AUDIT REPORT
ON
THE ACCOUNTS OF

C&W, HUD&PHE, IRRIGATION, LG&CD DEPARTMENTS AND DAANISH SCHOOLS & CENTERS OF EXCELLENCE AUTHORITY

GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2012-13

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AA	Administrative Approval
A&C	Addendum & Corrigendum
AIR	Audit Inspection Report
ABC	Asphaltic Base Course
AWC	Asphaltic Wearing Course
B&R	Buildings & Roads
BOQ	Bill of Quantities
CBDC	Central Bari Doab Canal
CE	Chief Engineer
Cft	Cubic Feet
Cum	Cubic Meter
C&W	Communication & Works
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DFR	Departmental Financial Rules
DGAW-P	Director General Audit Works, (Provincial) Lahore
DNIT	Draft Notice Inviting Tender
DP	Draft Para
EME	Electrical and Mechanical Engineering
FD	Finance Department
FDA	Faisalabad Development Authority
GDA	Gujranwala Development Authority
GI	Galvanized Iron
HUD & PHE	Housing Urban Development & Public Health Engineering
HVAC	Heating, Ventilation & Air Conditioning
JMF	Job Mix Formula
LBDC	Lower Bari Doab Canal
LCC	Lower Chenab Canal
LDA	Lahore Development Authority
LJC	Lower Jhelum Canal
MB	Measurement Book
MDA	Multan Development Authority
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
NGC	Natural Ground Compaction
NOC	No Objection Certificate
NSL	Natural Surface Level
P/L	Providing and Laying

PAC	Public Accounts Committee
PCC	Plain Cement Concrete
PDP	Proposed Draft Para
PDS&CE	Punjab Daanish Schools & Centers of Excellence
PDWP	Provincial Development Working Party
PEEDA	Punjab Employees Efficiency, Discipline and Accountability Act
PFR	Punjab Financial Rules
PHA	Parks & Horticulture Authority
POL	Petrol, Oil & Lubricants
PPRA	Public Procurement Regulatory Authority
PRTC	Punjab Road Transport Corporation
PW	Public Works
RCC	Reinforced Cement Concrete
RD	Reduced Distance
RDA	Rawalpindi Development Authority
Rft	Running Feet
RMB	Right Marginal Bund
RRMTI	Road Research & Material Testing Institute
SDAC	Special Departmental Accounts Committee
SE	Superintending Engineer
Sft	Square Feet
TSE	Technical Sanction Estimates
RTSE	Revised Technical Sanction Estimate
TST	Triple Surface Treatment
UCC	Upper Chenab Canal
UD Wing	Urban Development Wing
UJC	Upper Jhelum Canal
WASA	Water & Sanitation Agency
XEN	Executive Engineer

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with sections 8 and 12 of the Auditor General's (Functions, Powers, and Terms and 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.

The report is based on audit of the accounts of Communication & Works Department, Housing, Urban Development & Public Health Engineering Department, Irrigation Department, Local Government & Community Development Department and Daainsh Schools & Centers of Excellence Authority of the Government of the Punjab for the financial year 2011-12 and also contains a few audit observations pertaining to previous financial years. The Directorate General of Audit Works (Provincial), Lahore conducted audit during 2012-13 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-I of the Audit Report. The audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the 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 observations included in this report have been finalized in the light of written responses of the departments and discussions in the DAC meetings.

The 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.

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

Directorate General of Audit Works (Provincial) Lahore (DGAW-P) carried out audit of the Departments of Communication & Works, Housing, Urban Development & Public Health Engineering, Irrigation, Local Government & Community Development and Daanish Schools & Centers of Excellence Authority of the Government of the Punjab during 2012-13. Under the Punjab Budget Manual, the Secretary is the Principal Accounting Officer of the Administrative Department, its attached Departments, Autonomous Bodies and Project Management Units. Financial provisions of the Constitution describe the Government as Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. For this, Director General Audit Works (Provincial) Lahore has a human resource of 204 officers and staff resulting in a total of 51,204 man days available with financial resources of Rs 145.717 million. The office is mandated to conduct Regularity Audit (Financial Attest Audit & Compliance with Authority Audit) besides conducting Performance/Project Audits of development schemes. The accounts audited relate to the financial year 2011-12. Accounts of some formations pertaining to previous years were also audited.

Objectives:

- Audit against the provision of funds to ascertain whether or not the moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent.
- Audit against rules and regulations to see that the expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money.
- Audit of sanctions of expenditure to see that every item of expenditure was done with the approval of the competent authority in the Government for expending the public money.
- Propriety audit which extends beyond scrutinizing mere formality of expenditure to its wisdom and economy and to bring to highlight cases of improper expenditure or waste of public money.
- Review, analyze and comment on various Government policies relating to different Engineering Departments.

a. Scope of Audit

Total auditable expenditure during financial year 2011-12 under the jurisdiction of Directorate General of Audit Works (Provincial) Lahore was Rs 112,664.96 million against total budgetary allocations of Rs 129,627.49 million covering seven (07) PAOs and 510 formations. DGAW-P audited an expenditure of Rs 102,481.95 million in respect of 226 formations, which in terms of percentage was 91% of total auditable expenditure. Seven Project Audit Reports and two Special Studies are also under process and would be published separately. Moreover, six Foreign Aided Projects (FAP) reports have been issued by this office during the current Audit Year.

Besides incurring expenditure, the departments also realized the revenue/capital receipts of Rs 35,362.86 million against the estimated revenue of Rs 37,297.19 million. The Audit also covered the revenue realization on test check basis.

b. Recoveries at the instance of audit

During audit year 2012-13, the DGAW-P pointed out recovery of Rs 12,692.10 million. The Management accepted the stance of Audit to the extent of Rs 12,117.58 million. The Audit, after reviewing the evidences has verified the recovery of Rs 367.66 million from July 2012 to January 2013 which includes recovery of Rs 142.11 million pertaining to paras for the audit year 2012-13 and Rs 225.55 million relating to paras of previous years. Out of the total recoveries, Rs 202.35 million was not in the notice of the Management before audit.

c. Audit Methodology

The overall Audit Methodology involved the following steps:

- Updating the understanding of the business processes with respect to control mechanisms.
- Identification of key controls on the basis of prior years audit experience / special directions from the head office etc.
- Prioritizing risk areas by determining significance and risks associated with the identified key controls.
- Design / update audit programmes for testing the identified risk conditions.

- Selection of audit formations i.e. DDOs on the basis of:
  - Materiality/significance
  - Risk assessment
- Selecting samples as per sampling criteria.
- Execution of audit programmes.
- Identification of weaknesses in internal controls and development of audit observations and recommendations relating to non-compliance of laws, rules, regulations and prescribed procedures.
- Evaluation of results.
- Reporting.
- Follow up.

Significant auditable issues such as non-obtaining performance/ additional performance security/bank guarantees, undue benefit to contractors in calculating the claims of the price escalation, non-finalization of work within the given period, premature release/adjustment of refundable security deposits against pointed out recoveries, misclassification of development/non-development grants, and excess over the sanctioned budget were picked up as a result of desk audit of 452 monthly accounts in liaison with Directorate General of Accounts (Works) Lahore. The findings of desk audit helped in audit planning to identify major risk areas for the purpose of making audit execution more meaningful and result oriented. The desk audit review provided a platform to the auditors to sit together under one roof to discuss and share their field experiences about different issues besides sharpening their audit skills. The soft copy of expenditure data on Development Schemes was obtained from Regional Director PIFRA, Lahore and Director General Accounts (Works), Lahore. It was used for the purpose of planning and identifying risk areas for Compliance with Authority Audit and Financial Attest Audit.

d. Audit Impact

It was a growing trend in the engineering departments not to obtain performance securities and additional performance securities for the contracts exceeding 50 million or works awarded below the Technical Sanction Estimate. On pointation of audit, the Finance Department has amended / modified clauses 7, 15 and 26-B of contract agreement vide notification No. RO (Tech) FD 1-2/2010 dated 04.09.2012 to make it mandatory for contract awarding authority to obtain performance security/additional performance security as per rules. In case of failure on the part of contractor, regarding submission of securities, the Management should constitute a just cause for rejection of his tender/annulment of award and in the event

of such rejection the entire earnest money shall be forfeited to government as compensation for such default.

The Communication and Works Department was allowing excess rate of stone used in bituminous carpeting than that of MRS by allowing extra lead. On pointation of the Audit, the PAC issued directives that inquiry should be held into such matters and responsibility be fixed for the lapses. The Committee further directed/recommended that Finance Department should also examine the matter in detail and submit its recommendation to the PAC within 120 days.

The Punjab Public Procurement Rules are being complied more emphatically in the Engineering Departments on the instance of Audit (Annexure-2).

e. Comments on Internal Controls and Internal Audit Department

Implementation of internal controls mechanism is essential for improving accountability of limited public resources, preventing organizational problems, correct financial reporting, and finally, improving public service delivery. Internal controls are, therefore, vital for the smooth and transparent operations of any department. However, the internal controls have not been effectively implemented in most of the auditee departments, as a result of which same nature of observations are being repeated over the years. The Annexure-3 of this report provides greater insight into quality of internal controls.

Internal Audit Wing does not exist in any of the auditee departments under the audit jurisdictions of DGAW-P. This is also one of the main reasons for ineffective internal control systems within the auditee departments.

f. Key audit findings of this report

I. Loss due to rescission of contract on various grounds - Rs 650.50 million in five (05) cases[1].

II. Award of work without administrative approval and technical sanction - Rs 26,151.42 million in fifteen (15) cases[2].

III. Undue financial aid due to non-obtaining of performance/ additional performance securities - Rs 510.06 million in twelve (12) cases[3].

[1] Para 2.4.1
[2] Para 3.4.3, 5.3.1
[3] Para 3.4.13, 3.4.32, 4.4.3

IV. Non-recovery due to illegal commercialization - Rs 11,389.83 million in thirty four (34) cases[4].

V. Overpayment due to violation of JMF - Rs 403.89 million in six (06) cases[5].

VI. Overpayment due to incorrect application of rate - Rs 355.83 million in one hundred & nineteen (119) cases[6].

Audit Paras for the audit year 2012-13 involving procedural violations including internal control weakness and irregularities, not considered worth reporting to the PAC, have been included in Annexure-1 (MFDAC paras) of this Report.

g. Recommendations

During the audit execution it was noticed that most of the irregularities were committed either due to absence/weakness of internal control mechanism or lack of monitoring & supervision. While making trend analysis of effectiveness of Internal Controls, it became evident that there was significant increase in the irregularities over the years (Annexure-3). Principal Accounting Officers need to strengthen internal controls in their Departments / Authorities in the light of the following recommendations:

I. The systemic issues such as non-obtaining of performance / additional performance securities, non-recovery of de-escalation and application of incorrect base / current rates of materials need to be focused to avoid recurrence of such observations.

II. Government revenues/recoveries need to be immediately realized and get it verified from Audit.

III. Safeguards for timely and smooth execution of work like performance / indenture bond need to be checked and valid bank guarantees to be accepted.

IV. Internal controls need to be periodically reviewed and made capable of forestalling chances of pilferage. The inquiry proceedings are required to be expedited and completed promptly.

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[4] Para 3.4.4

[5] Para 2.4.2, 6.4.2

[6] Para 2.4.6, 2.4.7, 2.4.29, 2.4.32, 3.4.16, 3.4.26, 3.431, 5.3.4, 5.3.5, 5.3.6, 5.3,8, 5.3.9, 5.3.10, 5.3.12, 5.3.13, 5.3.18, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.27

V. It is high time t

VI. hat an internal audit wing directly reporting to the PAO needs to be established in the engineering departments to strengthen the effectiveness of the prescribed internal controls.

VII. Principal Accounting Officers need to ensure timely compliance of Departmental Accounts Committee's directives and actionable points.

VIII. The compliance of directives of Public Accounts Committee by the Principal Accounting Officers remained poor (2.27% during the year 2011-12). Audit has been reminding the PAOs time and again but no improvement in this regard was visible so far. Principal Accounting Officers should give special attention to this issue and develop mechanism to monitor compliance of PAC directives in their departments.

SUMMARY TABLES & CHARTS

Table 1 Auditing Work Statistics

(Rs in million)

Sr. No	Description	No.	Budget
1	Total Entities in Audit Jurisdiction	07	129,627.49
2	Total Formations in audit jurisdiction	510	
3	Total Entities audited	06	129,617.49
4	Total Formations audited	226	113,835.39
5	Audit & Inspection Reports	226	
6	Special Audit Reports / Special studies	02	0
7	Performance / Project Audit Reports	07	12,942.59
8	Other Reports		
	Certification Audit Report	01	80,904.93
	FAP reports	08	9,972.41

Table 2 Audit Observations Classified by Categories

(Rs in million)

Sr. No.	Description	Amount placed under audit observations
1	Unsound asset management	113.23
2	Weak financial management	1,511.02
3	Weak internal controls relating to financial management	14,181.66
4	Others	26,170.29
	Total	**41,976.20**

Table 3 Outcome statistics

(Rs in million)

Sr. No	Description	Expenditure on acquiring physical assets (procurement)	Civil Works	Receipts	Others	Total current year	Total last year
1	Outlays audited	251.50	93,179.05	7,879.75	12,525.09	113,835.39	132,335.82
2	Amount placed under audit observations/ irregularities	113.23	24,513.46	535.10	16,814.41	41,976.20	8,460.91
3	Recoveries pointed out at the instance of audit	23.09	806.30	44.26	11,818.45	12,692.10	1,806.60
4	Recoveries accepted / established at the instance of audit	17.50	267.73	37.35	11,795.00	12,117.58	806.65
5	Recoveries realized at the instance of audit	0.12	195.05	130.88	41.61	367.66	174.60

Table 4 Irregularities Pointed Out

(Rs in million)

Sr. No	Description	Amount placed under Audit Observation
1	Violation of rules and regulations and violation of principles of propriety and probity in public operations	13,592.29
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	30.85
3	Accounting Errors (accounting policy departure from NAM*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements	5.09
4	Quantification of weaknesses of internal control systems	16,151.42
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	12,117.58
6	Non-production of record	2.47
7	Others, including cases of accidents, negligence etc.	76.50

* The Accounting Policies and Procedures prescribed by the Auditor-General of Pakistan which are cash compliant.

Table 5 Cost-Benefit

(Rs in million)

Sr. No	Description	Amount
1	Outlays Audited	113,835.39
2	Expenditure on Audit	145.72
3	Recoveries realized at the instance of Audit	367.66
	Cost-Benefit Ratio	**1:2.52**

CHAPTER – 1

PUBLIC FINANCIAL MANAGEMENT ISSUES
DIRECTORATE GENERAL ACCOUNTS WORKS LAHORE

1.1 AUDIT PARAS

1.1.1 Non-utilization of funds/budget - Rs 6,183.266 million

According to Chapter 14 of the Punjab Budget Manual, "all anticipated saving should be surrendered to Government immediately, without waiting till the end of the year".

Public Works Departments (C&W, PHE, Irrigation) could not utilize an amount of Rs 6,183.266 million which remained unutilized at the end of the financial year.

This resulted in non-utilization of funds to the tune of Rs 6,183.266 million without achieving envisaged targets due to weak financial and administrative control.

Audit pointed out the non-utilization of funds in September 2012. The Director General, Accounts Works replied that it was the duty of Administrative Departments to surrender the unutilized funds timely. However, the respective departments had been asked to justify the non-utilization of funds through quarterly budget monitoring statement.

Matter needs to be investigated and responsibility for non-utilization of funds also be fixed.

(DP. 1)

1.1.2 Unnecessary re-appropriation of Rs 66.461 million and issuance of supplementary grants - Rs 192.004 million

According to para 2.56 of the Punjab Budget Manual, "Re-appropriation" means the transfer of savings, in the appropriations of one or more objects, to meet excess expenditure anticipated under another such object. Para 2.69 of Punjab Budget Manual, supplementary grant for financial year means an amount included in the schedule of authorized expenditure relating to a supplementary budget statement of that year.

Public Works Departments (C&W, PHE, Irrigation) re-appropriated an amount of Rs 66.461 million as well as allowed supplementary grant amounting to Rs 192.004 million but the same could not be utilized by the department.

Unnecessary re-appropriation resulted in irregular saving of Rs 66.461 million to the government due to weak financial and administrative control.

Audit pointed out the irregularity in September, 2012. The Director General, Accounts Works replied that it was the duty of Administrative Departments to surrender the unutilized funds timely. However, the respective departments had been asked to justify the non-utilization of funds through quarterly budget monitoring statement.

Matter needs to be investigated and responsibility for non-utilization of funds also be fixed.

(DP. 2)

CHAPTER – 2
COMMUNICATION & WORKS DEPARTMENT

2.1 Introduction of Department

Punjab Highways Department and Punjab Buildings Department are under the administrative control of Communication and Works, (C&W) Department, Government of the Punjab. Secretary C&W Department is the Principal Accounting Officer. The department comprises Chief Engineers Buildings (North & South), Chief Engineers Highways (North & South) and Chief Engineer District Support & Monitoring which is an attached department. Communication and Works Department is primarily responsible for planning, designing, construction, repair and maintenance of all public roads and buildings in Punjab.

2.2 Comments on Budget & Accounts (Variance Analysis)

The budget of Communication & Works Department comprises major heads of development and non-development. The non-development budget is allocated under Grant No. PC21025 and Grant No. PC21024 for Roads and Buildings respectively to cater for salary and non-salary expenditure. The development budget is provided through Grant No. PC12041 for Roads & Bridges and Grant No. PC12042 for Building Works which are original grants for civil works.

