due to non-conducting the detail measurement of civil works	894.124

Para 2.4.1.2.1
**Overpayment due to application of higher rate of material, labour,
carriage etc. – Rs 27.590 million**

Sr. No.	DP No.	Formation	Amount (Rs)
1	406	B.D No. 1 Gujranwala	3,237,596
2	413	B.D No. 1 Faisalabad (MFDAC 2020-21)	2,999,902
3	216	B.D No. 1 Faisalabad (MFDAC 2020-21)	2,204,059
4	530	B.D Narowal	1,888,632
5	120	B.D Mianwali	1,719,764
6	252	B.D No. 1 Bahawalpur	1,695,711
7	43	B.D Bhakkar	1,653,808
8	397	B.D Juhlum(MFDAC 2020-21)	1,653,583
9	98	B.D Mandi Bahauddin	1,555,220
10	86	6 th B.D LHR	1,021,260
11	519	B.D Mianwali	965,880
12	462	B.D No. 1 Rawalpindi	964,426
13	537	B.D No. 4 LHR	609,318
14	400	B.D No. 1 Gujranwala	608,907
15	4	B.D No. 02, LHR	482,186
16	349	B.D Chakwal	424,793
17	5	B.D No. 02, LHR	412,633
18	40	B.D No. 1 Bahawalpur(MFDAC 2020-21)	408,661
19	468	B.D Sargodha	388,887
20	40	B.D Bhakkar	386,967
21	11	B.D No. 1 Bahawalpur (MFDAC 2020-21)	378,624
22	207	B.D Chakwal (MFDAC 2020-21)	354,685
23	56	B.D No. 2 Lahore	342,597
24	48	B.D Bhakkar	311,179
25	24	B.D Bhakkar	298,871
26	13	B.D No. 02, LHR	207,267
27	36	B.D Bhakkar	205,135
28	8	B.D No. 02 LHR	120,612
29	327	B.D D.G. Khan	89,210
Total			27,590,373

Note: All Cases referred to FD for standardization/clarification except (DP 48) in which the department admitted the recovery.

Annex-II

Para 2.4.1.2.2
Overpayment due to application of higher rates of material, labour
& carriage etc. - Rs 23.769 million

Sr. No.	DP No.	Formations	Amount (Rs)
1	388	B.D No. 1, Multan	5,398,033
2	336	B.D Dera Ghazi Khan	3,984,000
3	255	B.D No. 1, Bahawalpur	2,658,187
4	522	B.D No. 3, Lahore	1,835,925
5	532	B.D Narowal	1,725,636
6	38	B.D Bhakkar	1,248,236
7	515	B.D Khushab (MFDAC 2020-21)	1,043,366
8	469	B.D Sargodha	845,935
9	224	B.D No. 4, Lahore	798,366
10	156	B.D Mandi Bahauddin	769,848
11	117	B.D Mianwali	657,354
12	268	B.D Mandi Bahauddin	632,784
13	422	B.D Sahiwal	515,769
14	39	B.D No. 1, Bahawalpur (MFDAC 2020-21)	407,388
15	226	B.D No. 4, Lahore	393,398
16	511	B.D Mianwali	335,160
17	9	B.D No. 2, Lahore	228,475
18	520	B.D No. 4, Lahore	213,409
19	360	B.D Chakwal	77,818
Total			23,769,087

Note: All cases referred to FD for standardization/clarification except (DP 520) in which the department admitted the recovery.

Annex-III

Para 2.4.1.2.3
Overpayment due to application of higher rates of material,
labour & carriage etc. - Rs 10.309 million

Sr. No.	DP No.	Formations	Amount (Rs)
1	393	B.D No. 1 Gujranwala	2,744,596
2	380	B.D No. 1 Multan	2,041,383
3	47	B.D Bhakkar	990,240
4	300	B.D Sheikhpura	785,123
5	236	B.D No. 4 Lahore	704,247
6	301	B.D Sheikhpura	475,886
7	1	B. D No. 2, Lahore	456,347

8	346	B.D Chakwal	415,842
9	436	B.D Sahiwal	281,818
10	138	B.D M&R(GOR), LHR	280,726
11	28	B.D No. 1 Bahawalpur (MFDAC 2020-21)	268,546
12	99	B.D Mandi Bahauddin	264,685
13	262	B.D No. 1, Bahawalpur	200,423
14	312	B.D Sheikhpura	113,629
15	317	B.D Sheikhpura	106,695
16	222	B.D No. 1 Faisalabad (MFDAC 2020-21)	93,405
17	310	B.D Sheikhpura	86,017
Total			10,309,608