Punjab Highways Department

(Rs in million)

Grant No & Nature	Original Budget	Supplementary & Re-appropriation/ (Surrender)	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21025	2,049.94	5.27	2,055.21	1,973.57	(81.64)	(3.97)
Development Grant						
PC12041	38,251.98	(541.32)	37,710.66	36,884.92	(825.74)	(2.19)
Grand Total	**40,301.92**	**(536.05)**	**39,765.87**	**38,858.49**	**(907.38)**	**(2.28)**

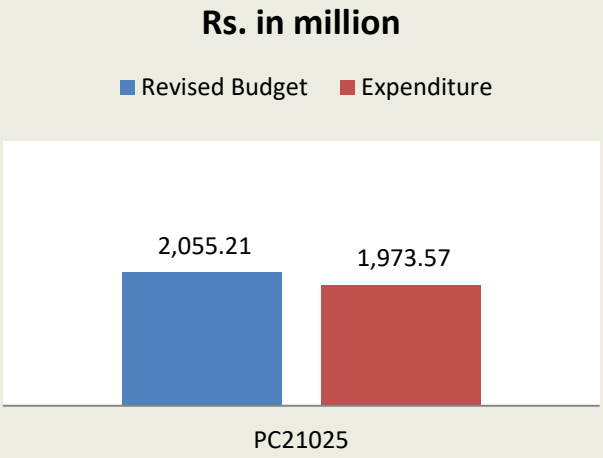
Source: Budget Book and Appropriation Accounts (FY-2011-12)

PUNJAB HIGHWAYS DEPARTMENT

Non-Development Grant

Grant No PC21025

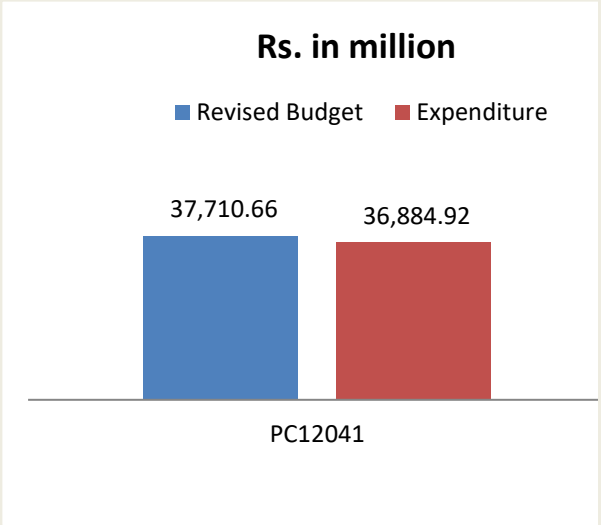
In the non-development grant (PC21025), budget was not fully utilized. The expenditure incurred was Rs 1,973.57 million against the revised budget of Rs 2,055.21 million. Thus, there was a saving of 3.97% of the revised budget.



Development Grant

Grant No PC12041

In case of development grant PC12041, the total expenditure incurred was Rs 36,884.92 million against the revised budget of Rs 37,710.66 million. Hence, the budget was not fully utilized and there was a saving of 2.19% of the revised budget.



According to Chapter 14 of Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the Punjab Highways Department did not surrender the saving of Rs 907.38 million.

Audit pointed out the above mentioned savings but the department had not replied till the finalization of the report.

Punjab Buildings Department

(Rs in million)

Grant No & Nature	Original Budget	Supplementary & Re-appropriation /(Surrender)	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21024	686.83	59.01	745.84	732.49	(13.35)	(1.79)
Development Grant						
PC12042	42,325.53	(28,379.23)	13,946.30	12,594.80	(1,351.50)	(9.69)
Grand Total	**43,012.36**	**(28,320.22)**	**14,692.14**	**13,327.29**	**(1,364.85)**	**(9.29)**

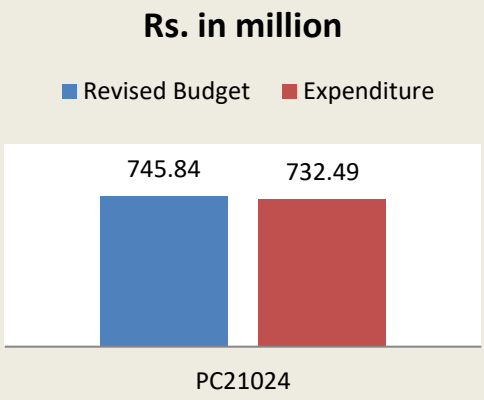
Source: Budget Book and Appropriation Accounts (FY-2011-12)

PUNJAB BUILDINGS DEPARTMENT

Non-Development Grant

Grant No PC21024

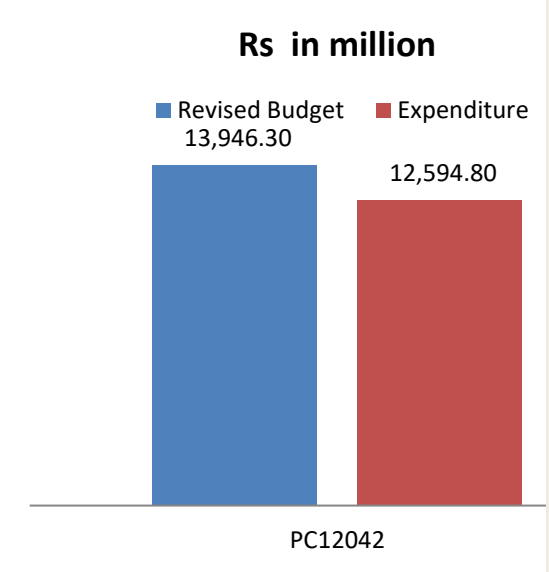
In the non-development grant PC21024, budget was not fully utilized. The expenditure incurred was Rs 732.49 million against the revised budget of Rs 745.84 million. Thus there was a saving of 1.79% of the revised budget.



Development Grant

Grant No PC12042

In case of development grant PC12042, the expenditure incurred was Rs 12,594.80 million against the revised budget of Rs 13,946.30 million. Thus, there was a saving of 9.69% of the revised budget.



According to Chapter-14 of the Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the Punjab Buildings Department did not surrender the saving of Rs 1,364.85 million.

Audit pointed out the above mentioned savings but the department had not replied till the finalization of the report.

2.3 Brief comments on the status of compliance with PAC directives

The position of compliance of PAC directives over the years is tabulated as under:

Punjab Buildings Department

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1948-49	01	-	01	-
2	1956-57	03	-	03	-
3	1957-58	02	-	02	-
4	1958-59	01	-	01	-
5	1959-60	03	-	03	-
6	1960-61	04	-	04	-
7	1961-62	05	-	05	-
8	1963-64	04	-	04	-
9	1965-66	08	-	08	-
10	1966-67	01	-	01	-
11	1971-72	02	-	02	-
12	1972-73	04	-	04	-
13	1979-80	03	-	03	-
14	1980-81	02	-	02	-
15	1981-82	10	-	10	-
16	1982-83	05	-	05	-
17	1983-84	12	-	12	-
18	1984-85	11	-	11	-
19	1985-86	24	-	24	-
20	1986-87	07	-	07	-
21	1987-88	02	-	02	-
22	1988-89	12	-	12	-
23	1989-90	10	-	10	-
24	1990-91	12	-	12	-
25	1991-92	29	-	29	-
26	1992-93	27	-	27	-
27	1993-94	41	-	41	-
28	1994-95	03	-	03	-
29	1995-96	08	-	08	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
30	1996-97	47	-	47	-
31	1997-98	160	-	160	-
32	1998-99	38	-	38	-
33	1999-00	15	-	15	-
34	2000-01	32	-	32	-
35	2001-02	22	-	22	-
36	2003-04	02	-	02	-
37	2006-07	27	20	07	74.07%
38	2009-10	17	-	17	-
Total		**616**	**20**	**596**	**3.24%**

Punjab Highways Department

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1958-59	01	-	01	-
2	1961-62	17	-	17	-
3	1964-65	02	-	02	-
4	1965-66	03	-	03	-
5	1966-67	03	-	03	-
6	1967-68	05	-	05	-
7	1968-69	03	-	03	-
8	197-71	02	-	02	-
9	1971-72	01	-	01	-
10	1972-73	12	-	12	-
11	1973-74	02	-	02	-
12	1975-76	02	-	02	-
13	1979-80	01	-	01	-
14	1980-81	05	-	05	-
15	1981-82	23	-	23	-
16	1982-83	63	-	63	-
17	1983-84	52	-	52	-
18	1984-85	26	-	26	-
19	1985-86	51	-	51	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
20	1986-87	69	-	69	-
21	1987-88	14	-	14	-
22	1988-89	07	-	07	-
23	1989-90	44	-	44	-
24	1990-91	98	-	98	-
25	1991-92	108	-	108	-
26	1992-93	79	-	65	-
27	1993-94	149	-	145	-
28	1994-95	93	-	87	-
29	1995-96	18	-	18	-
30	1996-97	61	-	57	-
31	1997-98	293	-	286	-
32	1998-99	69	-	69	-
33	1999-00	78	-	66	-
34	2000-01	35	-	35	-
35	2001-02	09	-	09	-
36	2003-04	07	-	07	-
37	2005-06	12	-	12	
38	2006-07	57	28	29	49.12%
39	2009-10	58	22	36	38%
Total		**1632**	**50**	**1582**	**3.06%**

Source: PAC Digest and PAC Compliance Cell Data Base

As per para 16(25-26) of the Punjab Budget Manual, Finance Department is responsible to watch compliance of PAC directives / actionable points. Over the years, there has neither been regular monitoring mechanism to watch compliance of PAC directives in the Finance Department nor in the Administrative Departments.

Although all the Principal Accounting Officers were reminded time and again through Demi Official letters but no positive response was received in this regard. PAC was also requested by Audit to intervene and take some initiatives to institutionalize some review mechanism for prompt and effective compliance of PAC directives. Audit is pursuing actively with the Principal Accounting Officers through Compliance Cell to expedite the compliance of PAC directives.

2.4 AUDIT PARAS

2.4.1 Loss due to rescission of contract on various grounds - Rs 650.498 million

Clauses- 60 and 61 of the agreement are dependent on each other and would be operative simultaneously. Rescission of a contract is subject to a certificate that action under clause- 3(a) (new clause 61 (a) of agreement) was not possible as there are no dues of the firm or any of its partner in the department for effecting recovery i.e. risk and cost, and was removed from the approved list of the department in accordance with the conditions laid down in enlistment letter as per Law and Parliamentary Affairs Department letter No. OP-15 (119)/2001/400/C dated 25th of October, 2001 and No. FD (D-II) 3 (5) 81 Volume – II dated 6th February 1990.

2.4.1.1 Scrutiny of acceptance letter revealed that the work "Construction of Interchange at Khaira Distributary Package No.17" was allotted to the contractor on 28.12.2006 which was to be completed up to 27.06.2007. The progress of the work was only 4% in three years, therefore, the contractor was declared defaulter and work was rescinded under clause 60 of the agreement to forfeit the security deposit of the contractor instead of awarding the work at the risk and cost of original contractor under clause 60 and 61 simultaneously.

Unjustified action taken against the contractor resulted in loss of Rs 302.170 million to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

In this regard, SDAC was also conducted on 20.01.2012. During the meeting some difference of opinion arose. The representative of Lahore Ring Road Authority left the meeting unceremoniously on the pretext to settle the paras without verifying specific documents. The position was reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the department till finalization of the report.

Recovery of loss needs to be made good besides fixing responsibility against the officer(s) concerned.

(DP. 341-2011-12)

2.4.1.2 The work "Dualization of Lahore Kasur road (Section Kahna to Kasur)" allotted to the contractor on 30.11.2005 was to be completed within six months. But the contractor could not complete the work even upto extended period of 2010. The contractor was declared defaulter and action under clause 60 of the agreement was taken by the Chief Engineer (North). Moreover, the Executive Engineer was directed to forfeit the performance security of the contractor. But the Executive Engineer, Provincial Highways Division, Okara failed to forfeit the performance security of the contractor.

This resulted in loss of Rs 197.468 million due to weak financial and administrative controls.

Audit pointed out the loss in September 2011. The Department replied that action towards encashment of performance security was initiated but stay order was granted by the court.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that the matter was subjudice in the court. No progress was intimated to Audit till finalization of the report.

Recovery of the loss needs to be made good besides fixing responsibility against the officer(s) concerned.

(DP. 290-2011-12)

2.4.1.3 The Chairperson, Lahore Ring Road Authority declared the original contractor defaulter and the balance work "Construction of Road Portion from Lakhu Dair to G.T Road Intersection (Package No.12)" was tendered at the risk and cost of the original contractor. But the risk and cost amount i.e. the difference of rates of original and new contractor was not recovered as per agreement.

This resulted in non-recovery of Rs 109.461 million from original contractor due to weak financial control.

Audit pointed out non-recovery in September 2009 but the Department did no reply.

The SDAC on this matter was also conducted on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext to settle the paras without verifying specific documents. The position was reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/ C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by The Department till finalization of the report.

Recovery needs to be effected and responsibility also be fixed against the officer(s) concerned.

(DP. 380-2011-12)

2.4.1.4 The Executive Engineer, Provincial Highways Division, Gujranwala awarded the contract to M/s Frontier Works Organization for 13.78 km on the basis of MRS rates for 2nd Quarter, 2009 for district Gujranwala but the original contractor did not start the work on dualization of city portion due to change in design of road from flexible pavement to rigid pavement. The work of city portion of 4.23 km was allotted to new contractor M/s Shafique & Co during the execution of original work by the original contractor on new rates based on 4th quarter, 2011 with 4.43% quoted percentage by the 2nd contractor which were higher than the quoted rates of original and recovery of difference in rates was to be made because original contractor failed to complete the work as per agreement.

This resulted in loss of Rs 40,631,948 to government in June 2012 due to weak administrative and financial controls.

Audit pointed out the loss in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that due to change of specification/scope of work in city portion (length 4.2 km) from flexible pavement to rigid pavement and increase in cost beyond 20% of the agreement amount with M/s FWO, work of that reach was awarded to a new contractor by calling competitive tendering after having approval of the revised scheme from the competent forum i.e. PDWP. Audit was of the view that record may be produced in support of contention of the Department. The Committee directed the department to produce the record

and get it verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Record may be produced or recovery be effected besides fixing responsibility for overpayment.

(DP. 356)

2.4.1.5 The Project Director, Project Engineering Cell, Lahore awarded the work "Phalia – Berowal – Warryam Sial More – Ahmad Nagar Road" to M/s Tarmac Pak Company who left the work incomplete. Then the balance work was awarded to the second contractor M/s Bashir & Co. at higher rates and an overpayment was made to the contractor instead of considering rule of risk and cost of the original contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 7.577 million.

Audit pointed out non-recovery in August 2011. The Department replied that a huge amount of defaulting contractor was lying with the engineering cell which would be adjusted at completion of work. The Department admitted the recovery but did not get it verified.

The matter was discussed in the SDAC meeting held on 20.01.2012. Project Engineering Cell apprised the Committee that recovery of risk & cost was being made with the progress of work and the work had been completed. Total amount of risk & cost for Rs 14,409,918 was due against which amount of Rs 13,642,602 had been recovered and verified from Audit. Balance amount of Rs 767,316 would be adjusted. The Committee decided verification of balance risk & cost amount of Rs 767,316 from the final bill. No progress was intimated to Audit till finalization of the report.

Recovery needs to be effected and responsibility also be fixed upon the officer(s) concerned.

(DP. 287-2011-12)

2.4.2 Unjustified payment made for work done either without approval or in absence/violation of JMF - Rs 402.071 million

As per condition No.6 of Finance Department notification No.RO(TECH) FD2-3/2004 dated 2nd of August, 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.

2.4.2.1 The Executive Engineer, Provincial Highways Division, Gujranwala made payment for the item of "Plant Premix carpeting 2" using 4% ratio of bitumen asphaltic base course for 2,175,765 sft @ Rs 4,866.66% sft and "Plant Premix carpeting 1-1/2″ using 4.5% ratio of bitumen asphaltic wearing course for 2,077,790 sft @ Rs 3,892.30 % sft and also paid price variation on bitumen to the contractor without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute.

This resulted in unjustified payment of Rs 250,972,122 in June 2012 due to weak technical and financial controls.

Audit pointed out the unjustified payment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that work had been executed as per JMF provided by Road Research & Material Testing Institute (RR&MTI). Audit was of the view that copy of JMF along with extraction test results be produced for verification. No compliance of the Committee's directives was reported till finalization of the report.

The matter needs to be probed in and lab tests of work done should be conducted in order to determine the actual quantity of bitumen used in the work besides fixing responsibility against the officers involved in violation of the laid down policy/instructions.

(DP. 358)

2.4.2.2 The Executive Engineer, Provincial Highways Division, Gujranwala made payment for the item of work "Plant Premix carpeting 2" using 4.5 % ratio of bitumen asphaltic base course for 1,201,080 sft @ Rs 7,724 % sft and 737,520 sft @ Rs 6,565.40 % sft to the contractor without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute (RR&MTI).

This resulted in unjustified payment of Rs 141,192,557 in June 2012 due to weak technical and financial controls.

Audit pointed out the unjustified payment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that work was executed as per JMF provided by RR&MTI. Audit was of the view that copy of JMF along with extraction test results be produced for verification. No compliance of the Committee's directives was reported till finalization of the report.

The matter needs to be probed in and lab test of work done should be conducted in order to determine the actual quantity of bitumen used in the work besides fixing responsibility against the officers involved in violation of the laid down policy/instructions.

(DP. 362)

2.4.2.3 The Executive Engineer, Provincial Highways Division, Sialkot made payment for the item of "Providing /laying asphaltic base course 2.5″ thick with 4.5 % ratio of bitumen for 1,287,404 sft @ Rs 6,000 % sft and price variation with ratio of 4.5% bitumen for Rs 2,954,061 to the contractor without recovery of cost of unused bitumen because as per recommended Job Mix Formula from Road Research and Material Testing Institute Lahore, the item of carpeting was to be executed with 4 % ratio of bitumen.

This resulted in overpayment of Rs 8,109,542 in June 2012 due to weak technical and financial controls.

Audit pointed out the over payment in October 2012. The Department replied that recovery of Rs 1,169,782 had been made from the contractor and balance amount of Rs 5,988,664 had been made from the security of the contractor but no reply regarding 25% contractor's profit and overheads and 4.5% above quoted percentage, paid on cost of less used bitumen, was given which were also paid to the contractor in the item rate and recovery for these components amounting to Rs 1,183,093 was also to be made from the contractor.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed that due recovery on account of less use of bitumen and 5% extra was allowed in overhead and profit. The Committee directed Department to get the record verified from Audit

besides getting reconciliation of actually recovered amount against the pointed out recovery by Audit. The para was kept pending for want of verification of record. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed and responsibility be fixed against the officers concerned for negligence besides effecting recovery of overpayment.

(DP. 511)

2.4.2.4 The Executive Engineer, Provincial Highways Division, Jhang paid an item of work "Providing and laying Plant Pre-mixed bituminous carpet, including compaction and finishing for 2" thick for quantity of 1,094,416 sft with ratio 4.5% against the recommended formula with ratio 4.1%. Moreover, the Department had written letter to the Director Road Research and Material Testing Laboratory vide No. 8-RD/8076/CB dated 29.12.2011 to provide Job Mix Formula for the said material but no reply had been received so far.

Non-adherence to the rules resulted in an overpayment of Rs 1,237,455 to the contactor.

Audit pointed out the overpayment in February 2012. The Department replied that on this road only 2" thick wearing course had been laid and for wearing course, optimum bitumen content was 4.5%. The reply was not tenable because the Department did not produce lab test reports for using 4.5% bitumen in the work.

The para was discussed in the SDAC meeting held on 05.09.2012. The Department admitted the recovery as per actual extraction test carried out by the consultant. The Committee kept the para pending for actual recovery within one month. No progress towards recovery was intimated to Audit till finalization of the report.

Recovery needs to be effected and responsibility fixed against the officer(s) concerned.

(DP. 56)

2.4.2.5 The Executive Engineer, Provincial Highways Division, Gujrat paid price escalation of plant premixed asphalt 1 ½ inch as 4.5% but the Job mix formula was approved on 4.4% for the work "Construction of dual carriage way from Gujrat to Salam Interchange". Further, the current

rate of bitumen was taken as Rs 58,870 instead of Rs 51,000 for the quantity of 18.85 tons, during 2009.

Excess calculation of price variation of bitumen than approved JMF and application of incorrect base rate resulted in overpayment of Rs 559,669 to contractor.

Audit pointed out the overpayment in September 2011. The Department replied that recovery if due would be made from the next bill of the contractor after thrashing out the record and would be got verified from Audit. The Department admitted the recovery but no progress towards recovery was reported.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that JMF of wearing course was with 4.4 % bitumen whereas extraction test of said item revealed that it was with more than 4.5 % bitumen. In second case, recovery of Rs 148,350 was made. Audit contended that rate in first case was payable keeping in view JMF provision. In second case, the voucher was not paid so far. No progress was intimated to Audit till finalization of the report.

Recovery needs to be effected and responsibility be fixed against the officers concerned.

(DP. 278-2011-12)

2.4.3 Undue financial benefit to the contractor due to non-obtaining of performance security - Rs 189.992 million

As per Finance Department's Notification No.RO(Tech)FD-1-2/83 (VI)(P) dated 6th April 2005 performance security in the shape of bank guarantee is to be obtained at the rate of 5% of contract sum from the contractor if the cost of work exceeds Rs 50 million. Moreover, if the amount to make up full security is not furnished within the specified period, the tender already accepted shall be considered cancelled and tender security will be confiscated according to clause 7 of the contract agreement.

2.4.3.1 The Superintending Provincial Highways Circle, Sargodha did not watch and monitor working of its subordinate offices as the Executive

Engineer, Provincial Highways Division, Sargodha-I failed to obtain performance securities for Rs 102.08 million from ten contractors. The office of Superintending Engineer did not get the agreemental clause and instructions of Finance Department implemented.

Weak supervisory and financial controls resulted in undue financial aid due to non-obtaining of performance security Rs 102.08 million.

Audit pointed out the irregularity in February 2012. The Department did not furnish any reply.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that works at Sr.No.1,2,4,5,6,8,9 & 10 had been completed successfully. Hence, performance security was not required. Work at Sr.3&7 were near to completion as sufficient security deposits were available with the Department. The work at Sr.No.11 was below 50 million, therefore, performance security was not due. In work at Sr.No.10 performance security of Rs 1.3 million had been recovered in February & December, 2009. Audit was of the view that performance security at the initial stage was not obtained as per F.D. instructions and contract Clause-7. Therefore, disciplinary action against the delinquents was due. The position explained by the Department was yet to be verified by Audit. The Committee directed the Department to produce the record i.e. final bill/completion certificate in the case of completed works and initiate disciplinary action against the delinquents. Para was kept pending.

Record needs to be produced besides fixing responsibilities upon the officer(s) concerned.

(DP. 440)

2.4.3.2 Scrutiny of acceptance letter of the work "Construction of interchange at Khaira distributary Package No.17" revealed that Chairperson Lahore Ring Road Authority accepted the lowest bid of the contractor of Rs 629.369 million with rebate of 10.406 % on overall amount. As the tender was accepted with 10.406 % rebate, therefore, the contractor was bound to produce additional performance security equal to the amount less quoted than estimated amount. But, the Department did not obtain the additional performance security from the contractor.

This resulted in undue financial aid to contractor by non-obtaining of additional performance security of Rs 65.492 million due to weak financial control.

Audit pointed out the irregularity in September 2011 but the Department did no reply.

The SDAC on this matter was also held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously. The position was reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/ PAR/ 2011-12/ C&W/ 943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officer(s) concerned besides effecting the recovery.

(DP. 343-2011-12)

2.4.3.3 The Executive Engineer, Provincial Highways Division, Faisalabad awarded two works to the same contractor i.e. M/s Royal Construction Co. Pvt. Ltd in May 2006 and September 2007, but did not obtain performance security in shape of bank guarantee or in cash @ 5% of the contract cost as required by the agreement.

This resulted in undue financial benefit of Rs 16.265 million to the contractor due to weak supervisory and financial control.

Audit pointed out the undue financial benefit in February 2012. The Department admitted that performance security was not obtained in both the cases. One work was unfunded and in the other work contractor was asked to furnish the bank guarantee. The reply was not acceptable as violation of clause - 7 was a serious financial irregularity.

The para was also discussed in the SDAC meeting held on 05.09.2012. The Committee decided to obtain performance security from the contractor within one month. No progress was intimated to Audit till finalization of the report.

Performance security obtained from the contractor may be got verified or the matter be investigated along with fixing responsibility.

(DP. 02)

2.4.3.4 Audit scrutiny of acceptance letter pertaining to work "Strengthening of BPL/BL in district D.G Khan (Group-I)" awarded on 20.12.2008 for Rs 72,831,904 disclosed that Executive Engineer, Provincial Buildings Division, D.G Khan did not obtain performance security in the shape of bank guarantee @ 5% from successful contractor.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 3,641,952.

Audit pointed out irregularity in October 2011. The Department replied that contractor had started the work in time and now the work was near to completion. So at this stage no performance guarantee was required. The reply was not acceptable because as per Finance Department's Notification dated 06.04.2005 and clause-7 of the agreement, performance security was to be obtained within 15 days.

The matter was discussed in the SDAC meeting held on 17.01.2012. The Department contended that the work was near to completion and at final stage obtaining performance security was not required. Audit gave its view that the performance guarantee was due under clause 7 of the contract agreement within 15 days after award of contract. Violation of the contract agreement demanded disciplinary action against the delinquent officers/officials. The Committee directed the Chief Engineer, Buildings Department (South Zone) to probe in the matter and initiate disciplinary action against the responsible official(s). No progress was intimated to Audit till finalization of the report.

The matter needs to be investigated and responsibility fixed against the officer(s) involved.

(DP. 359-2011-12)

2.4.3.5 Audit scrutiny of acceptance letter pertaining to work "Construction of District Jail Rajanpur (Group-II)" awarded on 01.12.2010 for Rs 50,254,000 disclosed that Executive Engineer, Provincial Buildings Division, D.G Khan did not obtain performance

security in the shape of bank guarantee @ 5% from the successful contractor.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 2,512,700.

Audit pointed out irregularity in October 2012. The Department replied that contractor had started the work in time and now the work was near to completion. So at this stage, no performance guarantee was required. However, the reply was not acceptable.

The matter was also discussed in the SDAC meeting held on 17.01.2012. The Department contended that since the work was near to completion, at this stage the obtaining of performance security was not required. Audit was of the view that the performance guarantee was due under clause 7 of the contract agreement within 15 days after the award of the contract. Violation of the contract agreement necessitated disciplinary action against the delinquent officers / officials. The Committee directed the Chief Engineer, Buildings Department (South Zone) to probe in the matter and initiate disciplinary action against the responsible official(s). The Committee also directed the Executive Engineer to obtain the performance security within 14 days and produce the record to Audit for verification. No compliance of Committee's directives was intimated to Audit till finalization of the report.

The matter needs to be investigated and responsibility be fixed upon the officer(s) concerned.

(DP. 361-2011-12)

2.4.4 Pre-mature release of interest bearing securities - Rs 142.875 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 rupees upto 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 five million after the issuance of certificate of completion of work under clause 40 of contract agreement.

Examination of the accounts record (interest bearing security register) disclosed that the Executive Engineer, Provincial Highways Division, Muzaffargarh converted securities deposit of contractors into interest bearing securities and pledged in Allied Bank of Pakistan, D.G Khan, United Bank Limited and Bank of Punjab, Muzaffargarh. Audit observed that securities of running works were pre-mature released to contractor during 2009-10 and 2010-11 without interest. The accounts of security deposits were not found properly maintained. The balance of available securities did not tally with the value of work done. The securities released were also suspicious. The Department refunded interest bearing securities to the contractors without interest.

Weak administrative and financial controls resulted in pre-mature release of security deposit of Rs 142,874,743.

Audit pointed out irregularity in October 2011. The Department replied that the security deposit had been pledged to banks at the request of contractors as well as under the obligation of contract and were being released to them after fulfillment of existing codal formalities. No infringement / violation of rule was made in this regard. As regards interest, the same was lying with the Department and would be refunded as and when claimed by the contractors. The reply was not tenable because securities were pre-maturely released during running works. The security deposit register was found unauthentic / incomplete as available balance did not tally with value of work done. Payment Authorities issued to the banks were also unauthentic.

The para was discussed in the SDAC meeting held on 18.01.2012. The Department explained that on certain works indicated in the para, premature interest bearing securities were released by the then Executive Engineer whereas the interest on the pledged amounts was not released. An enquiry in this regard was already underway with the Chief Engineer Highways (South). The Committee directed that the Chief Engineer Highways (South) should complete the inquiry within 15 days & Highways Division, Muzaffargarh was instructed to produce the record along with outcome of the inquiry to the Audit at the earliest for verification. No progress was intimated to Audit till finalization of the report.

The matter needs to be investigated and responsibility fixed upon the officers concerned besides effecting recovery.

(DP. 292-2011-12)

2.4.5 Loss due to work executed below specification by the contractor - Rs 124.950 million

According to clause 10 of the contract agreement, the contractor shall execute the whole and every part of work in most substantial and workman-like manner both as regards to material and otherwise.

2.4.5.1 Scrutiny of 35th bill of the work "W/I of Shahi road from Jetha Bhutta to Chowk Bahadar pur, group No.2" revealed that Executive Engineer, Provincial Highways Division, Rahim Yar Khan measured and paid an item of work "P/L Prime coat" 3,171,209 sft. But the other allied item "P/L Plant premixed carpet 2" thick" was paid 3,237,030 sft. As the prime coat was always executed on the surface / area where plant premixed carpeting is to be executed. Therefore, quantity of plant premixed carpeting should not be more than the quantity of prime coat. But in this case quantity of plant premixed carpeting 2" thick 65,821 sft was excess paid than the quantity of prime coat. Further, acceptance letter item No.12 of carpeting depicted as execution of item with 4.2% use of bitumen i.e showing item in contradiction to the provision of technical sanction estimate.

Issuance of acceptance letter showing consumption of bitumen 4.2% instead of 4.5% for carpeting and allowing excess quantity paid resulted in overpayment of Rs 2,667,725 to the contractor and irregular issuance of acceptance letter for said item of Rs 120,403,119 due to weak financial and technical controls.

Audit pointed out the overpayment in July 2012. The Department replied that tack coat was carried out two times because already metalled road existed in difference of width. If the quantities of prime coat and tack coat are combined, it would be equal to quantities of carpeting. The departmental reply was irrelevant because the quantities of both items of work were required to be executed at same percentage.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that quantities executed in excess of the agreement quantities would be got verified with reference to revised T.S estimate from Audit. As regards, the issuance of acceptance letter for carpeting items using 4.2% bitumen instead of provision of DNIT/T.S estimate i.e. 4.5% bitumen was a typing mistake. The Committee directed the Department to probe the matter for issuance

of acceptance letter beyond DNIT provision and evaluation of tender thereof within 4.5% permissible limit with reference to acceptance letter. No progress was intimated to Audit till finalization of the report.

The matter needs to be investigated and action taken against the responsible officer(s).

(DP. 480)

2.4.5.2 Scrutiny of 23rd bill of the work "W/I of road from Pattoki to Kangan pur, km No.31 to 47.86, group No.3" revealed that Executive Engineer, Provincial Highways Division, Okara measured and paid an item of work "P/L Prime coat" 1,152,696 sft. But the other allied item "P/L Plant premixed carpet 2.5 inches was paid 1,182,234 sft. The prime coat was always executed on the surface area where plant premixed carpeting was to be executed. Therefore, quantity of plant premixed carpeting should not be more than the quantity of prime coat. But in the present case, quantity of plant premixed carpeting 2.5″ thick 29,538 sft was paid in excess than the quantity of prime coat.

The excess quantity resulted in overpayment of Rs 1,803,206 to the contractor due to weak financial and technical controls.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that overall quantity for item of carpeting and prime coat was thrashed out. No excess quantity over the prime coat area was allowed to contractor. Audit was yet to verify the facts. The para was kept pending for verification of record within 15 days.

Record in compliance of Committee's decision needs to be produced to Audit.

(DP. 412)

2.4.5.3 The Executive Engineer, Provincial Highways Division, Gujranwala measured and paid for the item of work "Plant Premix carpeting 2-1/2″ using 4% ratio of bitumen asphaltic base course for 1,358,521 sft @ Rs 6,083.33 per % sft to the contractor instead of area of item of prime coat using 10 lbs bitumen executed for 1,357,269 sft

because carpeting was to be laid over the area of prime coat as per estimate.

This resulted in overpayment of Rs 76,163 in June 2012 due to weak supervisory and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that the matter regarding excess laying of asphaltic base course than prime coat would be sorted out and intimated to Audit for verification. Para was kept pending for want of verification.

Record in compliance of Committee's decision needs to be produced to Audit.

(DP. 349)

2.4.6 Overpayment due to application of incorrect rate - Rs 120.343 million

As per Notification issued by Finance Department vide No.RO(TECH) F.D 2-3/2004, dated 02.08.2004, all the rate analysis of non-standardized items should be prepared by applying input rates notified by the Finance Department for the relevant quarter.

2.4.6.1 Technical sanction estimate of the work "Improvement / Rehabilitation of existing Multan Road Lahore from Thokar Niaz Baig to Scheme More" was sanctioned on MRS for 4th quarter 2009 (District Lahore). The Chairperson, Lahore Ring Road Authority sanctioned and paid an item of work "Water bound macadam based with course aggregate" @ Rs 2,411 per cum instead of admissible rate of Rs 2,083.08 per cum. In this way excess rate of Rs 327.92 per cum was paid to the contractor.

This resulted in loss of Rs 19,207,815 to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No.IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no SDAC meeting was conducted by the Department till finalization of this report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 313-2011-12)

2.4.6.2 The Executive Engineer, Provincial Highways Division, Lahore prepared and got sanctioned a rate analysis of an item "Asphaltic Base course / Plant Premixed Carpeting" by including the component "pre heating of bitumen" including equipment" contrary to the approved template.

Weak technical and financial controls resulted in overpayment of Rs 17.059 million to the contractor.

Audit pointed out the overpayment in September 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that the cost of pre heating of bitumen included in the analysis of rate for item of asphaltic base course / plant premix carpeting in the engineer's estimate approved by the Planning & Development Department (P&DD) is for transfer of bitumen from bouzer to plant and not for heating of the premix plant. Audit was of the view that no such provision exists in the analysis of rate for the said item incorporated in the MRS and also it was not being allowed in the similar works being executed by Lahore Ring Road Authority. The Committee directed the Department to refer the case to Finance Department for obtaining clarification within one month. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be clarified from the Finance Department and resultant recovery, if any, be made besides fixing responsibility against the officer(s) concerned.

(DP. 212)

2.4.6.3 Technical sanction estimate of the work "Construction of Interchange at Ghazi Road, Package No.11" was sanctioned on MRS 2nd quarter 2010 (Distt. Lahore). The Chairperson, Lahore Ring Road Authority sanctioned and paid an item of work "Water bound macadam based with course aggregate" @ Rs 2,663.06 per cum instead of admissible rate of Rs 2,358.79 per cum. In this way, excess rate of Rs 307.27 per cum was paid to the contractor.

This resulted in loss of Rs 16,276,315 to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of Lahore Ring Road Authority left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/ C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 311-2011-12)

2.4.6.4 Technical sanction estimate of the work "Improvement / Rehabilitation of existing Multan Road Lahore from Thokar Niaz Baig to Scheme More" was sanctioned on MRS 4th quarter 2009 (District Lahore). The Chairperson, Lahore Ring Road Authority sanctioned and paid an item of work "Granular sub-base" @ Rs 1,917 per cum instead of admissible rate of Rs 1,578.69 per cum. In this way, excess rate of Rs 338.31 per cubic meter was paid to the contractor.

This resulted in loss of Rs 12,800,865 to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 314-2011-12)

2.4.6.5 Technical sanction estimate of the work "Construction of Interchange at Ghazi Road, Package No.11" was sanctioned on MRS 2nd quarter 2010 (District Lahore). The Chairperson, Lahore Ring Road Authority sanctioned and paid an item of work "Granular sub-base" @ Rs 2,114.64 per cum instead of admissible rate of Rs 1,848.69 per cum. In this way, excess rate of Rs 265.95 per cum was paid to the contractor.

This resulted in loss of Rs 11,366,703 to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 310-2011-12)

2.4.6.6 The Executive Engineer, Provincial Highways Division, D.G Khan allotted the work "Rehabilitation of metalled road, from Chokiwala to Zain, in District D.G Khan" on 24.05.2011 and prepared the analysis of rate the item of work "P/L base course" with water allowance and without water allowance by adding carriage of stone dust from Sakhi Sarwar quarry to site of work Rs 469.26. In this way rate of Rs 4,830.06 % cft and Rs 5,006.68 % cft was prepared instead of Rs 4,360.80 % cft and Rs 4,537.42 % cft respectively. Hence, excess rate of Rs 469.26 % cft was provided in the estimate and was accordingly paid to the contractor.

Sanction of excess rate resulted in overpayment of Rs 5,058,398 to the contractor.