Note: All the cases referred to FD for clarification/standardization

Annex-IV

Para 2.4.1.3

Overpayment due to non-utilization of available earth - Rs 31.792 million

Sr. No.	DP No.	Formations	Amount	SDAC Directives
1	51	B.D 4 Lahore	236,001	Referred to FD for clarification
2	49	B.D 4 Lahore	1,184,293	Recovery be effected
3	108	B.D No. 3 Lahore	465,859	Recovery be effected
4	116	B.D Mianwali	312,333	Actual recovery be effected
5	124	B.D Mianwali	3,161,621	Actual recovery be effected
6	155	B.D Mandi Bahauddin	347,491	Actual recovery be effected
7	198	B.D No. 5 Lahore	10,182,937	Pending for re-verification
8	206	B.D Bahawalnagar	987,185	Actual recovery be effected
9	222	B.D No. 4 Lahore	6,885,436	Pending for re-verification
10	244	B.D No. 1 Bahawalpur	253,450	Actual recovery be effected
11	256	B.D Bahawalpur	164,180	Actual recovery be effected
12	261	B.D No. 1 Bahawalpur	609,340	Pending for verification
13	258	B.D No. 1 Bahawalpur	11,070	Actual recovery be effected
14	328	B.D D.G Khan	487,494	Pending the para for re-verification
15	330	B.D D.G Khan	1,912,000	Actual recovery be effected
16	333	B.D D.G Khan	380,661	Actual recovery be effected
17	376	B.D No. 1 Multan	3,475,701	Actual recovery be effected
18	395	B.D No. 1 Gujranwala	79,516	Actual recovery be effected
19	479	B.D Sargodha	410,120	Actual recovery be effected
20	517	B.D Mianwali	245,309	pending for re-verification
Total			31,791,997	

Para 2.4.1.7
Non-recovery of price variation - Rs 30.086 million

Sr. No.	DP No.	Name of Division	Amount (Rs)	SDAC Directives
1	102	B.D Mandi Bahauddin	175,815	Pending for actual recovery
2	151	B.D Mandi Bahauddin	345,583	Pending for actual recovery
3	160	B.D Mandi Bahauddin	1,033,366	Pending for actual recovery
4	335	B.D Dera Ghazi Khan	1,376,523	Pending for actual recovery
5	260	B.D No. 1 Bahawalpur	388,994	Pending for actual recovery
6	364	B.D Chakwal	853,857	Pending for actual recovery
7	413	B.D Sahiwal	2,634,349	Pending for re-verification
8	243 (MFDAC 2020-21)	B.D Chakwal	171,108	Pending for actual recovery
9	206 (MFDAC 2020-21)	B.D Chakwal	158,032	Pending for actual recovery
10	523 (MFDAC 2020-21)	B.D Khushab	867,750	Pending for actual recovery
11	788	B.D Dera Ghazi Khan	21,753,417	Pending for actual recovery
12	520	B.D No. 4, Lahore	327,386	Pending for actual recovery
Total			30,086,180	

Para 2.4.1.9
Undue financial benefit due to non-obtaining of the performance guarantees and additional performance guarantees –
Rs 1,016.652 million

Sr. No.	DP No.	Formations	Amount	SDAC Directives
1	2	B.D No. 2 Lahore	10,502,807	Pending for re-verification
2	17	B.D No. 2 Lahore	23,215,692	Pending for re-verification
3	82	B.D No. 6 Lahore	8,646,000	Pending for re-verification

Sr. No.	DP No.	Formations	Amount	SDAC Directives
4	126	B.D Mianwali	162,233,000	Pending for re-verification
5	129	B.D M&R(GOR) LHR	4,775,839	Pending for re-verification
6	179	B.D Bahawalnagar	96,421,096	Pending for re-verification
7	199	B.D No. 5 Lahore	276,885,729	Pending for re-verification
8	246	B.D No. 1 Bahawalpur	49,247,766	Pending for re-verification
9	267	B.D No. 1 Bahawalpur	5,349,346	Pending for re-verification
10	345	B.D Chakwal	5,299,805	Pending for re-verification
11	485	B.D GOR(M&R) LHR	1,415,418	Pending for re-verification
12	531	B.D Narowal	2,040,412	Pending for re-verification
13	729	B.D No. 1 Bahawalpur (MFDAC 2020-21)	370,618,760	Pending for re-verification
Total			1,016,651,670	

Annexure-VII

Para 2.4.2.2

Overpayment due to application of higher rate - Rs 69.989 million

Sr. No.	DP No.	Name of Formation	Amount (Rs)	SDAC directives
1	67 (MFDAC 20-21)	HD, Rawalpindi	15,949,939	Clarification be sought from FD
2	63 (MFDAC 20-21)	HD, Mianwali	12,088,752	-do-
3	41 (MFDAC 20-21)	HD, Chakwal	11,530,515	-do-
4	191 (MFDAC 20-21)	HD, Murree	7,793,492	-do-
5	379 (21-22)	HD, Chakwal	7,534,081	-do-
6	400 (21-22)	HD, Mianwali	4,564,915	-do-
7	530 (21-22)	HD, Rawalpindi	3,436,880	-do-
8	303 (MFDAC 20-21)	HD, Jhelum	3,184,063	-do-
9	607 (21-22)	HD, Jhelum	980,789	-do-
10	338 (21-22)	HD, Murree	848,732	-do-
11	329 (21-22)	HD, Murree	648,514	-do-
12	332 (21-22)	HD, Murree	556,627	-do-
13	440 (MFDAC 20-21)	RCD, Rawalpindi	467,856	-do-
14	633 (21-22)	HD, Murree	403,501	-do-
Total			69,988,656	

Annexure-VIII

Para 2.4.2.4

Overpayment due to application of incorrect rate – Rs 49.816 million

Sr. No.	DP No.	Name of Formation	Amount (Rs)	SDAC directives
1	645 (MFDAC 20-21)	HD, Rajapur	19,387,325.40	Rate analysis be reviewed and actual recovery be effected
2	668 (MFDAC 20-21)	HD, Sialkot	6,851,828.46	Rate analysis be reviewed and actual be effected
3	393 (21-22)	HD, Chakwal	4,907,047.20	Rate analysis be reviewed and actual be effected
4	423 (MFDAC 20-21)	HD, Jhelum	4,539,558.04	Prepare rate analysis on the basis of prevailing strata/ bore log
5	77 (MFDAC 20-21)	HD, Attock	3,577,869.60	Adjust the recovery on account of difference of rates
6	554 (21-22)	HD, M.B.Din	2,506,809.67	Rate analysis be reviewed and actual recovery be effected
7	515 (MFDAC 20-21)	HD, Attock	2,343,805.20	Rate analysis be reviewed and actual recovery be effected
8	157 (21-22)	HD, Khushab	1,189,527.80	Record be got re-verified within 07 days
9	418 (MFDAC 20-21)	HD, Rawalpindi	1,783,381.95	Rate analysis be reviewed and actual recovery be effected
10	56 (MFDAC 20-21)	HD, Faisalabad	1,556,474.47	Recovery be effected
11	591 (MFDAC 20-21)	HD, Lodhran	1,172,755.20	Record be got re-verified within 07 days
Total			49,816,382.99	

Annexure-IX

Para 2.4.2.7

**Overpayment due to non-adjustment of available earth –
Rs 14.813 million**

(Amount in Rs)

Sr. No.	DP No.	Name of Formation	Objected Amount	Effectuated Amount	Balance Amount	SDAC directives
1	578 (21-22)	HD, Bhakkar	2,629,295	-	2,629,295	Admitted recovery be effected
2	449 (21-22)	HD, Hafizabad	2,011,695	-	2,011,695	Actual recovery be effected
3	381 (21-22)	HD, Chakwal	1,986,864	-	1,986,864	detailed verification as per cross section within 7 days

4	583 (21-22)	HD, Khushab	1,912,946	-	1,912,946	pending for re-verification of record within 7 days
5	180 (21-22)	HD, Bahawalpur	1,868,903	145,409	1,723,494	Balance recovery be effected
6	610 (21-22)	HD, Gujranwala	1,538,267	-	1,538,267	Admitted recovery be effected
7	537 (21-22)	HD, Rawalpindi	1,264,724	-	1,264,724	pending for provision of certificate from JRO and soil test report
8	526 (21-22)	HD, Rawalpindi	543,042	-	543,042	pending for re-verification of adjustment of available earth
9	686 (21-22)	HD, Khanewal	446,865	-	446,865	adjust balance quantity of earth and get it verified
10	131 (21-22)	HD, Nankana Sahib	1,955,366	1,527,256	428,110	Balance recovery be effected
11	304 (21-22)	HD, Sheikhupura	327,956	-	327,956	pending for re-verification for record
Total			16,485,923	1,672,665	14,813,258	

Annexures-X

**Para 2.4.2.14
Non recovery due to less use of dismantled
material – Rs 56.072 million**

Sr. No.	DP No.	Name of Formation	Amount (Rs)	SDAC directives
1	402 (21-22)	HD, Mianwali	10,216,000	Reduced the para and effect balance recovery
2	108 (21-22)	HD, Layyah	8,240,280	Admitted recovery be effected
3	424 (21-22)	HD, Sargodha	8,144,000	Actual recovery be effected
4	683 (21-22)	HD, Khanewal	6,450,000	Complete record be verified
5	317 (21-22)	HD, Sialkot	6,052,116	Balance recovery be effected
6	173 (21-22)	HD, Bahawalpur	5,618,335	Pending till adjustment of earth otherwise recovery
7	383 (21-22)	HD, Chakwal	5,047,445	Record be got re-verified
8	622 (21-22)	HD, Gujranwala	2,034,812	Admitted recovery be effected
9	452 (21-22)	HD, Hafizabad	1,259,569	Admitted recovery be effected

10	594 (21-22)	HD, Jhelum	1,197,535	Adjust balance quantity in next R/bill
11	609 (21-22)	HD, Gujranwala	836,877	Admitted recovery be effected
12	370 (21-22)	HD, Sahiwal	492,225	Reduced and pending the para for use of balance quantity
13	204 (21-22)	HD, Khushab	261,323	Record be verified
14	168 (21-22)	HD, Khushab	220,989	Actual recovery be effected
Total			56,071,506	