Audit pointed out the overpayment in October 2012. The Department replied that the scheme was situated in Tehsil Taunsa 118 km from Sakhi Sarwar quarry. Therefore, the rate analysis of carriage of stone metal had been provided from local quarry (Sanghar) 39 km away from the site of work. The Stone metal available at Sanghar quarry was of hand broken as no crushing plant was available there. As such no stone screening was available at the said quarry. It was a binding material which was used in water bound macadam (base course). It was an essential component of base course. The nearest quarry where stone screening was available was at Sakhi Sarwar from where it had been taken. The reply given by the Department was not tenable because according to the nomenclature of the item work "P/L base course" supply and spreading of stone screening (dust) and its carriage was included in the unit rate of the item of base course. Therefore, separate provision of carriage of stone dust was not admissible and was an undue financial favour to the contractor.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that actual recovery would be made after revision of analysis for the item of base course. The Committee kept the para pending for recovery of actual amount. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated besides effecting recovery of the amount involved.

(DP. 313)

2.4.6.7 Technical sanction estimate of the work "Lahore Ring Road Project Package No.17" was sanctioned on MRS 3rd quarter 2009 (District Lahore). The Chairperson, Lahore Ring Road Authority sanctioned and paid an item of work " Granular sub-base" and "Water bound macadam based with course aggregate" @ Rs 1,807 per cum and Rs 2,370 per cum instead of admissible rate of Rs 1,752.21 and Rs 2,296.34 per cum respectively. In this way, excess rate of Rs 54.79 and Rs 73.66 per cum were paid to the contractor respectively.

This resulted in loss of Rs 5,041,026 to the government due to weak financial control.

Audit pointed out the loss in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no SDAC meeting was conducted by the Department till finalization of the report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 319-2011-12)

2.4.6.8 Scrutiny of 3rd bill of the work "Establishment of In-Service Agriculture Training Institute at Karor Lal Eason, District Layyah, Group No.3" revealed that Executive Engineer, Provincial Buildings Division, Muzaffargarh paid an item of work "Providing laying sub base course of brick aggregate" 38,922 cft @ Rs 7,077.20 per % cft by including cost of carriage 200 Km whereas, carriage of stone on "P/L sub base course of brick aggregate" was not admissible.

This resulted in overpayment of Rs 1,220,532 to the contractor due to weak financial and administrative controls.

Audit pointed out overpayment in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that work was executed as per provision of technical sanction estimate. Audit was of the view that brick aggregate was used therefore, the lead incorporated in the acceptance letter / DNIT was not justified and the brick aggregate without any lead was available within the vicinity of the work. Para was kept pending by the Committee to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated for fixing responsibility of overpayment besides effecting recovery.

(DP. 260)

2.4.6.9 The Executive Engineer, Provincial Highways Division, Mianwali got approved rate of Rs 5,747.59 % kg for non-standardized item of providing/ fixing deformed steel bar conforming to ASTM-A615 (G-60) etc. by providing incorrect/ excessive rates for material in analysis of rate and paid @ Rs 6,000 % kg in case of work "Construction of Underpass at km No. 201/7-8 in Bhakkar city on Shershah Kundian Section in District Bhakkar" awarded to M/s Pakistan Associated Construction Co. in January 2006. As per Finance Department instructions, payable rate was worked out to be Rs 5,253.96 (Rs 5,033.01+4.39% tender premium) on the basis of input rates of the November 2005 of district Bhakkar.

Provision of incorrect/excessive rates in technical sanction estimate resulted in overpayment of Rs 3,594,100.

Overpayment was pointed out in July 2012. The Department replied that payment was made as per quoted rates by the contractor. The reply was not acceptable because rate analysis prepared by the Department was not got approved in technical sanction estimate on the prescribed format as placed on website of the Finance Department.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that Audit has taken incorrect rate of MS deformed bar grade-60 in its analysis for non-MRS item of fabrication of MS deformed bar grade-60. The Committee directed the Department to produce TS estimate, analysis of rates along with input rates of relevant quarter for verification. No compliance of the Committee's directive was reported till finalization of the report.

Record in compliance of Committee's directives needs to be produced and recovery be effected.

(DP. 167)

2.4.6.10 Technical sanction estimate of the work "Construction of District Hospital at Narowal Group No.1 and Group No.2" were sanctioned on MRS November 2005 (District Narowal). Executive Engineer, Provincial Buildings Division, Sialkot sanctioned and paid a non-standardized item of work "Providing/fixing fair face Gutka 9″ x 2-1/2″ x 2-1/2″" @ Rs 108 per sft and Rs 105 per sft instead of admissible rate of Rs 62 per sft. In this way excess rates of Rs 46 and 43 per sft respectively were paid to the contractor.

Incorrect application of rate resulted in loss of Rs 3,259,710 to the government due to weak financial control.

Audit pointed out the loss in October 2011. The Department replied that the paid rate was approved by the Superintending Engineer, Provincial Buildings Circle, Gujranwala.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department reiterated its contention that rate was prepared and approved by competent authority and payment was made by the formation concerned accordingly. Audit was of the view that the analysis of rate required justification with reference to the input rates notified by F.D. & additional carriage added therein. The position required verification of facts by Audit. No progress was intimated to Audit till finalization of the report.

The recovery of loss needs to be made besides fixing responsibility against the officer(s) concerned.

(DP. 388-2011-12)

2.4.6.11 The Executive Engineer, Provincial Buildings Division, Lodhran awarded the work "Construction of 125-Bedded DHQ Hospital Lodhran (Group No.1,2,3 & 4)" to M/S Zia-ur-Rehman and paid an item "P/F of TOR steel reinforcement for cement concrete including cutting, bending etc grade-60" @ Rs 6,000 per % kg instead of admissible rate of Rs 5,553.79 per% kg analyzed on the basis of input rates of material and labour available on web site of the Finance Department for December 2005.

The higher rate resulted in loss of Rs 2,933,755 due to weak financial control.

Audit pointed out the loss in August 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate has been allowed to the contractor as approval given by the competent authority in administrative approval/technical sanction estimate and accordingly tender was accepted. Audit was of the view that recovery on the basic of extra labour and binding wire quantity was due from contractor. The Committee directed the Department to recover the loss and get it verified from audit within a month. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and got verified from Audit.

(DP. 201)

2.4.6.12 The Executive Engineer, Provincial Buildings Division, Bahawalpur allowed various non-standardized items at higher rates by adding excess labour (skilled / un-skilled) material and carriage etc than admissible rate analyzed by Audit in different works.

Allowing of higher rates resulted in excess payment of Rs 2,391,689 due to weak administrative and financial controls.

Audit pointed out the excess payment in August 2012. The Department replied that the labour, material and carriage etc had been correctly allowed. The reply was not acceptable because additional labour, material and carriage etc were included in analysis which was not admissible.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Committee directed the Department to prepare the analysis of rates of all items involved in this para on FD template and exclude carriage component on material other than ex-factory rates and produce it to Audit within 15 days for verification besides recovery if due.

No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and got verified from Audit.

(DP. 155)

2.4.6.13 Scrutiny of the technical estimate of the works revealed that a non-standardized item of work "P/L tuff paver 60 mm thick having crushing strength 7000 PSI" was got sanctioned by Executive Engineer, Provincial Buildings Division, Muzaffargarh at higher rate of Rs 60 per sft instead of admissible rate of Rs 48 per sft. In this way, excess rate of Rs 12 per sft was provided in the estimates.

This resulted in loss of Rs 1,563,121 to the government due to weak financial and supervisory controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. Audit pointed out that para consisted of four sub paras 9, 10, 23 & 26. Audit has prepared analysis on the basis of different quarters mentioned in the acceptance letter of the work under objection, whereas Department has prepared its analysis other than the quarters mentioned in the acceptance letters. The Department was of the view that its analysis of rate also based on the template of F.D. as well as quarters mentioned in the acceptance letters. The Committee directed the Department to get reconciled the record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated besides effecting recovery of the loss.

(DP. 258)

2.4.6.14 The Executive Engineer, Provincial Buildings Division, Jhang got approval of technical sanction estimate with provisions of non-MRS item of "P/L fare face gutka tiles 9"x 2-1/4"x 2-1/4""@ rate of Rs 98 per square feet by providing incorrect provision of carriage charges of gutka from Lahore to Jhang, excess provision of cement bags for hundred square feet area, scaffolding charges and 20 % overhead & profit on carriage

charges. The correct rate of Rs 73.20 per square foot should have been applied based on correct provisions i.e without carriage charges, 20% overhead and profit on carriage charges, correct provision of cement bags for hundred square feet area and without scaffolding charges.

Weak financial and supervisory controls resulted in loss of Rs 1,547,117.

Audit pointed out the loss in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that the rate had been revised. Audit demanded approved rate from the Department keeping in view Audit observation. The Committee directed the Department to produce the approved rate and make the recovery if any within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made good and responsibility also be fixed against the concerned officer(s) for the lapse besides strengthening internal controls to avoid recurrence of such a lapse in future.

(DP. 324)

2.4.6.15 Examination of technical sanction estimate of two works revealed that the Executive Engineer, 2nd Provincial Buildings Division, Lahore got sanctioned a non-standardized item of work "P/L Gutka for fair facing size 9″ x 2-1/2″ x 3″ @ Rs 88 per sft and Rs 92 per sft instead of admissible rate of Rs 79 per sft, Rs 72 per sft, Rs 81 per sft and Rs 88 per sft respectively. In this way, excess rates of Rs 9 per sft, Rs 7 per sft and Rs 4 per sft were provided in the estimate and paid to the contractor with his quoted premium.

This resulted in loss of Rs 1,239,627 to the government due to weak financial and supervisory controls.

Audit pointed out loss in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that out of four works, in two works (Para No.8 & 16) items under discussion had not yet been executed hence no loss occurred. The Committee accepted the view point of the Department and reduced the amount of para to Rs 866,487 pertaining to para No. 11 & 12. In remaining two paras, the Department explained to the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery of loss needs to be made from the contractor.

(DP. 433)

2.4.6.16 The Executive Engineer, Provincial Buildings Division, Gujrat got approval of technical sanction estimate with provisions of non-MRS item "P/F proceline granite tile of size 18″ x 18″" for Rs 150 per square foot by taking incorrect input rate of proceline tiles of Rs 85 per square foot instead of Rs 57 per square foot and carriage charges of tiles from Gujranwala to Mandi Baha-ud-din along with 20% overhead & profit on MRS item of cement sand mortar 1:3 and carriage charges. The correct rate of Rs 111 per square foot should have been paid based on correct input rates as per 3rd quarter 2006 for Gujrat.

Weak financial control resulted in loss of Rs 1,172,996.

Audit pointed out the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that rate was correctly allowed to the contractor. Audit pointed out that incorrect analysis of rate was prepared by the Department. The Committee directed the Department to justify the applied rate viz-a-viz rate prepared from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made and responsibility be fixed against the concerned officers for the lapse besides strengthening the internal controls to avoid recurrence of such a lapse in future.

(DP. 242)

2.4.6.17 The Executive Engineer, Provincial Buildings Division, Rawalpindi adopted incorrect rate of item of work "P/F aluminum analyzed champion colour windows using special sanction from size 101mm to 30mm etc" @ Rs 482.75 per sft instead of admissible rate of Rs 405 per sft.

The government sustained a loss of Rs 1.098 million due to weak supervisory and technical controls.

Audit pointed out the loss in September 2012. The Department replied that the payment was made according to T.S estimate approved by the Chief Engineer. The reply being irrelevant was not tenable.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that rate of Rs 462 per sft was provided in technical sanction estimate and tender rate of Rs 482 per sft was accepted. Audit pointed out that rate of Rs 456 had been worked out after verification of record against departmental rate of Rs 462 per sft. The Department may reconcile the rate with Audit to arrive at some conclusion. The Committee directed the Department to reconcile the rate within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made good and got verified from Audit.

(DP. 217)

2.4.6.18 The Executive Engineer, Provincial Buildings Division, Gujrat got approval of technical sanction estimate with provisions of non-MRS item of "Fabrication of Tor Steel G-60 for Reinforcement of cement concrete" for Rs 8,793 per % kg on the basis of incorrect rate analysis. Whereas, according to rate analysis prepared by Audit on standardized analysis as approved by FD, actual rate payable work out to Rs 7,958.99 % kg instead of Rs 8,793 % kg

Weak financial control resulted in overpayment of Rs 1,125,282.

Audit pointed out excess payment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that no recovery was involved as rate of Rs 8,793.07 % kg was provided in technical sanction estimate. Audit pointed out that analysis of the rate for Rs 8,053.33 % kg was produced to Audit for verification included higher weight of binding wire and labour in violation of FD's template. The Committee directed the Department to justify the applied rate viz-a-viz rate prepared by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made and responsibility be fixed against the officers concerned for the lapse.

(DP. 325)

2.4.6.19 The Executive Engineer, Provincial Buildings Division, Sialkot made payment for an item of work "Providing /laying structural pad of granular fill material mixture of 65% sand and 35% gravel compacted to 95% maximum modified "AASHO" dry density i/c carriage of all materials at site complete in all respect as approved by the Engineer In-charge" for 43,093 cft and 69,745 cft @ Rs 5,016% cft against estimated rate of Rs 4,800% cft calculated on the basis of MRS 1st quarter of 2011 for district Narowal whereas the actual rate for mixture of granular fill material with ratio of 35:65 worked out to be Rs 4,162.41% cft (Rs 3,983.55+4.49% quoted percentage).

Application of incorrect rate resulted in overpayment of Rs 963,175 due to weak administrative and financial controls in June 2012.

Audit pointed out the overpayment in October 2012. The Department replied that the Building Research Station Lahore recommended to place foundation 4 feet below existing grade over 4' thick structural pad made of select granular fill material (preferably sub base material/ gaira) compacted 95% modified AASHO density. So the analysis of rate was prepared as per recommendations of Building Research Station Lahore. The reply was not acceptable because item rate for the mixture of granular fill was to be prepared on the basis of ratio of

sand and stone whereas payment for 100% sub base course was made to the contractor.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that approved rate analysis in the technical sanction estimate was applied for payment to the contractor. Audit was of the view that rate should have been derived from the item of sub base course of pit run gravel plus cost of sand etc. The Committee directed the Department to justify rate within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility also be fixed against the officer(s) involved in the overpayment besides effecting recovery thereof.

(DP. 300)

2.4.6.20 Scrutiny of the analysis of rate of the item of work "P/F of marble tile flooring buticina / lasbela marble (rabbit) ¾" thick size 12" x 12" flooring" pertaining to work "Up-gradation of District Headquarter Hospital D.G Khan 250 to 500 bedded Group No.2-A and 2-B", revealed that Executive Engineer, Provincial Buildings Division, D.G Khan worked out rate of Rs 125 per sft by including skilled coolie instead of un-skilled coolie. Moreover, cost of polishing was included in the analysis of rate whereas, the same was provided in the unit rate of tiles. In this way, actual rate comes to Rs 110 per sft instead of Rs 125 per sft.

This resulted in loss of Rs 936,637 due to weak financial control.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matters needs to be investigated and recovery of the loss be made.

(DP. 419)

2.4.6.21 The Executive Engineer, Provincial Buildings Division, Gujrat got sanctioned technical estimate with provisions of non-MRS item "P/F proceline granite tile of size 16″x16″ for Rs 120 per square foot by taking incorrect carriage charges of tiles from Gujranwala to Mandi Baha-ud-Din along with 20% overhead & profit on MRS item of cement sand mortar 1:3 and carriage charges. The correct rate of Rs 92 per square foot should have been paid based on correct input rates as per 4th quarter 2010 for M.B. Din.

Weak financial control resulted in loss of Rs 868,628.

Audit pointed out the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that no recovery was involved as rate of Rs 120 per sft was provided in technical sanction estimate. Audit pointed out that analysis of the rate for Rs 125 per sft has been produced to audit for verification which was based on 4th Quarter 2010, whereas, the original estimate was based on 1st Quarter 2009. The Committee directed to the Department to justify the applied rate viz-a-viz rate prepared by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and responsibility be fixed against the concerned officers for the lapse besides strengthening the internal controls to avoid recurrence of such a lapse in future.

(DP. 240)

2.4.6.22 The Executive Engineer, Provincial Highways Division, Dera Ghazi Khan, allotted work "Rehabilitation of metalled road, from Chokiwala to Zain, in District D.G Khan" on 24.05.2011 and prepared analysis of rate of an item of work 'P/L base course' by adding 5% water allowance of Rs 176.62. In this way, rate of Rs 5,006.68 per % cft was prepared instead of 4,830.06 per % cft. The excess rate of Rs 176.62 per % cft was included in analysis of rate.

Sanction of excess rate resulted in loss of Rs 857,956 to the government due to weak financial control.

Audit pointed out the loss in October 2012. The Department replied that the scheme runs in hilly area of Koh-e-Suleman from km 15.70 to km 27.8. The sweet water was not available in this length / reach. Owing to this, a provision of 5% water allowance was made in PC-1 / Rough cost estimate subsequently to avoid deterioration by the salts attack on the different component of road. The scheme was technically sanctioned by the competent authority. The reply was not tenable because the provision of water allowance in rate analysis in addition to MRS rate was against the Finance Department's instructions dated 02.08.2004. Moreover, no such provision / payment existed in template of item of base course circulated by Finance Department.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the water available in the area of project is brackish and not suitable to be used in execution of work. Therefore, the additional 5% water allowance as per provision of administrative approval/technical sanction estimate was allowed. Audit was of the view that the rate included in MRS for the district D.G Khan includes cost of water. Without any allowance for water in the area of Cholistan and in districts like Faisalabad, T.T. Singh, Khushab etc, the MRS rates are being allowed by the Provincial Highways Department. The Committee did not accept the contention of the Department. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and responsibility be fixed against the officers concerned.

(DP. 310)

2.4.6.23 The Executive Engineer, Provincial Highways Division, Gujranwala made payment for the item "Borrow pit excavation undressed including re-handling of earth received from regular excavation for 210,860 cft @ Rs 4,153.96 ‰ cft whereas, rate of Rs 1,050.38 ‰ cft (Rs 905.50+16%) was admissible for disposal of unsuitable earth because rate of item "Regular excavation dressed lead upto 50 feet including cost of excavation of earth etc." was already paid.

Application of incorrect rate resulted in overpayment of Rs 654,421 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that item was paid as per provision in the sanctioned estimate, BOQ and agreement. Surplus earth was not only to be re-handled rather was to be disposed of at certain lead hence, item was accordingly incorporated in the estimate. Audit was of the view that excavation of earth should be paid once and recovery be effected on account of duplicate payment. The Department was yet to examine the record to sort out the true position. Para was kept pending for fresh reply of the Department or recovery. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made from the bill of the contractor and responsibility be fixed against the concerned officers.