Annexures-XI

Para 2.4.2.16

Less-recovery of dismantled material - Rs 31.644 million

Sr. No.	DP No.	Name of Formation	Objected Amount	Effected Amount	Balance Amount (Rs)	SDAC directives
1	593 (21-22)	HD, Khushab	13,040,060	-	13,040,060	Record be got re-verified
2	414 (21-22)	HD, Mianwali	5,391,094	-	5,391,094	Actual recovery be effected
3	557 (21-22)	HD, M.B Din	3,561,757	-	3,561,757	Committee directed that justify the less recovery of dismantled material with solid grounds/evidences otherwise to effect recovery
4	435 (21-22)	HD, Hafizabad	2,855,914	-	2,855,914	(i)Detail record be verified (ii)Admitted recovery be effected
5	565 (21-22)	HD, M.B Din	1,247,226	-	1,247,226	(i)Admitted recovery be effected (ii)Record of recovery be verified
6	391 (21-22)	HD, Chakwal	1,185,600	-	1,185,600	Admitted recovery be effected
7	678 (21-22)	HD, Khanewal	2,090,994	-	2,090,994	Record be verified
8	684 (21-22)	HD, Khanewal	13,524,528	12,790,991	733,537	Revised TS be verified
9	110 (21-22)	HD, Layyah	1,748,750	1,148,128	600,622	Balance recovery be effected

10	409 (21-22)	HD, Mianwali	392,809	-	392,809	Record of recovery be got re- verified
11	133 (21-22)	HD, Nankana Sahib	2,738,779	2,516,179	222,600	Balance recovery be effected/adjusted
12	342 (21-22)	HD, Murree	338,807	169,404	169,403	Balance recovery be effected
13	195 (21-22)	HD, Gujrat	152,736	-	152,736	Admitted recovery be effected
Total			48,269,054	16,624,702	31,644,352	

Annexures-XII

Para 2.4.2.18

Non-recovery due to use of under sized bricks – Rs 19.626 million

Sr. No.	DP No.	Name of Formation	Objected Amount	Effected /Verified Amount	Balance Amount (Rs)	SDAC directives
1	613 (21-22)	HD, Gujranwala	7,849,690	2,138,045	5,711,645	04 Nos. Lab test reports has been produced by the department out of 18 Nos.
2	418 (21-22)	HD, Mianwali	4,384,000	-	4,384,000	Record of final bills be verified
3	179 (21-22)	HD, Bahawalpur	2,142,414	-	2,142,414	Lab test reports be verified
4	298 (21-22)	HD, Sheikhupura	3,451,001	1,511,001	1,940,000	Sub para No. 6 & 17, Lab Test reports produced by the department and DP reduced for sub para No. 21&30
5	59 (21-22)	HD, Bhakkar	1,868,855	-	1,868,855	Record be got re-verified
6	199 (21-22)	HD, Gujrat	1,438,204	-	1,438,204	Record be got re-verified

7	562 (21-22)	HD, M.B Din	735,671	-	735,671	Actual recovery be effected
8	202 (21-22)	HD, Gujrat	507,162	-	507,162	Record be got re-verified
9	555 (21-22)	HD, M.B Din	414,149	-	414,149	Record be got re-verified
10	111 (21-22)	HD, Layyah	1,269,140	976,397	292,743	Balance recovery be effected
11	162 (21-22)	HD, Khushab	1,166,651	975,080	191,571	Balance recovery be effected
Total			25,226,937	5,600,523	19,626,414	

Annex-XIII

**Para 3.4.1.2.1
Overpayment due to incorrect rate - Rs 45.408 million**

Sr. No.	DP. No.	Formation	Items	Rate Paid	To be Paid	Diff.	Qty Paid	Over payment	Recovery effected	Balance
1	407	ADS-II, LDA	Side Wall, Wing Wall and roof slab of culvert and base slab	13000 per cu.m	9018 per cu.m	3982 per cu.m	1653.27 per cu.m	6,583,321	-	6,583,321
2	404	ADS-II, LDA	Granular Backfill with sand	700 cu.m	678 cu.m	22 cu.m	1522.33 cu.m	140,054	-	140,054
3	250	Building-I	RCC 5000 PSI	512 cft	320 cft	192 cft	34000 cft	10,772,604	-	10,772,604
4	213	Building-I	Supply and fill sand	1802 %cft	1466 %cft	336 %cft	424197.21 cft	7,717,726	-	7,717,726
5	210	Building-I	RCC in Columns and roof slab 5000 PSI	512 %cft	411.5 %cft	101.25 %cft	29698.881 cft	6,975,755	-	6,975,755
6	212	Building-I	Supply & filling select fill of sub base and sand	5422 %cft	3859.29 %cft	1562.71 %cft	424197.71 cft	6,628,959	-	6,628,959
7	262	Building-I	RCC in roof slab beams 4000 PSI	451.3 %cft	348.12 %cft	67.18 %cft	31667.92 cft	2,299,051	-	2,299,051
8	209	Building-I	Excavation and removal of malba	7829.68 0%cft	7394.07 %cft	435.61 %cft	1936536.21 cft	1,659,425	815,952	843,473
9	211	Building-I	Supply & filling clean and screened river or pot sand	1466.02 %cft	1235.75 %cft	230.37 %cft	424197.71 cft	1,039,212	-	1,039,212

10	197	Dir. Finance	Non-Standardized electric items	20% Contract Profit	5% Contract Profit	15% Contract Profit		937,435	-	937,435
11	253	Building-I	Excavation and removal of malba	10 per cft	9.12 per cft	0.88 per cft	275062.33 per cft	710,486	477,571	232,915
12	207	Building-I	Excavation in foundation of Building	6130.10 %0 cft	2935.7 %0 cft	3194.4 %0 cft	138773.36 %0 cft	461,739	-	461,739
13	208	Building-I	RCC in Columns and roof slab 5000 PSI	512.75 %cft	419.89 %cft	92.86 %cft	2580.88 cft	252,127	-	252,127
14	254	Building-I	Hold Fast I Brick masonry	200 each	173.6 each	26.4 each	1084 Nos	200,978	12,796	188,182
15	237	ADS-II, LDA	Raising of manholes	5108 each	-	-	30 Nos	153,240	-	153,240
16	236	ASD-I, LDA	P/L 2" plant mixed carpet using 4.5 % bitumen	9719.24 %cft	9353.41 %cft	365.83 %cft	28890 sft	105,688	-	105,688
17	266	ADS-II, LDA	Dismantling of road crust	2207.92 %cft	1942.65 %cft	265.27 %cft	-	76,621	-	76,621
Total								46,714,421	1,306,319	45,408,102

Annex-XIV

Para 3.4.1.4

Non-recovery of annual commercialization and late surcharge fees – Rs 1,005.730 million

Sr. No.	DP No.	Formation	Amount of Para	Admitted Recovery	Effectuated Recovery	Balance Recovery
1	356	Dir TP-III LDA	259,230,000	259,230,000	19,695,000	239,535,000
2	335	Dir TP-IV LDA	229,556,000	229,556,000	7,234,560	222,321,440
3	352	Dir TP-III LDA	186,545,000	186,545,000	1,845,000	184,700,000
4	350	Dir TP-III LDA	179,485,000	179,485,000	14,884,000	164,601,000
5	443	Dir TP-II LDA	95,485,000	95,485,000	8,533,000	86,952,000
6	446	Dir TP-II LDA	3,6034,000	3,6034,000	30,106,800	5,927,200
7	354	Dir TP-III LDA	24,606,000	24,606,000	1,237,699	23,368,301

8	337	Dir TP-IV LDA	18,161,000	18,161,000	5,449,944	12,711,056
9	436	Dir TP-I LDA	1,0296,000	1,0296,000	0	1,0296,000
10	355	Dir TP-III LDA	9,742,000	9,742,000	2,649,229	7,092,771
11	351	Dir TP-III LDA	7,104,000	7,104,000	2,112,000	4,992,000
12	431	Dir TP-I LDA	6,544,000	6,544,000	0	6,544,000
13	349	Dir TP-III LDA	6,164,000	6,164,000	0	6,164,000
14	437	Dir TP-I LDA	5,441,000	5,441,000	0	5,441,000
15	357	Dir TP-III LDA	5,304,000	5,304,000	2,189,616	3114384
16	433	Dir TP-I LDA	5,058,000	5,058,000	407,180	4,650,820
17	442	Dir TP-II LDA	3,754,000	3,754,000	380,440	3,373,560
18	447	Dir TP-II LDA	3,455,000	3,455,000	0	3,455,000
19	435	Dir TP-I LDA	3,381,600	3,381,600	0	3,381,600
20	347	Dir TP-IV LDA	2,962,000	2,962,000	0	2,962,000
21	444	Dir TP-II LDA	1,492,000	3,600,000	1,131,428	2,468,572
22	439	Dir TP-I LDA	590,869	590,869	0	590,869
23	341	Dir TP-IV LDA	488,000	488,000	0	488,000
24	438	Dir TP-I LDA	430,914	430,914	0	430,914
25	440	Dir TP-I LDA	168,782	168,782	0	168,782
Total			1,101,478,165	1,103,586,165	97,855,896	1,005,730,269

Annex-XV

Para 3.4.1.5

**Non-imposition of Penalty on account of building surcharge and
un-authorized commercial use - Rs 691.438 million**

(Rs in million)

Sr. No.	DP No.	Formation	Amount	Effected	Balance
1	432	Director TP – I LDA Lahore	105.25	0	105.25
2	451	Director TP – II LDA Lahore	105.057	1.437	103.62
3	368	Director TP – III LDA Lahore	102.20	0	102.20
4	367	Director TP – III LDA Lahore	89.971	0.704	89.267
5	338	Director TP – IV LDA Lahore	71.170	1.327	69.843
6	369	Director TP – III LDA Lahore	69.35	0	69.35

7	449	Director TP – II LDA Lahore	57.495	0.625	56.870
8	339	Director TP – IV LDA Lahore	49.250	0	49.250
9	445	Director TP – II LDA Lahore	24.322	0	24.322
10	336	Director TP – IV LDA Lahore	7.695	0	7.695
11	353	Director TP – III LDA Lahore	4.108	0	4.108
12	342	Director TP – IV LDA Lahore	1.826	0	1.826
13	346	Director TP – IV LDA Lahore	1.485	0	1.485
14	434	Director TP – I LDA Lahore	1.958	0.642	1.316
15	448	Director TP – II LDA Lahore	1.249	0	1.249
16	452	Director TP – II LDA Lahore	1.551	0.496	1.055
17	343	Director TP – IV LDA Lahore	0.973	0	0.973
18	450	Director TP – II LDA Lahore	1.359	0.455	0.903
19	344	Director TP – IV LDA Lahore	0.855	0	0.856
Total			697.124	5.686	691.438