(DP. 354)

2.4.6.24 Scrutiny of comparative statement and analysis of rates of the work "W/I of Sahiwal-Pakpattan road from km No. 3.07 km No. 13 in district Sahiwal" revealed that the lead for carriage of stone/bajri for sub base, base course and TST had been provided 186 km instead of actual lead of 184 km. The rates with 186 km lead was provided in the estimate and comparative statement at Rs 3,424.05, Rs 4,505.17 and Rs 3,008.79% cft instead of actual rates with 184 km lead at Rs 3,408.45, Rs 4,489.31 and Rs 2,915.93 % cft respectively. In this way excess rates of Rs 15.60, 15.86 and Rs 92.86 % cft were paid to the contractor.

This resulted in over payment of Rs 644,135 due to weak financial control.

Audit pointed out the overpayment in February 2012. The Department replied that in the revised estimate technically sanctioned by the competent authority, rate for sub base and triple surface treatment (TST) worked out on the basis of 184 km lead instead of 186 km had been incorporated. The Department admitted the view point of Audit.

The matter was also discussed in the SDAC meeting held on 05.09.2012. Audit apprised the Committee that recovery as per latest technical sanction estimate for the item of sub-base course, was due from contractor. The Department was of the view that lead of 184 km for the items of base course/TST was incorrectly provided as such revised technical sanction estimate would be obtained from the competent authority within one month. The Committee kept the para pending for recovery/regularization within one month.

Recovery on account of excess lead paid to the contractor needs to be made besides fixing responsibility.

(DP. 67)

2.4.6.25 Technical sanction estimate of the work "Re-construction of 80 bedded out of 179 bedded DHQ level Hospital Daska" was sanctioned on MRS November 2005 (District Sialkot). Executive Engineer, Provincial Buildings Division, Sialkot sanctioned and paid a non standardized item of work "Providing / fixing fair face Gutka 9″ x 2-1/4″ x 2-1/4″ @ Rs 78.68 per sft instead of admissible rate of Rs 59.79 per sft. In this way, excess rate of Rs 18.89 per sft was paid to the contractor.

Incorrect application of rate resulted in loss of Rs 642,090 to the government due to weak financial control.

Audit pointed out loss in October 2011. The Department replied that the paid rate was approved by the Superintending Engineer, Provincial Buildings Circle, Gujranwala. The reply was not tenable because the estimate was sanctioned on the basis of MRS / input rates displayed on the web site of Finance Department for November 2005 (District Sialkot) and therefore, correct rate came to Rs 59.79 per sft instead of Rs 78.68 per sft.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department contended that rate was prepared and approved by competent authority and payment was made by the formation concerned accordingly. Audit was of the view that analysis of rate inclusive of un-required additional carriage and undue input rates resulted in loss to the public exchequer. No progress was intimated to Audit till finalization of the report.

The recovery of loss needs to be made besides fixing responsibility upon the officers concerned.

(DP. 394-2011-12)

2.4.6.26 The Executive Engineer, Provincial Highways Division, Dera Ghazi Khan allotted work "Rehabilitation of metalled road, from Chokiwala to Zain, in District D.G Khan" on 24.5.2011 and prepared analysis of rate of an item of work "Coursed ruble masonry hammered dressed in foundation and plinth in cement sand mortar ratio 1:4" by adding 5% water allowance Rs 477.55. In this way, rate of Rs 10,028.55 per % cft was prepared instead of Rs 9,551 per % cft. The excess rate of Rs 477.55 per % cft was included in analysis of rate.

Sanction of excess rate resulted in loss of Rs 634,060 to the government due to weak financial control.

Audit pointed out the loss in October 2012. The Department replied that the scheme runs in hilly area of Koh Suleman from km 15.70 to km 27.8. The sweet water was not available in this length / reach. Due to which, a provision of 5% water allowance was made in the PC-1 / Rough cost estimate subsequently to avoid deterioration by the salts attack on the different component of road. The scheme was sanctioned technically by the competent authority. The reply was not tenable because the provision of water allowance in rate analysis in addition to MRS rate was against the Finance Division's instruction dated 2.8.2004.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the water available in the area of project was brackish and not suitable to be used in execution of work. Therefore, the additional 5% water allowance as per provision of administrative approval/technical sanction estimate was allowed. Audit was of the view that the rate included in MRS for the district D.G Khan included cost of water. Without any allowance for water in the area of Cholistan and in districts like Faisalabad, T.T. Singh, Khushab etc, the MRS rates are being allowed by the Provincial Highways Department. The Committee did not accept the contention of the Department. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and responsibility be fixed against the officers concerned.

(DP. 311)

2.4.6.27 The Executive Engineer, Provincial Buildings Division, D.G Khan got sanctioned and paid a non-standardized item of work "P/L tuff paver 60 mm thick having crushing strength 7,000 PSI" @ of Rs 62.70 per sft, Rs 65 per sft and Rs 58 per sft instead of admissible rate of Rs 54.34 per sft, Rs 57 per sft and Rs 49 per sft, respectively. In this way, excess rates of Rs 8.36 per sft, Rs 8 per sft and Rs 9 per sft were provided in the estimates and paid accordingly.

This resulted in loss of Rs 606,644 to the government due to weak financial and supervisory controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated besides effecting recovery of the loss.

(DP. 424)

2.4.6.28 Scrutiny of 35th bill of the work "Widening /Improvement of Shahi road from Jetha Bhutta to Chowk Bahadarpur G-II" revealed that the Executive Engineer, Provincial Highways Division, Rahim Yar Khan provided the rate of an item of work "Fabrication of steel reinforcement for cement concrete" in the technical sanction estimate at Rs 4,672.48 per% kg instead of admissible rate of Rs 4,412.60 per % kg. In this way, excess rate of Rs 259.88% kg was paid to the contractor.

This resulted in loss of Rs 539,225 due to weak financial and technical controls.

Audit pointed out the loss in July 2012. The Department replied that the rate of Rs 4,672.48 %kg for the item fabrication of mild steel deformed bars grade 40 had not been provided in the estimate as pointed out by Audit. But the rate of steel at Rs 4,412.60 % kg was provided in TS estimate on the basis of MRS 3rd Quarter, 2006. The reply given by the Department was contradictory because as per comparative statement the

rate of "Fabrication of steel grade 40" had been provided at Rs 4,672.48 % kg and against that rate the contractor quoted rate of Rs 4,609 % kg which was included in the agreement of the contractor.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that due to imbalance rate, recovery had already been withheld and final bill to the contractor was yet to be paid. The Committee directed to submit the final bill of the contractor for detailed verification.

The recovery needs to be effected besides fixing responsibility upon person(s) concerned.

(DP. 141)

2.4.6.29 Examination of technical sanction estimate of two works revealed that Executive Engineer, 2nd Provincial Buildings Division, Lahore got sanctioned a non-standardized item of work "P/L tuff pavers of 60 mm thick having compression strength 7,000 PSI" @ Rs 60 per sft and Rs 57 per sft instead of admissible rate of Rs 57 and Rs 54 per sft respectively. In this way excess rate of Rs 3 per sft was provided in the estimate and was paid to the contractor with quoted premium.

This resulted in loss of Rs 530,847 to the government due to weak financial and supervisory controls.

Audit pointed out the loss in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained the Committee that rate approved in the technical sanction estimate /administrative approval was allowed to the contractor. Audit pointed out that the analysis of rate taken by Audit during local audit of division included input rate of 1.2 cooli and 0.4 masson having approval of Superintending Engineer, whereas, the analysis now produced during meeting depicted inclusion of one each masson and skilled cooli and approval of Superintending Engineer was not available. The Committee directed the Department to justify the rate now produced to Audit viz-a-viz already available with Audit. Para was kept pending for

15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery of loss needs to be made from the contractor.

(DP. 435)

2.4.6.30 Examination of analysis of rate of non-standardized item of work "P/L floor tiles granite (Master) super quality 16" x 16" x 3/8" thick" revealed that Executive Engineer, Provincial Buildings Division, Muzaffargarh got approved the item @ Rs 124 per sft by taking the input rate of the tile Rs 67 per sft instead of Rs 63.26 per sft as per input rates of material and quarter 2011 district Layyah page 61 & 62, item No.17. Moreover, provision of plain cement concrete 1:2:4 and white cement amounting to Rs 1,814 and Rs 200 respectively was made in the analysis of rate instead of actual quantity of grey cement, white cement and pigment to be used in laying of tiles amounting to Rs 826.30. In this way, actual composite rate comes to Rs 108 per sft instead of Rs 124 per sft.

Approval of higher rate resulted in loss of Rs 497,840 due to weak financial and supervisory controls.

Audit pointed out the loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility of loss also be fixed.

(DP. 264)

2.4.6.31 The Project Director, PRSDP, Lahore paid final bill pertaining to the work "Chiniot-Sargodha-Khushab Road" Package-3 awarded to M/s China International Water and Electric Co. Quantity of work 6,267.90 M^3 @ Rs 195.90 per cum of the item removal of existing asphalt pavement (PAF Road) was paid as non-BOQ item. Audit observed that the item was

to be paid @ Rs 134.45 per cum based on MRS for September 2005, the MRS on which scheme was originally approved. Further, the Department paid new item at rate worked on the basis of 1st quarter 2009, which was not admissible.

Weak technical and financial controls resulted in overpayment of Rs 491,153.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that rate for the item of asphalt pavement was not available in contract agreement. Non-BOQ rate on current market rate was sanctioned under clause - 52 of agreement. Audit was of the view that escalation to the contractor was also allowed on the said item / non-BOQ items under clause - 73 of agreement whereas, no escalation on non-BOQ rates paid on current market rates under clause - 52 was admissible. The Committee directed the Department to justify their action within 15 days to Audit. No compliance of the Committee's directives was reported till finalization of the report.

Recovery of the overpayment, if any, needs to be effected.

(DP. 119)

2.4.6.32 The Executive Engineer, Provincial Buildings Division, Gujrat got approved the technical sanction estimate with provisions of non-MRS item "P/F proceline granite tile of size 16″x16″ for Rs 123 per square foot by taking incorrect carriage charges of tiles from Gujranwala to Mandi Baha-ud-din along with 20% overhead & profit on MRS item of cement sand mortar 1:3 and carriage charges. The correct rate of Rs 111 per square foot should have been paid based on correct input rates as per 4th quarter 2010 for M.B Din

Weak financial control resulted in loss of Rs 402,465.

Audit pointed out the loss in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that no recovery was involved as rate of Rs 120 per sft was provided in technical sanction estimate. Audit pointed out that analysis of the rate for Rs 125 per sft had been produced to audit for verification which was based on 4th Quarter 2010, whereas, the original estimate was based on 1st Quarter 2009. The Committee directed the Department to justify the rate applied viz-a-viz rate prepared by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The loss needs to be made good and responsibility be fixed against the concerned officers besides strengthening the internal controls to avoid recurrence of such a lapse in future.

(DP. 243)

2.4.6.33 Technical sanction estimate of the work "Construction of District Hospital at Narowal Group No.1" was sanctioned on MRS November 2005 (District Narowal). Executive Engineer, Provincial Buildings Division, Sialkot sanctioned and paid a non standardized item of work "P/L 3/4″ thick full width China Verona marble in 1:3 cement sand mortar based 3/4″ thick i/c polishing" @ Rs 300 per sft instead of admissible rate of Rs 223.65 per sft. In this way, excess rate of Rs 76.35 per sft was paid to the contractor.

Incorrect application of rate resulted in loss of Rs 378,391 to the government due to weak financial control.

Audit pointed out the loss in October 2011. The Department replied that the paid rate was approved by the Superintending Engineer, Provincial Building Circle, Gujranwala. The reply was not tenable because the estimate was sanctioned on the basis of MRS / input rates displayed on the website of Finance Department in November 2005 (District Narowal) and therefore, correct rate came to Rs 223.65 instead of Rs 300.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department contended that rate was prepared and approved by competent authority and payment was made by formation concerned accordingly. Audit was of the view that while analyzing the rate of said non-standardized item, input rates notified by F.D. applicable at the time of tender should have been incorporated as required under clause 41 of the contract, instead the input rates prevailing while the item cropped up. The Department explained that the spirit of clause 41 does not attract

the application of rates for non-standardized items as prevailed at the time of tender. During proceedings clarity was sought telephonically from the Technical Advisor, F.D. who explained that the SE is competent to approve non-standardized rates under the notification already issued by F.D. Audit desired that confirmation of F.D. may be sought in writing. No clarification was produced to the Audit till finalization of the report.

The recovery of loss needs to be made besides fixing responsibility upon the officer(s) concerned.

(DP. 385-2011-12)

2.4.6.34 The Executive Engineer, Provincial Highways Division, Mianwali got approved rate of Rs 5,747.59 % kg for non-standardized item "P/F Fair face work of 9″x 2 ¼″ x 2 ¼″" with red pesos etc. complete in all respect by providing incorrect/excessive rates for material/labour/ scaffolding in analysis of rate and paid @ Rs 99 per sft for work "Up-gradation of District Headquarter's Hospital Mianwali and Establishment of Diagonostic Centre at Mianwali awarded to M/S A.M Associates Engineers & Builders in March 2011. As per Finance Department instructions, payable rate worked out to be Rs 90.68 (Rs 86.79 +4.48% tender premium) on the basis of input material/labour rates of the 1st Quarter 2011 of District Mianwali.

Provision of incorrect/excess rates in technical sanction estimate resulted in overpayment of Rs 316,380.

Overpayment was pointed out in July 2012. The Department replied that payment was made as per approved rates in the estimate and as per quoted rates by the contractor. The reply was not acceptable because rate analysis prepared by the Department was not got approved in technical sanction estimate on the prescribed format as placed on website of the Finance Department.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was sanctioned by the competent authority including cost of scaffolding. Audit was of the view that cost of scaffolding was not due as per agreement clause 15 and template used for brick work items. The Committee directed the Department to refer the matter to F.D. within a month for obtaining clarification / advice. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officers concerned for the overpayment besides effecting recovery thereof.

(DP. 383)

2.4.6.35 Technical sanction estimate of the work "Up-gradation of Rural Health Centre to Tehsil Head Quarter Hospital level at Chowk Azam district Layyah Group No. 2 & 3" was sanctioned on 1st quarter 2011 (District Layyah). Executive Engineer, Provincial Buildings Division, Muzaffargarh, got sanctioned and paid a non-standardized item of work "P/L Master Ceramic tile size 8″x10″ for flooring / skirting" @ Rs 100 and Rs 115 instead of admissible rate of Rs 89 per sft. In this way, excess rate of Rs 11 and Rs 26 was provided in the estimate and was also paid to the contractor.

This resulted in loss of Rs 305,452 to the government due to weak financial and supervisory controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be effected and got verified from Audit.

(DP. 266)

2.4.6.36 The Executive Engineer, Provincial Highways Division, Gujrat made payment for the item of RCC 1:2:4 for construction of RCC 1:2:4 dowel (wheel guard) along with RQ Link of River Channab and paid @ Rs 200 per cft as an item No. 6 a (i) instead of admissible rate @ Rs 168 per cft as an 6 a (ii).

This incorrect application of rate resulted in overpayment of Rs 305,406.

Audit pointed out the overpayment in September 2011. The Department replied that the work had been executed and paid according to the approved technical sanction estimate / specifications. No overpayment was made. The Departmental reply was not admitted as the item of RCC 1:2:4 for Dowel, wheal guard did not require centering or horizontal shuttering.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that rate for RCC dowal required shuttering therefore rate was correctly paid as per provision of technical sanction estimate. Audit contended that RCC dowal was constructed on ground therefore horizontal shuttering was not involved and rate for RCC without horizontal shuttering was due to contractor. The Committee pended the para till the decision in a similar case which was under discussion in a special committee constituted by PAC under the chairmanship of Member (Infrastructure) P&D Department. No progress was intimated to Audit till finalization of the report.

Recovery needs to be effected and responsibility be fixed against the officer(s) concerned.

(DP. 274-2011-12)

2.4.6.37 Technical sanction estimate of the work "Construction of Gymnasium at Sialkot" was sanctioned on MRS 1st quarter 2009 (District Sialkot). Executive Engineer, Provincial Buildings Division, Sialkot sanctioned and paid a non-standardized item of work "Fabrication of heavy steel" @ Rs 8,645per % kg instead of admissible rate of Rs 8,639.7 per % kg. In this way, excess rate of Rs 5.30 per kg was paid to the contractor.

Incorrect application of rate resulted in loss of Rs 298,629 to the government due to weak financial control.

Audit pointed out the loss in October 2011. The Department replied that the audit observation was correct and the rate would be corrected in the next bill.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department admitted recovery of Rs 298,629 and explained that recovery would be effected from the forthcoming bill of the

contractor or from the matured security deposit of the contractor. Record would be produced to Audit for verification within 7 days. No progress was intimated to Audit till finalization of the report.

The recovery of loss needs to be made besides fixing responsibility upon the officers concerned.

(DP. 391-2011-12)

2.4.6.38 Scrutiny of 12th & running bill of the work "Construction Of District Jail, Okara Group No.6 revealed that the Executive Engineer, Provincial Buildings Division, Sahiwal made payment of the item of work "Making and fixing iron grated door comprising the frame of M.S angle iron 2 ½″ x 2 ½″ x 3/8″ and 2″ x 2″ x 3/8″ leave frame" to the contractor @ Rs 826 per sft instead of agreement rate of Rs 572.11 per sft. In this regard, excess rate of Rs 253.89 per sft was paid to the contractor.

This resulted in overpayment of Rs 244,496 due to weak financial and technical controls.

Audit pointed out the overpayment in February 2012. The Department replied that the rate of Rs 826 per sft for the item of work had been sanctioned by the Chief Engineer (South Zone) Punjab Buildings Department, Lahore in revised estimate as well as this was approved by the Superintending Engineer, Provincial Buildings Circle, Faisalabad and payment had been made to the contractor accordingly. The reply given by the Department was not convincing because payment of this item was required to be made on the rate provided in the agreement/acceptance letter.

The matter was also discussed in SDAC meeting held on 20.09.2012. The Department apprised the Committee that analysis of rates for fixing of door was incorrectly prepared and rate provided in the agreement was without chowkhat. New rate was prepared with chowkhat and got approved from the competent authority. Audit was of the view that rate provided in the agreement clearly depicted the chowkhat size of 2.5 x 2.5 x 3/8 inch. The Committee directed the Department to recover overpayment and get it verified from Audit. No progress was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officer(s) concerned besides effecting recovery of the overpayment.