Annex-XVI

**Para 3.4.1.7
Non-recovery of GST - Rs 219.000 million**

(Rs in million)

Sr. No.	DP No.	Formation	Item	Amount	Admitted
1	393	Director ADS-II LDA Lahore	Various Steel Item	15.567	-
2	293	Director ADS-I LDA Lahore	Electrical	0.557	-
3	399	Director ADS-II LDA Lahore	Steel	15.021	-
4	391	Director ADS-II LDA Lahore	Vertical Shaft deep well turbine pump	0.944	-
5	389	Director ADS-II LDA Lahore	Tuff pavers, CR and TP paint and cat eyes	0.795	-

6	388	Director ADS-II LDA Lahore	-	0.524	-
7	383	Director ADS-II LDA Lahore	Various Item	0.787	-
8	361	Director Co-ordination and Implementation LDA Lahore	Supply of Office Stationary.	2.843	-
9	333	Director Finance LDA Lahore	-	2.517	2.517
10	192	Director Finance LDA Lahore	Group Insurance Services	1.213	-
11	214	Director Building-I LDA Lahore	Fabrication of mild steel grade 60	176.578	-
12	225	Director ADS-I LDA Lahore	Fabrication of mild steel	0.152	-
13	259	Director ADS-II LDA Lahore	Fabrication of mild steel	1.502	-
Total				219.00	2.517

Annex-XVII

**Para 3.4.1.15
Irregular payment due to non-obtaining of JMF dully approved
by RR&MTI – Rs 230.657 million**

Sr. No.	DP No.	Formation	Amount (Rs)	SDAC Directives
1	410	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	80,872,741	To provide JMF dully approved byRRMTI
2	425	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	34,230,359	-do-
3	426	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	34,230,359	-do-
4	412	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	22,152,844	-do-
5	377	Director Engineering ADS-II, LDA, U.D.Wing, Lahore	12,538,353	-do-
6	427	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	8,698,396	-do-
7	373	Director Engineering ADS-II, LDA, U.D.Wing, Lahore	7,283,666	-do-
8	387	Director Engineering ADS-II, LDA, U.D.Wing, Lahore	6,930,475	-do-
9	417	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	5,611,499	-do-
10	419	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	5,402,343	-do-

11	382	Director Engineering ADS-II, LDA, U.D.Wing, Lahore	5,035,094	-do-
12	422	Director Engineering ADS-I, LDA, U.D.Wing, Lahore	4,771,993	-do-
13	378	Director Engineering ADS-II, LDA, U.D.Wing, Lahore	2,898,590	-do-
Total			230,656,712	

Annex-XVIII

Para 3.4.3.1

Non-recovery of advertisement fees - Rs 205.815 million

(Rs in million)

Sr. No.	DP No.	Name of Formations	Amount	Recovery Admitted	Effectuated & verified	SDAC Directives
1	163	Dir-Marketing, PHA Lahore	193.351	193.351	-	Pending till decision of court
2	157	-do-	11.364	11.364	13.020	-do-
3	150	-do-	7.692	7.692	7.376	To effect bal Recovery
4	217	-do-	3.386	3.386	-	Pending till decision of court
5	151	-do-	1.588	1.588	-	To Effect Recovery
6	154	-do-	1.489	1.489	-	Pending till decision of court
7	155	-do-	1.184	1.184	-	To Effect Recovery
8	156	-do-	1.038	1.038	-	To Effect Recovery
9	327	-do-	1.008	1.008	0.378	Pending for Report
10	162	-do-	0.900	0.900	-	To Effect Recovery
11	218	-do-	0.833	0.833	0.314	Pending till decision of court
12	489	-do-	0.670	0.670	0.140	-do-
13	220	-do-	0.619	0.619	0.309	To effect balance Recovery
14	219	-do-	0.605	0.605	0.309	-do-
15	158	-do-	0.529	0.529	-	Pending till decision of court
16	159	-do-	0.518	0.518	-	-do-

17	152	-do-	0.405	0.405	0.281	To Effect balance Recovery
18	149	-do-	0.349	0.349	-	Pending till decision of court
19	161	-do-	0.299	0.299	-	To Effectuated Recovery
20	160	-do-	0.117	0.117	-	Pending till decision of court
Total			227.944	227.944	22.127	

Annex-XIX

Para 3.4.6.1.3

Overpayment due to application of higher rate – Rs 8,725,081

Sr. No.	DP No.	Name of Formation	Amount (Rs)	SDAC Directives
1	85	PHE Division, Faisalabad	1,215,172	Refer to FD
2	327	PHE Division, Sheikhpura	720,000	Re-verification of record
3	56	PHE Division, Faisalabad	356,738	Re-verification of record
4	241	PHE Division, Mianwali	302,967	Re-verification of record
5	274	PHE Division, Attock	233,568	Recovery be effected
6	249	PHE Division, Mianwali	217,755	Recovery be effected
7	11	PHE Division, Multan	128,560	Refer to FD
8	40	PHE Division No.II, DG Khan	5,550,321	Probe by SE
Total			8,725,081	

Annex-XX

Para 3.4.6.6

Overpayment due to excess measurement - Rs 11.034 million

Sr. No.	DP No.	Name of Formation	Amount (Rs)	SDAC Directives
1	06	PHE Division, Multan	1,240,103	Conduct inquiry from SE Multan
2	330	PHE Division, Sheikhpura	498,191	Record verification within 15 days
3	25	PHE Division-I, DG Khan	322,420	-do-
4	10	PHE Division, Multan	322,159	-do-
5	333	PHE Division, Kasur	1,347,626	Recovery be effected
6	227	PHE Division-II, DG Khan	144,133	Recovery be effected
7	103	PHE Division-I, DG Khan	1,549,600	Re-visit of analysis of calculation of actual recovery

8	110	PHE Division-II, DG Khan	2,443,000	Re-visit of analysis of calculation of actual recovery
9	320	PHE Division, Sheikhpura	620,931	Recovery be effected
10	100	PHE Division-I, DG Khan	387,888	Recovery be effected
11	218	PHE Division-II, DG Khan	629,437	Re-verification of actual recovery
12	215	PHE Division-II, DG Khan	263,492	Re-verification of actual recovery
13	101	PHE Division No.I, DG Khan	1,265,000	Recovery be effected
Total			11,033,980	

Annex-XXI

Para 3.4.6.13

Non-recovery of old material and wastage - Rs 36.456 million

Sr. No.	DP No.	Formation	Description of Items	Recovery Amount (Rs)	SDAC Directives
1	30	PHE Division-I, DG Khan	Dismantling brick or flagged flooring	17,096,086	Committee directed the department to effect recovery.
2	172	PHE Division, Sialkot	Dismantling of road pavement	6,495,702	Committee directed the department to effect
3	175	PHE Division, Sialkot	Dismantling brick or flagged flooring	3,129,000	Seek advice from FD
4	113	PHE Division No.II, DG Khan	Shingle gravel	3,010,410	Re-verification of complete record
5	164	PHE Division, Sialkot	Dismantling brick or flagged flooring	2,366,653	Re-verification of recovery as per TS estimate provision
6	52	PHE Division-II, DG Khan	Dismantling of road pavement	1,298,589	Committee directed to pursue the case for final decision.
7	22	PHE Division-I, DG Khan	Dismantling of tuff pavers	945,153	To effect recovery of dismantled material @ 75% of dismantled tuff pavers.

8	121	PHE Division, Lahore	Dismantling of RCC	415,182	To effect recovery
9	169	PHE Division, Sialkot	Fabrication of mild steel 8.62%	353,321	Seek advice from FD
10	60	PHE Division, Faisalabad	Fabrication of mild steel 8.62%	285,116	Seek advice from FD
11	58	PHE Division, Faisalabad	Dismantling brick or flagged flooring	253,025	To effect the recovery @ 33% of bricks bats
12	161	PHE Division, Sialkot	Dismantling of brick work	243,106	Committee directed the department to effect recovery
13	77 (2020-21) MFDAC	PHE Division, Rahim Yar Khan	Fabrication of mild steel 8.62%	564,900	Seek advice from FD
Total				36,456,243	

Annex-XXII

**Para 3.4.6.14
Non-recovery of General Sales Tax - Rs 32.216 million**

(Amount in Rs)

Sr. No.	DP No.	Formation	Description of Items	17% GST	SDAC Directives
1	23	PHE Division-I, DG Khan	Tuff pavers 60 mm and RCC Pipes	9,430,267	Provide GST invoices for verification within 15 days
2	134	PHE Division, T.T Singh	PVC/AC Pipes	8,120,771	Re-verification of GST invoices within 15 days
3	61	PHE Division, Faisalabad	Pumping machinery	4,542,421	Provide GST invoices for verification within 07 days
4	116	PHE Division, Lahore	RO and UF Plants	3,422,749	Provide GST invoices for verification within 07 days
5	28	PHE Division-I, DG Khan	RO and UF Plants	1,962,947	Provide GST invoices for verification within 07 days otherwise effect recovery
6	04	PHE Division, Multan	RO and UF Plants	1,454,151	Provide GST invoices for verification within 15 days otherwise effect recovery

7	67	PHE Division, Faisalabad	Steel	1,415,231	Provide GST invoices for verification within 03 days otherwise effect recovery
8	252	PHE Division, Mianwali	Steel	564,772	Provide GST invoices for verification within 07 days
9	106	PHE Division-I, DG Khan	Pumping machinery	550,165	Provide GST invoices for verification within 07 days
10	46	PHE Division-II, DG Khan	S/I of hand pumps	524,300	To effect recovery within 15 days
11	292	PHE Division, Attock	Pumping machinery	227,970	Provide GST invoices for verification within 07 days
Total				32,215,744	