(DP. 36)

2.4.6.39 The Executive Engineer, Provincial Highways Division, Bahawalpur paid an item "Supply & Installation of G-I 24 rft high sectional pole 6″ x 5″ x 3″ dia double arm with base plate 15″ x 15″ x ¾″" with protected point two coat" @ Rs 22,143 each for quantity 66 Nos. instead of agreed rate i.e. Rs 18,973.65 each.

This resulted in overpayment of Rs 209,177.

Audit pointed out the excess payment in August 2012. The Department replied that item was modified to strengthen the street pole to withstand any accidental force. The reply was not accepted because as per contractor's bill, the specification of item was same as per acceptance letter.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the drawing/design of electric pole was changed with provision of braces with base plates and overlapping of subsequent dia pipe with 1 ft to strengthen the pole against wind pressure. Audit demanded the construction drawing originally provided in TS estimate viz-a-viz revised drawings as per revised technical sanction estimate within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides taking disciplinary action against the officer(s) responsible.

(DP. 112)

2.4.6.40 Scrutiny of 19th bill of the work "Establishment of Government Girls Degree College at Chak No.90/ML Tehsil Karor Lal Eason, District Layyah, Group No.1 & 2" revealed that the Executive Engineer, Provincial Buildings Division, Muzaffargarh made payment of item of work "Providing and laying full body porcelain tile 16″x16″x3/8″ for flooring / dado skirting" @ Rs 135.84 per sft and Rs 135.82 per sft instead of admissible rate of Rs 107.62 per sft and Rs 107.61 per sft including premium respectively.

Payment of excess rates resulted in overpayment of Rs 169,158 to the contractor due to weak financial control.

Audit pointed out overpayment in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery of overpayment needs to be made and got verified from Audit.

(DP. 262)

2.4.6.41 The Executive Engineer, Provincial Buildings Division, D.G Khan got approved a non-standardized item of work "P/L fair face bricks (Gutka) cladding size 9″ x 2-1/4″ x 2-1/4″" laid in 1:3 cement sand" @ Rs 95 per sft instead of admissible rate of Rs 88 per sft. In this way, excess rate of Rs 7 per sft was provided in the estimate and paid to the contractor with premium of 4.48 % above.

This resulted in loss of Rs 162,925 to the contractor due to weak financial control.

Audit pointed out the loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery of loss needs to be made and got verified from Audit.

(DP. 425)

2.4.6.42 The Executive Engineer, Provincial Highways Division, Gujranwala made payment for item "Providing/laying bituminous tack coat by using 5 Lbs. bitumen for % sft area complete in all respect" for 1,630,161 sft (1,193,496 + 436,665) @ Rs 124 per % sft against estimated rate of Rs 118.58 % sft approved on the basis MRS rates of 2nd quarter 2006 for District Hafizabad whereas payable rate was worked out to Rs 114.52 % sft (Rs 105.13+ 4.16% = Rs 109.51 + 4.57%) by Audit.

Application of incorrect rates resulted in overpayment of Rs 154,539 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained to the Committee that rate in PC-I / T.S Estimate was Rs 278.75 per % sft using 15 lbs bitumen. The rate was reduced for using bitumen as 5 lbs % sft. Audit pointed out that the rate calculated by Department for using 5 lbs bitumen was on higher side and needed recovery. The Committee directed the Department to get the position verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and recovery be made after fixing responsibility against the officer(s) involved in overpayment.

(DP. 471)

2.4.6.43 The Executive Engineer, Provincial Buildings Division, D.G Khan got sanctioned a non-standardized item of work "P/L tiles 16″ x 16″ Master granite plain light colour (PNM) polished SB flooring / skirting" by preparing analysis of rate Rs 130 per sft. Provision of skilled coolie was provided in the analysis of rate instead of un-skilled coolie. The rate was worked out and provided in the estimate of Rs 130 per sft instead of Rs 128.51 per sft. In this way, excess rate of Rs 1.49 per sft was provided in the estimate and accordingly paid to the contractor.

This resulted in loss of Rs 131,944 due to weak financial control.

Audit pointed out the loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery of the loss needs to be made from the contractor.

(DP. 431)

2.4.6.44 Examination of PC-I and technical sanction estimate of Construction of District Jail at Narowal revealed that Executive Engineer, Provincial Buildings Division, Sialkot got sanctioned technical sanction estimate in December 2009 on the basis of administrative approval accorded in February 2009 by Secretary Home Department. Audit further observed that the Department prepared, approved and paid @ Rs 95.00 per kg for the item of providing, cleaning, cutting, binding, placing and fixing in position etc conforming to ASTM-615 (Grade-60) Deformed Bars made by Karachi Steel Mills Billet etc, a non-standardized item with incorrect rate analysis on the basis of non-verifiable input rates against the rates notified by the Finance Department for different materials. Whereas, as per template and input rates notified by the Finance Department in 1st Quarter 2009 for district Narowal, the correct payable rate came to be Rs 90.87 per kg.

Incorrect preparation of rate and approval/provision thereof in technical sanction estimate resulted in loss of Rs 115,640 due to weak technical and supervisory controls.

Audit pointed out the loss in October 2012. The Department replied that the rate of Rs 95 per kg was approved by the Superintending Engineer, Provincial Buildings Circle, Gujranwala. The reply was not acceptable because incorrect rate was approved and paid to the contractor.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that that Grade-40 MS Bars were used in the work as per provision of technical sanction estimate and drawing. Audit was of the view that acceptance letter clearly described that MS Bars of Pakistan Steel would be used in the work without any specific grade. It is upto the Engineer Incharge to

use Grade-60 Steel in the work as per agreement. Whereas, Department is using Grade-40 as per technical sanction estimate using MS Bar manufactured from local billet. The Committee directed the Department to justify their action with sound evidences to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officers concerned besides effecting recovery thereof.

(DP. 296)

2.4.6.45 Technical sanction estimate of the work "Up-gradation of Rural Health Centre to Tehsil Headquarter Hospital level at Chowk Azam District Layyah Group No.1,2 & 3" was sanctioned on 1st quarter 2011 (District Layyah). Executive Engineer, Provincial Buildings Division, Muzaffargarh got Sanctioned and paid a non-standardized item of work "P/L Pre-polished porcelain tile size 16″x16″x3/8″ thick for flooring / dado" @ Rs 130 per sft instead of admissible rate of Rs 127 per sft. In this way, excess rate of Rs 3 per sft was provided in the estimate and was also paid to the contractor.

This resulted in loss of Rs 114,750 to the government due to weak financial and supervisory controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate was correctly sanctioned with 4 No. skilled coolies. Audit was of the view that coolie was not justified as two masons were included in the analysis of rates. The Committee directed the Department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery of loss needs to be made and got verified from Audit.

(DP. 263)

2.4.6.46 Examination of technical sanction estimate of the work "Establishment of In-service Agriculture Training Institute at Karor Lal Eason District Layyah Group No.3" revealed that Executive Engineer,

Provincial Buildings Division, Muzaffargarh provided rate of an item of work. "P/L sub base course of brick aggregate including compaction etc" in the estimate @ Rs 2,753.55 per % cft and composite rate with 200 km lead worked out for Rs 6,805 per % cft. Whereas, another cheaper item of sub-base course of crushed stone aggregate @ Rs 2,481.75 per % cft was available vide MRS, 4th quarter 2011, chapter 18 item No.3 (a) (ii) which should have been paid. In this way, an expensive item of work was paid instead of cheaper item of work in violation of instructions given in the remarks column against item No.2.

This resulted in loss of Rs 105,790 to the government due to weak financial and supervisory controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that work was executed as per provision of TS estimate. Audit was of the view that brick aggregate was used therefore, the lead incorporated in the acceptance letter / DNIT was not justified and the brick aggregate without any lead was available within the vicinity of the work. Para was kept pending by the Committee to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Responsibility of the loss needs to be fixed against the officer(s) concerned.

(DP. 265)

2.4.6.47 Technical sanction estimate of the work "Establishment of Government Degree College for Women at Khanbela (Group No.1)" was sanctioned on MRS 3rd quarter 2011 (District R.Y Khan) by Executive Engineer, Provincial Buildings Division, Rahim Yar Khan and paid a non-standardized item of work "P/L marble china Verona for flooring of size 12″ x 12″ x ¾″ thick" @ Rs 151.38 per sft instead of admissible rates of Rs 142 per sft and Rs 136 per sft. In this way, excess rate of Rs 9.38 per sft was paid to the contractor.

This resulted in overpayment of Rs 105,188 due to weak financial and technical controls.

Audit pointed out the overpayment in July 2012. The Department replied that the rate of Rs 145 (without 4.4 % premium quoted by the contractor) for the non-standardized item was approved by the competent authority and it was incorporated in the DNIT, Comparative Statement and Work Order / Acceptance Letter and the payment was made accordingly. The reply was not satisfactory because in the analysis of rate prepared by the Department input rate of marble China Verona 12″x12″ and chemical polishing (3rd quarter 2011, District Rahim Yar Khan) had been taken as Rs 66 per day and Rs 12 per day instead of admissible rate of Rs 62 and Rs 10. Moreover, number of skilled coolies and tile layers had been taken as 2.50 per day instead of 2 per day. In this way, the actual rate came to Rs 136 instead of Rs 145.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained the Committee that correct rate was applied as per sanction given by the competent authority and approved in technical sanction estimate/administrative approval. Audit pointed out that input rate were not correctly provided in analysis of rate provided to Audit. The Committee kept the para pending for verification of analysis of rate within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made and responsibility be fixed against the officers responsible.

(DP. 135)

2.4.7 Loss due to incorrect approval of rate - Rs 44.181 million

According to Finance Department letter No.RO(Tech)FD.2-3/2004 dated 02.08.2004, the available input rates of material / labour / equipment shall be the same as placed by the Finance Department on its website. Standardized analysis shall be used to work out the rate of an item as far as possible.

2.4.7.1 The Superintending Engineer, Provincial Highways Circle, D.G Khan got sanctioned the rate of carpeting 3.5″ thick 4.5% bitumen by including carriage as Rs 6,175.22 per % sft instead of Rs 5,676.30% per sft as provided in the MRS 3rd quarter 2006 district Muzaffargarh in respect of the work "Widening and Improvement of Jatoi to Karmdad Quershi.

Weak supervisory and technical controls resulted in loss to government of Rs 32,887,734.

Audit pointed out the loss in April 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that rate of carpeting was provided in T.S. estimate / administrative approval because crush from Sakhi Sarwar Quarry was not suitable for execution of work. Accordingly, analysis of rate from F.D. template was prepared and provided in the said documents. Audit was of the view that the matter involved in this case had already been discussed in the PAC-II after inquiry through a committee headed by the Members Infrastructures P&D Board. The PAC directed the Department to obtain condonation sanction from the competent authority. The Committee kept the para pending for implementation of PAC directive in this case. No compliance of the Committee's directives was reported till finalization of the report.

Recovery of the loss needs to be made good along with fixing responsibility against the person(s) involved.

(DP. 73)

2.4.7.2 The Superintending Engineer, Provincial Highways Circle, Dera Ghazi Khan got sanctioned the rate of "Providing and Laying carpeting 4% bitumen 2″ thick (ABC) and Providing and Laying carpeting 4.5% bitumen 1.5% thick (AWC)" at Rs 8,026.15% sft (Rs 4,441.90 + Rs 3,584.25) on 22.06.2011 instead of the actual rate as per MRS 1st quarter 2009 district Muzaffargarh Rs 7,593.67% sft (4,210.20+3,383.47) for the work "W/I of Karamdad Quershi, Kot Addu-Layyah Road".

Weak supervisory and technical controls resulted in loss of Rs 4,930,800.

Audit pointed the loss in April 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that rate of carpeting was provided in T.S. estimate / administrative approval because crush from Sakhi Sarwar quarry was not suitable for execution of work. Accordingly, analysis of rate from F.D. template was prepared and

provided in the said documents. Audit was of the view that the matter involved in the case had already been discussed in the PAC-I after inquiry through a Committee headed by the Members Infrastructure P&D Board. The PAC directed the Department to obtain condonation sanction from the competent authority. The Committee kept the para pending for implementation of PAC directive in the case. No compliance of the Committee's directives was reported till finalization of the report.

Condonation of sanction obtained from the competent authority may be produced to Audit for verification.

(DP. 72)

2.4.7.3 The Superintending Engineer, Provincial Highways Circle, Multan got sanctioned the rate of bituminous carpeting 2.5″ thick (4.50% bitumen) complete in all respects at Rs 6,370.25% sft whereas actual rate in MRS 3rd quarter 2008 district Sahiwal was Rs 115.50 per sft.

Weak supervisory and technical controls resulted in to the loss to the government for Rs 3,026,078.

Audit pointed out the loss in March 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2012. Similar issue had already been discussed and decided by the PAC in its meetings dated 28th & 30th of May 2012. The Committee kept the para pending for implementation of the PAC decision in the case. However, no progress was intimated to Audit till finalization of the report.

Recovery of loss needs to be made good besides fixing responsibility against the officer(s) concerned.

(DP. 25)

2.4.7.4 The Superintending Engineer, Provincial Buildings Circle, D.G Khan sanctioned the rate of an item "P/F shisham wood boarding or strip flooring 1″ thick sawn to the required size tinged and grooved or splayed fixed with brass screw on deodar wood battens", was sanctioned at Rs 296 per sft and Rs 294 per sft as non-MRS rates for the works "Construction of gymnasium at district Muzaffargarh" and "Construction of gymnasium at D.G Khan". Whereas the same item existed in MRS 3rd quarter 2008 for

district Muzaffargarh and district D.G Khan with rate of Rs 218.82 and Rs 218.17 per sft.

Sanction of uneconomical non-MRS item resulted in loss to government of Rs 1,927,926.

Audit pointed out the loss in April 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate for 1" shisham wood floor was correctly worked out and paid to the contractor. Audit was of the view that rate should have been derived from the MRS items of 3/4" shisham wood floor. The Committee directed the Department to justify their rates with reference to documentary evidences to Audit besides verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery of the loss needs to be made good along with fixing responsibility against the person(s) involved.

(DP. 81)

2.4.7.5 The Superintending Engineer, Provincial Building Circle, D.G Khan sanctioned the rate of an item " P/F shisham wood boarding or strip flooring 1″ thick sawn to the required size tongued and grooved or splayed/rebated fixed with brass screw on deodar wood battens", Rs 281 per sft for the work "Construction of prototype gymnasium at Jampur" whereas the same item existed in MRS 1st quarter 2009 District D.G Khan with rate of Rs 261.69 per sft and in " Construction of gymnasium at Layyah" rate of the same item was sanctioned at Rs 250 per sft against the MRS rate Rs 157.53 per sft 3rd quarter 2006 district Layyah.

Weak supervisory and technical controls resulted in loss to government Rs 1,408,428.

Audit pointed the loss in April 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate for 1" shisham wood floor was correctly worked out and paid to the contractor.

Audit was of the view that rate should have been derived from the MRS items of 3/4″ shisham wood floor. The Committee directed the Department to justify their rates with reference to documentary evidences to Audit besides verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery of the loss needs to be made good along with fixing responsibility against the person(s) involved.

(DP. 84)

2.4.8 Overpayment on account of allowing extra quantity of stone - Rs 43.457 million

As per Addendum & Corrigendum No. 6 to Market Rate System Vol-III Part-II, Finance Department Notification vide No.RO(TECH) FD.18-47/2006 dated 26th April, 2006, the quantity of crush stone aggregate for base course for payment of carriage/cost shall be taken as per actual loose volume but not more than 122 cubic feet.

2.4.8.1 The Project Director, Lahore Ring Road Authority, Lahore got approved rate of item "P/L base course of crush stone including carriage" with cost of stone carriage having loose factor as 125 cft and 130 cft for the item sub base course and base course instead of the ratio of 120 and 122 cft as provided in standardized analysis of rate and also changed vide A&C No.6 by Finance Department. Higher rate was approved in technical sanction estimate.

This resulted in acceptance of high bid rate and extra expenditure of Rs 30.565 million due to weak financial controls.

Audit pointed out the overpayment in December 2012. The Department did not produce any reply.

The para was discussed in the SDAC meeting held on 10.01.2013. The Authority explained to the Committee that A&C No.6 was not applicable in their packages as special sanction / permission was granted by the competent authority. The Committee kept the para pending for verification of the special permission within 15 days.

Audit findings need to be investigated and responsibility be fixed along with effecting recovery of the said amount.

(DP. 538)

2.4.8.2 The Chairperson, Lahore Ring Road Authority prepared analysis of rate of item of work "P/l granular sub base" under subhead material, the loose factor of stone (material at quarry site) was taken 125 cubic meter (cum) instead of admissible loose factor of 120 cum. In this way, excess loose factor of 5 cum was taken in the analysis of rate.

This resulted in overpayment of Rs 6,604,003 due to weak technical and financial controls.

Audit pointed out the unjustified payment in September 2009 but the Department did not reply.

The SDAC was also conducted on 20.01.2012. But the representative of the Department agitated in the meeting and left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This was also reported to the Secretary Communication and Works Department, Government of the Punjab vide this office letter No.IR-8/ PAR/2011-12/C&W/714 dated 10.02.2012. No progress was intimated to Audit till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officers concerned.

(DP. 336-2011-12)

2.4.8.3 The Chairperson, Lahore Ring Road Authority prepared analysis of rate of item of work "P/L water bound macadam base with course aggregate class-B" under sub head material the loose factor of aggregate (material at quarry site) was taken as 125 cubic meter (cum) instead of admissible loose factor of 122 cum. In this way excess loose factor of 3 cum was taken in the analysis of rate.

This resulted in overpayment of Rs 5,507,142 due to weak technical and financial controls.

Audit pointed out the un-justified payment in September 2009 but the Department did no reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of

view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

Recovery needs to be made good and got verified from Audit.

(DP. 308-2011-12)

2.4.8.4 The Chairperson, Lahore Ring Road Authority prepared analysis of rate of items of work "Granular sub base" and "Water bound macadam base with course aggregate class-B" under sub head material and the loose factor of aggregate (material at quarry site) was taken 125 cubic meter (cum) instead of admissible loose factor of 120 and 122 cum. In this way, excess loose factor of 5 cum and 3 cum was taken in the analysis of rate.

This resulted in Overpayment of Rs 780,380 due to weak technical and financial controls.

Audit pointed out the Overpayment in September 2009 but the Department did not reply.

The SDAC meeting was held on 20.01.2012. During the meeting some difference of opinion arose. The representative of LRRA left the meeting unceremoniously on the pretext of non-acceptance of his point of view. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10-02-2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Furthermore, no DAC meeting was conducted by the Department till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officers concerned.