Annex-XXIII

**Para 3.4.6.19
Irregular expenditure due to procurement from the unregistered firms - Rs 78.308 million**

Sr. No.	DP No.	Formation	Description of Items	17% GST (Rs)	SDAC Directives
1	44	PHE Division-II, DG Khan	PVC Pipes and HDPE Pipes	44,717,156	Committee directed the department to produce record for verification within 7 days.
2	253	PHE Division, Mianwali	Sewer suction and jetting unit with Hino Truck	16,194,400	-do-
3	127	PHE Division, Lahore	Fabrication of Mild steel	10,479,773	-do-
4	34	PHE Division-I, DG Khan	Fabrication of Mild steel	3,946,275	-do-
5	162	PHE Division, Sialkot	Pumping machinery	1,891,000	-do-
6	318	PHE Division, Sheikhpura	Fabrication of Mild steel	1,079,569	-do-
Total				78,308,173	

Annex – XXIV

**Para 5.4.1.14
Undue financial benefit due to allowing advance payments at
higher rates – Rs 1,445.130 million**

Sr. No	Name of work	Name of Contractor	Date of Award	Amount of Contract (Rs)	Amount of Mob. Advance @ 20% (Rs)	Mob. Adv. @ 10% (Rs)	Work Certified upto 30.06.2021 (Rs)	Physical Progress (%)
1	WATSAN Works (Lot-1) Sahiwal	M/s TMT-MAC (JV)	17.11.2020	2,058,818,352	411,763,671	205,881,835	198,587,536	9.65%
2	WATSAN Works (Lot-2) Sahiwal	M/s CGICOP	13.10.2020	2,128,310,936	425,662,187	212,831,094	90,242,242	4.24%
3	WATSAN Works (Lot-3) Sahiwal	M/s CGICOP	04.03.2021	1,872,977,187	374,595,437	187,297,718	Work not started up to 30.06.2021	
4	WATSAN Works (Lot-4) Sahiwal	M/s ZKB-Reliable (JV)	01.04.2021	1,952,248,219	390,449,449	195,224,822		
1	WATSAN Works (Lot-1) Sialkot	M/s ZKB-Reliable (JV)	25.11.2020	1,914,199,996	382,839,999	191,420,000	59,618,949	3.11%
2	WATSAN Works (Lot-2) Sialkot	M/s ZKB-Reliable (JV)	25.11.2020	1,824,989,269	364,997,854	182,498,927	55,235,674	3.02%
3	WATSAN Works (Lot-3) Sialkot	M/s ZKB-Reliable (JV)	15.06.2021	1,551,000,013	310,200,003	155,100,001	-	-
4	WATSAN Works (Lot-4) Sialkot	M/s ZKB-Reliable (JV)	25.11.2020	1,148,752,166	229,750,433	114,875,216	138,079,599	12.02%
Total				14,451,296,138	2,890,259,033	1,445,129,613		

Para 5.4.1.17

**Irregular change of Nomenclature of posts and increase in Market Based Salaries
without recommendation of Selection Board and approval of Chief Minister**

Sr. No.	Description	As Per PC-II (2017)	As Per Revised PC-I (March 2019)	Inc %	As Per 2 nd Revised PC-II (June 2021)	Inc %	Overall Increase since 2017 %
		Unit Salary (PKR)	Unit Salary (PKR)		Unit Salary (PKR)		
1	Program Director	300,000	475,000	58.33 %	600,000	26.32 %	100%
2	Deputy Program Director	200,000	250,000	25%	500,000	100 %	150%
3	Law/Compliance Officer; New Position	-	-	-	200,000	-	-
4	Internal Auditor	-	250,000	-	300,000	20%	20%
5	Chief Engineer	-	400,000	-	500,000	25%	25%
6	Director Infrastructure; New Position	-	-	-	400,000	-	-
7	DD Infrastructure (Nomenclature changed from Infrastructure Specialist)	150,000	200,000	33.33 %	250,000	25%	66.67%
8	Assistant Directors (Engineer)	-	-	-	125,000	-	-
9	Director Urban Planning; New Position	-	-	-	400,000	-	-
10	DD Urban Planning (Nomenclature changed from Urban Planner)	150,000	200,000	33.33 %	250,000	25%	66.67%
11	Director M&E	-	300,000	-	400,000	33.33 %	33.33%
12	DD M&E (Coord & Reporting) (Nomenclature changed from DD M&E)	90,000	200,000	122%	250,000	25%	178%

13	DD M&E (Data Handling & Analysis) (Nomenclature changed from DD M&E)	90,000	200,000	122%	250,000	25%	178%
14	DD Safeguard; New Position	-	-	-	250,000	-	-
15	Director Procurement & Contracts	-	300,000	-	400,000	33.33 %	33.33%
16	DD (Procurement & Contracts) (Nomenclature changed from Procurement Specialist)	150,000	200,000	33.33 %	250,000	25%	66.67%
17	Director Admin & Finance	150,000	300,000	100%	400,000	33.33 %	167%
18	DD Finance & Budget	-	200,000	-	250,000	25%	25%
19	Finance Officer; New Position	-	-	-	100,000	-	-
20	Accountant/Cashier	-	75,000	-	100,000	33.33 %	33.33%
21	DD IT	-	200,000	-	250,000	25%	25%
22	Programmer; New Position	-	-	-	200,000	-	-
23	Admin Officer	-	75,000	-	125,000	66.67 %	66.67%
24	Computer Operator	-	35,000	-	45,000	28.57 %	28.57%
25	Office Assistant	16,000	20,000	25%	30,000	50%	87.50%