(DP. 342-2011-12)

2.4.9 Irregular payment - Rs 40.098 million

As per para 13.1(a) and 13.2(ii) of Revised Budget Manual 2008, the Head of the Department is responsible for controlling expenditure from the grants placed at his disposal. The primary objective of such control on

expenditure is that the total expenditure does not exceed the grant provided.

The Executive Engineer, Provincial Highways Division, Bahawalpur incurred expenditure of Rs 135.119 million in two works i.e. "W/I of road from Minchanabad to Dhak Pattan road" for Rs 59.999 million and Rs 75.120 million for work "Construction of Empress Road on Empress Bund from National Highway towards Lashkar di Goth" against the release of funds Rs 20 million and Rs 75.021 million respectively.

Incurrence of expenditure more than release of funds resulted in irregular payment of Rs 40.098 million (135.119-95.021).

Audit pointed irregular payment in July 2012. The Department replied that government released funds amounting to Rs 135.121 million and the Department had already booked an expenditure of Rs 135.119 million prior to the receipt of final figure through 2nd list of excess and surrender, however, the government reduced the allocation to the tune of Rs 95.02 million. The reply was not accepted because expenditure was over and above the allocation/release during the year and was against the rules.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the expenditure was incurred as per releases of funds by the government but the funds were withdrawn by the Finance Department in 2nd statement for excess & surrenders. Audit demanded the excess and surrender statement prepared by the XEN, submitted by C&W Department to F.D. and approved statement of F.D. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated in detail in order to ascertain the findings.

(DP. 255)

2.4.10 Non-recovery due to imbalance rates - Rs 26.415 million

The final cost of tender/payment shall be the same percentage above/below the amount of revised sanctioned estimate as was at the time of approval of the tender, so as to pre-empt excess payment as per Para (v)

of Finance Department notification No. RO(Tech)FD 1-2/83-VI dated 29th March, 2005.

2.4.10.1 The Executive Engineer, Provincial Highways Division, Rahim Yar Khan accepted the tender @ 4.48% above technical sanction estimate amount and payment for Rs 466.041 million was allowed to the contractor which was 8.45% above. The recovery of difference percentage between quoted and actual paid amount, on the executed work, was not made. Non-compliance of the instructions issued by the Finance Department resulted in non-recovery of Rs 20.296 million.

This resulted in non-recovery of Rs 20.296 million due to weak financial and technical controls.

Audit pointed out the overpayment in July 2012. The Department replied that the estimate had been revised and the amount of agreement had also been enhanced from Rs 460.602 million to Rs 838.855 million by the competent authority. The amount to be recovered came to Rs 1,319,970. The reply was not accepted because actual overpayment came to Rs 20, 295,759.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the recovery of imbalanace rates has already been made from the contractor and got verified from Audit in another para. Audit was of the view that the para was framed on 35th running bill which was 8.45% above instead of 4.48%. The Committee kept the para pending for verification of financial statement of final bill by Audit within one month. No compliance of the Committee's directive was reported till finalization of the report.

Financial statement as per Committee's directive may be produced to Audit and resultant recovery be effected from the contractor.

(DP. 144)

2.4.10.2 The Executive Engineer, Provincial Highways Division, Bahawalpur could not maintain the percentage of 4.49 which was agreed at the time of approval of tender and made payment at the percentage of 5.29 to the contractor.

Weak supervisory and financial controls resulted in overpayment of Rs 2,232,896.

Audit pointed out the overpayment in August 2012. The Department replied that the contractor did not quote extra ordinary low and high rates for any item. Hence, the running payments were being made as per quoted rates. Moreover, the work was in running position and the instructions would be implemented at the finalization of accounts. The reply was not agreed because 86% of work had been completed; therefore, recovery pointed out was established.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that no recovery upto 30th running bill of the contractor is due. Audit was of the view that rates were paid to the contractor in violation of contract clause of 47 (a) which was undue payment to the contractor. Recovery of Rs 457,810 was due upto 30th running bill of the contractor. The Department argued that the 30th running bill was with saving to government. The Committee kept the para pending with the direction to Department to reconcile the imbalance rate / recovery viz-a-viz final bill.

Financial statement as per Committee's directive may be produced to Audit and resultant recovery be effected from the contractor.

(DP. 193)

2.4.10.3 The Executive Engineer, Provincial Highways Division, Sahiwal allotted work "Dualization of road from Pull Rakh to Bijli Chowk in District Pakpattan to the contractor at 3.99% above the estimated amount of the work. But the payment was made in 19th bill at 9.79% above the estimated amount.

This resulted in overpayment of Rs 1,901,215 to the contractor due to weak financial and supervisory controls.

Audit pointed out the overpayment in February 2012. The Department replied that during execution, the scope of work was increased and agreement amount was enhanced from Rs 133.997 million to Rs 165.395 million by the chief Engineer(S) Punjab Lahore and estimate was revised vide No.449/Plg dated 02.05.11 for Rs 192.643 million. Hence, no overpayment was involved. The reply was not tenable because

upto 19th bill the contractor was receiving payment at 9.79% above the estimated amount instead of 3.99%.

The para was discussed in SDAC meeting held on 05.09.2012. The Department apprised the committee that revised Admn Approval / technical sanctioned estimate had been obtained. Audit apprised the committee higher imbalance rates in violation of contract clause 47/A as well as Finance Department approval were allowed. It needs condonation from the competent authority. The Committee directed the Department to produce final bill and financial statement to prove its contention on payment allowed with tendered rates. Para was kept pending for record verification within 15 days. No compliance of SDAC directives was made till finalization of the report.

The recovery needs to be made and got verified from audit.

(DP. 66)

2.4.10.4 The Executive Engineer, Highways Division, Mianwali had almost finalized the work W/I of Sohawa Chakwal Talagang Minwali road Group (1&2) works, and also released the security deposit but the percentage of above or below the estimate was not kept in view before the finalization of work.

Thus, the application of imbalance rates resulted in non-recovery of Rs 46.484 million

Audit pointed out overpayment during November 2011. The Department did not reply

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that the para consisted of two groups Group-I M/s Hidayat Ullah Khan & G-II M/s Aziz Ullah Khan. No recovery was due from M/s Hidayat Ullah Khan and amount of Rs 1.698 million was recoverable from M/s Aziz Ullah Khan. Audit contended that actual recovery worked out was Rs 1.8 million. The Committee reduced the amount of para to Rs 1.8 million and directed the Department to reconcile the actual figure and recover it within one month. No compliance of SDAC directives was made till finalization of the report.

Recovery needs to be effected and responsibility be fixed upon the officer(s) concerned.

(DP. 269-2011-12)

2.4.10.5 The Executive Engineer, Provincial Highways Division, Jhang awarded the work with 4.36 % above the estimated cost and made final payment of Rs 99,486,845 to the contractor instead of Rs 99,399,200 (Rs 95,246,454 + 4.36% quoted percentage). In another case, the work was awarded 4.46% above and made final payment Rs 120,813,284 instead of Rs 120,530,935 (Rs 115,384,774 + 4.46% quoted percentage).

This resulted in overpayment of Rs 369,994 due to weak financial control.

Audit pointed out the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that PDP was based on two paras No.22 & 25. The Department promised recovery if due in final bill in para No.22. In para No.25, the Department argued that recovery of Rs 97,073 was recoverable. The Committee reduced the amount of the para Rs 184,718 (Rs 87,643 + Rs 97,073) with the direction to recover it and get verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and responsibility be fixed against the officer(s) involved in negligence besides effecting recovery of the overpayment.

(DP. 509)

2.4.11 Overpayment due to compaction paid with clearing and grubbing - Rs 22.043 million

As per para 201.2.1 of Section 2 Earthwork of technical specification of the project, the compaction to the required density is included in the rate of clearing and grubbing.

2.4.11.1 Audit review of 11th final bill pertaining to the work "Chiniot-Sargodha-Khushab Road" Package-3" awarded to M/s China International Water and Electric Co. disclosed that Project Director, PRSDP, Lahore

made payment for the item clearing and grubbing under pay item No. 2.01 Sr.No.15 of the bill for a quantity of 464,862.26 M² @ Rs 39 for Rs 18,129,628. Audit observed that the compaction of natural ground, cleared and grubbed area was paid for a quantity of 464,863.42 M² @ Rs 14 under item No.2.05. Audit was of the view that the item 2.05 compaction of cleared and grubbed was included in the item 2.01 as per above referred specification. Separate payment of item 2.05 was overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 6,508,088.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the Engineer for clarification/ reconsideration of the rate allowed for clearing & grubbing and natural ground compaction. One rate either clearing & grubbing or NGC should have been paid. The Committee directed to get the record verified within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against officer(s) concerned besides effecting recovery.

(DP. 130)

2.4.11.2 Audit review of 32nd and fill bill pertaining to the work "Pindi Bhattian-Chiniot-Kamalpur Road Loan No.1928-PAK Package No.1" awarded to M/s Al-Khan Construction Company disclosed that Project Director PRSDP, Lahore made payment for the item clearing and grubbing under pay item No.2.01 for a quantity of 378,845.414 M² @ Rs 6 per M² for Rs 2,273,072. Audit observed that the compaction of natural ground, cleared and grubbed was paid for a quantity of 378,845.414 M² @ Rs 14 under item No.2.05. Audit is of the view that the item 2.05 compaction of cleared and grubbed area was included in the item 2.01 as per above referred specification. Making payment of item 2.05 separately is an overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 5,303,836.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the Engineer for clarification/ reconsideration of the rate allowed for clearing & grubbing and natural ground compaction. The Committee directed that one rate either clearing & grubbing or NGC should have been paid. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and responsibility be fixed against officers concerned besides effecting recovery.

(DP. 129)

2.4.11.3 Audit review of final bill (voucher No.5 dated 30.11.2011) pertaining to the work "Jhang Shorkot Kabirwala Mahni Sial Road Loan No.1928-PAK- Package No.2" awarded to M/s China International Water and Electric Company disclosed that Project Director PRSDP, Lahore made payment for the item clearing and grubbing under item No. 2.01 section 2, 3 & 4 for a quantity of 201354.131 M² @ Rs 45 amounting to Rs 30,994,214. The compaction of natural ground, cleared and grubbed was paid for a quantity of 209,629,237 M² @ Rs 20 under item No. 2.05 of section 2, 3 & 4. Audit observed that the item 2.05 compaction of cleared and grubbed area was included in the item 2.01 as per above referred specification. Making payment of item 2.05 separately is an overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 4,192,585.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the Engineer for clarification/ reconsideration of the rate allowed for clearing & grubbing and natural

ground compaction why they are separately paid. The Committee directed that one rate either clearing & grubbing or NGC should have been paid. Para was kept pending for 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and responsibility be fixed against officers concerned besides effecting recovery.

(DP. 131)

2.4.11.4 Audit review of accounts record pertaining to the work "Jhang Toba Tek Singh-Chichawatni Road Loan No.1928-PAK Package No.4" awarded to M/s China International Water and Electric Co. disclosed that the Project Director, PRSDP, Lahore made payment for the item clearing and grubbing under pay item No.2.01 for quantity of 594,604.54 M^2 @ Rs 41 for Rs 24,378,785. Audit observed that the compaction of natural ground, cleared and grubbed was paid for a quantity of 762,306.61 @ Rs 5 vide item No.2.05. Audit was of the view that the item 2.05 compaction of cleared and grubbed area was included in the item 2.01 as per above referred specification. Making payment of item 2.05 separately was overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 2,973,022.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the Engineer for clarification/ reconsideration of the rate allowed for clearing & grubbing and natural ground compaction. One rate either clearing & grubbing or NGC should have been paid. The Committee asked for compliance in 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and responsibility be fixed against officers concerned besides effecting recovery.

(DP. 128)

2.4.11.5 The Chairperson/Project Director Ring Road Authority, Lahore made payment for item of 104-Natural Ground Compaction for packages No.14, 15 & 17 awarded to M/s NLC on areas where items of Clearing/Grubbing and Excavation of un-suitable common material were executed and made their separate payments. Whereas, as per said specification the cost of compaction of natural ground after execution of item of clearing & grubbing and excavation of unsuitable material was included in paid item No.101 & 106 of Bill of Quantity.

Payment of undue item No.104 (Natural Ground Compaction) for Rs 2,144,167 (Rs 1,207,797 + Rs 311,066 + Rs 625,304) resulted into overpayment of package 14, 15 & 17 to the contractors.

Audit pointed out the overpayment in December 2012. The Department did not produce any reply.

The para was discussed in the SDAC meeting held on 10.01.2013. The authority explained to the Committee that NGC and clearing & grubbing were two different items and were payable separately due to specification. Audit contended that the para should be discussed in context of the issue of payment of clearing & grubbing with reference to item No.106A. The Committee directed the Department to prepare revised reply and get the position verified from Audit within 15 days.

The matter needs to be investigated and responsibility be fixed upon the officer concerned.

(DP. 540)

2.4.11.6 Audit review of 22nd bill pertaining to the work "Road Rural Access Roads Construction of Sheikhupura-Hafizabad Road Loan No.1928-PAK Package No.CR-5" awarded to M/s M.F Karim Co. disclosed that the Project Director, PRSDP, Lahore made payment for the item clearing and grubbing under pay item No.2.01 for a quantity of 47,150 M² @ Rs 13 per square meter for Rs 612,950. Audit observed that the compaction of natural ground, cleared and grubbed area was paid for a quantity of 47150 M² @ Rs 14 under item No.2.05. Audit was of the view that the item 2.05 compaction of cleared and grubbed area was included in the item 2.01 as per above referred specification. Making separate payment of item 2.05 separately was overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 660,100.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the engineer for clarification / reconsideration of the rate allowed for clearing & grubbing and natural ground compaction separately paid. One rate either clearing & grubbing or NGC should have been paid. Para was kept pending for 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against officer(s) concerned besides effecting recovery.

(DP. 123)

2.4.11.7 Audit review of IPC-11 pertaining to the work "Construction of Balance Work of Shorkot City to Shorkot Cantt Loan No.1928-PAK Package No.CR-1" awarded to M/s Associate Construction Engineers disclosed that Project Director PRSDP, Lahore made payment for the item clearing and grubbing under pay item No.2.01 for a quantity of 17,426.65 M^2 @ Rs 1 per M^2 for Rs 17,427. Audit observed that the compaction of natural ground, cleared and grubbed was paid for a quantity of 1,742,665 M^2 @ Rs 15 per M^2 under item No.2.05. Audit was of the view that the item 2.05 compaction of cleared and grubbed area was included in the item 2.01 as per above referred specification. Making separate payment of item 2.05 was overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 261,400.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that the matter would be referred to the engineer for clarification / reconsideration of the rate allowed for clearing & grubbing and natural ground compaction. One rate either for clearing & grubbing or for NGC

should have been paid. The para was kept pending for 15 days. No compliance with the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against officer(s) concerned besides effecting recovery.

(DP. 122)

2.4.12 Overpayment due to acceptance of tender at higher rate - Rs 16.446 million

As per Planning & Development Department's notification issued vide No.4/534 RO(Roads) P&D/2006, dated 27th of September, 2008, the maximum allowable cushion over and above Engineer's estimate shall be 16% based on MRS rates which already includes 10% contractor profit and 10% overheads. The above cushion (i.e. 16%) includes the prevalent allowance of 4.50% over technical sanction as well as the 5% additional overheads for major projects (i.e. projects exceeding Rs 200 million).

2.4.12.1 The Executive Engineer, Provincial Highways Division, Muzaffargarh allotted the work "Construction of Southern Bye-pass Muzaffargarh Alipur road Dera Ghazi Khan road (N-70)" to the contractor @16% above the estimated amount for Rs 195.464 million. As the outlay portion of work was less than 200 million therefore, 5% extra for mega project was not admissible to the contractor.

This resulted in overpayment of Rs 8,600,112 to the contractor due to weak financial control.

Audit pointed out overpayment in September 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that work was allotted to M/S NLC after approval from the Chief Minister Punjab. 16% cushion for NLC also exist in administrative approval/technical sanction estimate. Audit was of the view that the project cost was below Rs 200 million, therefore, the 16% cushion should have been reduced to 11% i.e. excluding 5% mega project allowance. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated besides effecting recovery of the overpayment.

(DP. 191)

2.4.12.2 The Executive Engineer, Provincial Highways Division, D.G Khan allotted the work "Rehabilitation of metalled road, from Chokiwala to Zain, in district D.G Khan" @16% above. The technical sanction estimate amounting to Rs 182.037 million against the estimated amount of Rs 156.929 million. As the estimated amount of work was less than Rs 200 million, therefore 5% cushion included in 16% cushion was required to be excluded and the work was to be allotted at 11% above T.S estimate instead of 16%.

Acceptance of tender at higher rate resulted in loss of Rs 7.846 million to the government due to weak financial and administrative controls.

Audit pointed out the loss in October 2012. The Department replied that PC-I of the scheme was approved by the competent authority for Rs 190.550 million. In the approved PC-I, the provision of NLC allowable cushion was also approved by the competent authority. Moreover, the said allowable cushion also existed in the technical sanction estimate. Therefore, there was no loss to the government. The reply was not agreed to because the estimated cost of work was less than Rs 200 million, therefore, 5% for additional overheads for mega project i.e. project exceeding Rs 200 million, were to be excluded.

The matter was also discussed in the SDAC meeting held on 02.01.2013. Highways Department informed the Committee that work was allotted to M/s NLC after approval from the Chief Minister Punjab. 16% cushion for NLC also existed in AA/T.S. estimate. Audit was of the view that the project cost was below Rs 200 million, therefore, the 16% cushion should have been reduced to 11% i.e. excluding 5% mega project allowance. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

The loss needs to be recovered besides fixing responsibility upon the officer(s) concerned.

(DP. 309)

2.4.13 Overpayment due to non-deduction of rebate - Rs 15.731 million

According to the bid schedule "Dualization of road from Sheikhupura to Gujranwala Length = 48 km (Section Pir Bahar Shah Chowk to Motorway Length 4 km Phase-I)" contractor quoted 7.16% rebate on all items of work which was required to be deducted from the contractor's payment.

The Executive Engineer, Provincial Road Construction Division, Lahore made payment of Rs 219,705,807 up to 5th running bill for work done. Rebate @ 7.16% of value of work done as per bid schedule was not deducted from contractor's payment.

This resulted in overpayment of Rs 15,730,936 (Rs 219,705,807 x 7.16%)

Audit pointed out the overpayment in October 2011 but the Department did not reply.

The matter was discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that substituted acceptance letter had been issued to contractor and amount of recovery involved would be made from the next bill of the contractor. The Committee kept the para pending for recovery within 30 days. No progress was intimated to Audit till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officers concerned.

(DP. 326-2011-12)

2.4.14 Overpayment due to non-deduction of wet earth work quantity - Rs 14.381 million

As per PC-I/revised estimate page-53, as the project road falls in water logged/high water table area, the working of heavy equipment in such soft areas was not possible, so it was decided to remove the wet material and refill it with sand to get it stabilized. The contractor was instructed to use the wet material, on drying in the embankment fill. The excavated material will be deducted from borrow item No. 2.10.

Audit review of 7th /final bill pertaining to the work "Chinot-Sargodha-Khushab Road" package-3 awarded to M/s China International Water and Electric Co. disclosed that Project Director PRSDP, Lahore made payment for the item 2.10 in bills but the deduction of quantity regarding item 2.06 as mentioned above was not made in the bills. Further probe in the matter disclosed that the Department paid escalation on this amount in running bills which should also be recovered from the contractor.

Weak supervisory and financial controls resulted in overpayment to the contractor of Rs 14,380,868 besides escalation thereon.

Audit pointed out the undue financial benefit to the contractor in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Project Management Unit informed the Committee that recovery on account of adjustment of rate for wet earth had already been adjusted besides escalation recovery. Audit was of the view that recovery on account of wet earth had been verified but recovery on account of escalation was yet to be verified. Para was kept pending for verification of escalation recovery. No compliance of the Committee's directives was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against officer(s) concerned besides effecting the pointed out recovery.

(DP. 118)

2.4.15 Irregular payment of Rs 12.121 million and non-recovery of pre-shipment inspection charges from the contractor - Rs 1.200 million (Rs 13.321 million)

According to Finance Department's Notification No.RO (TECH) FD 18-29/2004 dated 30.03.2006 and General Specification No.11.1, the contractor shall organize and arrange the pre-shipment inspection of lifts at the factory premises of manufacturers in the country of origin / make by two persons of C&W Department.

The Executive Engineer, 5th Provincial Buildings Division, Lahore awarded the two items of work to different contractors. The Department made payment on account of purchase of HVAC and Lifts imported from Japan, USA or UK etc. No import document (bill of entry etc.) &

inspection note or other relevant record was available on record showing pre-shipment inspection at above countries of origin. Cost of pre-shipment inspection on account of two persons included in rates was also not recovered from the contractor. Moreover, in the Measurement Book record entries, there is no mention of the country or region from where the items were imported.

Weak financial and managerial controls resulted in non-recovery of pre-inspection charges for Rs 1,200,000 and irregular payment of Rs 12.121 million.

Audit pointed out the non-recovery and irregularity in November 2012. The Department did not furnish any reply after a lapse of considerable period despite repeated written and verbal reminders. This shows slackness towards constitutional obligations, because the management did not show any interest towards timely response/reply to the audit observation.

The para was discussed in the SDAC meeting held on 10.01.2013. The Department explained that recovery on account of pre-shipment inspection for the lift component would be made from the contractor. As regard HVAC system no such condition was enforced in FD notification dated 30.03.2006. The position regarding HVAC system was accepted by the Committee subject to verification by Audit. The Committee directed the Department to justify their action with regard to lift installation. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery of the amount due from the officers(s) responsible.

(DP. 455)

2.4.16 Overpayment due to price variation on inadmissible item - Rs 12.108 million

As per instructions issued by the Planning & Development Department, Government of Punjab vide No. 1(10)RO (TECH)P&D/2012 dated 28.04.2012 that no price variation would be admissible for crush stone / bajri used in bitumen carpeting.

2.4.16.1 The Project Director, Lahore Ring Road Authority, Lahore made payment of Rs 11.012 million on account of crush stone bajri in different packages for price variation in violation of clarification as referred above.

This resulted in an overpayment of Rs 11.012 million.

The overpayment was pointed out during the audit 2011-12. The Department neither produced satisfactory reply nor effected the recovery.

The para was discussed in the SDAC meeting held on 10.01.2013. The matter had already been taken up by the C&W Department as well as LRRA. The Committee kept the para pending till the decision by the Finance Department. No compliance of the Committee's directives was reported till finalization of the report.

Audit findings need to be investigated and responsibility be fixed upon the person(s) concerned besides effecting the recovery.

(DP. 536)

2.4.16.2 The Executive Engineer, Provincial Highways Division, Jhang allowed price variation due to increase in the rates of different items for Rs 50,210,106 including price variation on bajri/crush which was used in carpeting for Rs 1,523,139 which was not admissible as per notification issued by the P & D Department.

The payment of price variation on inadmissible material resulted in overpayment of Rs 1,523,139 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that recovery of Rs 1,523,139 would be made. The Committee recommended for recovery and its verification by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officers concerned besides effecting recovery.

(DP. 498)

2.4.16.3 The Executive Engineer, Provincial Highways Division, Gujranwala made payment of price variation for Rs 27,311,394 due to increase in the rate of Bitumen, Labour, Cement, Bricks, crush/bajri, Stone for sub base and base course, steel whereas price variation on crush/bajri for Rs 573,546 used in carpeting was not admissible as per clarification by the Finance Department.

The payment of price variation on inadmissible item resulted in overpayment of Rs 573,546 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that recovery would be effected in the next running bill of contractor. The Committee directed to effect recovery at the earliest. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and responsibility be fixed against the officers concerned besides effecting recovery of overpayment.

(DP. 475)

2.4.17 Non-imposition of penalty due to delayed completion of work - Rs 9.290 million

As per contract clause – 39 of agreement, 10% penalty may be imposed on the contractor for non-completion of the work within stipulated time period and as per terms and condition No.22(C) of the agreement of toll tax collection, in case the lessee fails to pay in full the monthly installment on first working day of each month to which it relates a fine @ 15% per month of the amount due for the particular month for each day of delay in payment of monthly installment shall be recovered.

2.4.17.1 The Executive Engineer, Provincial Buildings Division, Multan did not impose penalty on the contractor "M/s Asian Construction Company" who failed to complete the work "Construction of Judicial Complex at Multan Group No. I & IV" within stipulated period.

This resulted in non-recovery of Rs 8.976 million due to weak supervisory control.

Audit pointed out the non-recovery in September 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that contractor had been declared defaulter under clause - 60 of the agreement and his security deposit had been forfeited. Audit pointed out that performance guarantee of the contractor was also required to be forfeited besides execution of work under clause-61 of agreement on risk and cost basis. In the initial stage Department took no action against the contractor under clause-39 of agreement and extended undue favour to the contractor. The Committee directed the Department to get the record verified within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends that forfeited security deposit and performance guarantee be got verified from Audit besides carrying out the work at the risk & cost of the contractor under clause-61 of the agreement.

(DP. 278)

2.4.17.2 The Executive Engineer, Provincial Highways Division, Mianwali awarded the rights to collect the Toll Tax at Mianwali-Muzzafargrah Road (Section Mianwali to Asif Bridge) to M/s Haji Bahau-ud-din & Co. for the year 2011-12 for Rs 128.668 million vide acceptance letter No. 2403/C, Mianwali dated 24.06.2011 but did not recover the penalty @ 15 % due to late deposit of the installment from the contractor for the month of August 2011.

This resulted in non-recovery of Rs 313,671 due to weak administrative and financial controls.

Audit pointed out the non-recovery in July 2012. The Department replied that contractor had filed civil suit in Civil Court Mianwali against the Department on 12.09.2011 and got status quo. Therefore, the recovery could not be affected. On vacation of status quo from court the recovery would be effected.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that the matter was subjudice because contractor failed to deposit the due installment and the Department rescinded the contract, taking the control of toll plaza.

The matter needs to be probed in and recovery be made besides fixing responsibility against the officer(s) concerned.

(DP. 160)

2.4.18 Overpayment due to incorrect base rate - Rs 8.061 million

As per Appendix-B (vide note Sl.No.1) of contract agreement, the base cost indices or prices shall be those applying from the date of commencement of work.

2.4.18.1 Scrutiny of IPC No.12 of the work "Improvement / Rehabilitation of existing Multan Road Lahore (from Thoker Niaz Baig to Scheme More) revealed that Chairperson Lahore Ring Road Authority made payment of price variation on bitumen cement, steel and high speed diesel. The base rates were taken for the month of October 2009 instead of November 2009, as the pre-contract agreement (PCA) was signed in November 2009.

This resulted in overpayment of Rs 2,132,018 due to weak financial control.

Audit pointed out the overpayment in September 2009 but the Department did no reply.

The SDAC was also conducted on 20.01.2012. During the meeting the para was discussed at length. The representative of LRRA left the meeting unceremoniously. This position also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated 01.12.2012. Further, no further SDAC meeting was conducted by the Department till finalization of the report.

Recovery needs to be effected and responsibility be fixed upon the officers concerned.

(DP. 348-2011-12)

2.4.18.2 The Executive Engineer, Provincial Buildings Division, Gujrat, awarded a contract on the basis of tenders opened on 14.03.2011. The

escalation of steel was paid vide Page 104-105 of MB No. 993/198 by applying incorrect base rate of Rs 56,715 per ton instead of Rs 67,125 per ton as notified by the Finance Department for the month of March 2011.

Weak financial control resulted in overpayment of Rs 1,727,840.

Audit pointed out excess payment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that the recovery would be made. The Committee directed the Department to recover the overpayment within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made and responsibility be fixed against the concerned officers for the lapse besides strengthening the internal controls to avoid recurrence of such lapses in future.

(DP. 238)

2.4.18.3 Scrutiny of IPC No.12 of the work "Improvement / Rehabilitation of existing Multan Road Lahore (from Thoker Niaz Baig to Scheme More)" revealed that the Chairperson, Lahore Ring Road Authority made payment of price variation on bitumen by taking the current rate of Rs 63,000 per ton for November 2010 instead of Rs 58,810 per ton for October 2010. In this way payment of price variation was paid at an excess rate of Rs 5,090 per ton.

This resulted in overpayment of Rs 1,468,923 due to weak financial control.

Audit pointed out the overpayment in September 2009 but the Department did not reply.

The SDAC was also conducted on 20.01.2012. During the meeting some difference of opinion arose due to non-acceptance of the view point of the authority and the representative of LRRA left the meeting unceremoniously. This position was also reported to the PAO by Audit vide letter No.IR-8/PAR/2011-12/C&W/714 dated 10.02.2012 and reminder was issued vide No. IR-8/PAR/2011-12/C&W/943 dated

01.12.2012. Further no DAC meeting was conducted by the Department till finalization of the report.

Recovery needs to be effected and responsibility be fixed upon the officers concerned.

(DP. 338-2011-12)

2.4.18.4 The Executive Engineer, Provincial Highways Division, Mianwali made payment of price variation due to increase in the rate of diesel for Rs 1,122,586 on the value of work done for Rs 6,961,985 and price variation on Bitumen for Rs 2,877,055 for the work "Widening / Improvement of Lahore-Jaranwala-Faisalabad-Jhang-Bhakkar-Darya Khan road from km No. 271.82 to 378.79 length 106.97 km in Distt. Bhakkar Section-I (reach from km No. 271.82 to 314.15=42.33 km)". In the work awarded to M/s Hidayat Ullah Khan & Co. for 12th running bill was recorded at page 108 to 124 of MB No. 150/1468 which was recorded on 28.08.2009 and on date the rate of diesel was Rs 61.41per liter and bitumen was Rs 45,320 per ton and the same rates were to be adopted for payment of price variation as market rate whereas, the difference had been paid for the rate of Rs 78.33 per liter and Rs 62,790 per ton as compared to base rate of Rs 37.50 per litre and Rs 38,100 per ton.

This resulted in overpayment of Rs 1,398,302 to the contractor due to weak administrative and financial controls.

Audit pointed out the overpayment in July 2012. The Department replied that recovery would be made but it was not recovered so far.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that recovery would be made within a month. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be probed and recovery be made good besides fixing responsibility against the officers concerned.

(DP. 159)

2.4.18.5 The Executive Engineer, Provincial Buildings Division, Gujranwala made payment of price variation on different items/material due to increase in the rate of cement and diesel for the period June 2011 to

July 2011 as recorded at pages 39 to 41 of MB No. 718/8848 for Rs 1,023,746 whereas the work was actually executed during June 2010, July 2010, September 2010 and December 2010 as originally recorded at pages 101 to 147 of MB No. 985/4549 during which escalation in the rates of cement and diesel was on lesser side.

This resulted in overpayment of Rs 591,138 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012. The Department replied that after detailed scrutiny recovery would be made but it was not effected so far.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department admitted that recovery would be made within 30 days. The Committee directed the Department to effect recovery and its verification by Audit within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be probed and recovery be made besides fixing responsibility against the officers concerned for overpayment.

(DP. 366)

2.4.18.6 The Executive Engineer, Provincial Highways Division, Mianwali made payment for price variation due to increase in the rate of bitumen for Rs 28,778,055 on the basis of record entries made for calculation of price variation of bitumen at page 178-180 of MB No.323/6586 and at pages 32-33 & 192-193 of MB No. 336/6599 upto 28th running bill for work " Widening / Improvement of Lahore-Jaranwala-Faisalabad-Jhang-Bhakkar-Darya Khan road from km No. 271.82 to 378.79 length 106.97 km in District Bhakkar Section-I (reach from km No. 271.82 to 314.15=42.33 km)" to M/s Hidayat Ullah Khan & Co whereas actual amount of price variation on bitumen worked out to be Rs 28,403,801 was to be paid to the contractor.

This resulted in overpayment of Rs 374,254 due to weak administrative and financial controls in June 2012.

Audit pointed out the overpayment in July 2012. The Department replied that recovery would be made but it was not recovered so far.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that due recovery of Rs 133,709 would be made. The Committee directed the Department to recover the due amount besides reconciling balance amount of recovery with Audit and get it verified within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be probed and recovery be made besides fixing responsibility against the officers concerned.

(DP. 162)

2.4.18.7 The Executive Engineer, Provincial Highways Division, Mianwali awarded the work "W/I of road from Harnoli to Wan Bhachran to Musa Khel Group-II" to M/s Essa Construction Co on the basis of tenders opened on December 2009. The escalation of diesel was paid vide 4th & 5th Running bills by applying incorrect current rate of Rs 92.10 per liter and Rs 71.98 per litre for the months of July 2010 and October 2010 instead of Rs 73.82 & Rs 71.98 per litre which was less than 5% as compared to Rs 70.52 per litre as base rate.

This resulted in overpayment of Rs 217,201 during June 2012 due to weak financial and technical controls.

Audit pointed out overpayment in July 2012. The Department replied that recovery would be made from the contractor but it was not effected so far.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that recovery of Rs 217,201 was made. The Committee directed the Department to get the recovery verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be probed and recovery be made besides fixing responsibility against the officers concerned for overpayment.

(DP. 165)

2.4.18.8 The Executive Engineer, Provincial Buildings Division, Mianwali made payment of price variation due to increase in the rate of steel G-60 on 59.475 ton instead of 49.049 ton which was the balance quantity on which price variation was admissible in case of work "Construction of

Prototype Gymnasium at Darya Khan Distt; Bhakkar" awarded to M/s Ijaz Haider Zaidi.

This resulted in overpayment of Rs 151,171 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in August 2012. The Department replied that the price variation was paid according to the contract agreement clause No - 55 and according to the C&W Department letter No. SPOC(C&W)5-9/2008 dated 24.02.2009, Price variation on materials against secured advance any escalation from the date of tender till payment of secured advance was admissible under the prevailing clause of the contract. The reply was not acceptable being irrelevant because price variation on excess quantity of steel was paid to the contractor and there was no question of price variation on secured advance.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that record was being thrashed out and correct position would be intimated to Audit. The Committee directed the Department to justify their position besides recovery if any and produce the record to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and responsibility be fixed against the officers concerned for the overpayment besides effecting recovery thereof.

(DP. 292)

2.4.19 Irregular expenditure on account of maintenance of vehicles in violation of prescribed instructions - Rs 7.485 million

As per S&GAD letters No. MTO(S&GAD) AT-II/(2.9)2006 dated 22.04.2008 and 22.09.1999, Head of Department, officer equivalent to Grade 19 and 20 are entitled one car equal to 1300 CC and Grade 18 to 1000 CC with petrol limits of 200, 175 and 150 liters per month. Moreover, one common pool vehicle is to be allotted to 3 Grade 17 officers to cater for their requirements outside office from time to time. As per Finance Department's instructions at Sr. No.4 of the letter vide No. FD(M-II) 1-6/2000(Irr.) dated 23.07.2007, cost of running of inspection

vehicle will be directly charged to establishment budget under head operation expenses. However, manufacturing estimate (repair and maintenance of vehicles) would continue to be prepared and sanctioned by the competent authority every year for rate purpose only.

The Project Director/Chairperson LRRP, Lahore was maintaining 29 Nos. vehicles and 6 Nos. motor cycles. As per record of authority, six officers Grade - 19, five officers of Grade - 18 and eight officers of Grade - 17 were on the strength of Authority. Officers were entitled to 6 vehicles upto 1300 CC, 5 vehicles upto 1000 CC and 3 Pool vehicles were required for 8 Nos. of Grade - 17 officers. As per entitlement, 14 vehicles could be operated in the project against the present fleet of 35 vehicles. In this way expenditure on 15 Nos. vehicles and 6 motor cycles were being maintained beyond sanctioned entitlement as per S&GAD instructions. Project administration neither prepared annual repair estimate nor obtained sanctioned strength of vehicles with reference to PC-I from Finance Department. No ceiling was fixed for POL and no log book was prepared or produced as per instructions in the Staff Car Rules 1980. No transport policy for designated vehicles was approved by the competent authority.

Maintenance of 35 (29+6) vehicles / motor cycles in violation of S&GAD & Finance Department's instructions resulted in irregular expenditure of Rs 7.485 million.

Audit pointed out the irregular payment in December 2012. The Department did not give any reply.

The para was discussed in the SDAC meeting held on 10.01.2013. Representative of F.D. pointed out that Annexure 14 of Punjab Financial Rules Volume-II required sanctioned strength of vehicles from F.D. The LRRA promised verification of their records or otherwise, approval of the same would be obtained from the F.D. No progress was reported till finalization of the report.

Audit findings needs to be investigated and responsibility be fixed against the officer(s) concerned.

(DP. 541)

2.4.20 Overpayment due to non-reduction in rate of bitumen - Rs 7.346 million

As per Finance Department's Notification No.RO(Tech)FD2-3/ 2004 dated 02.08.2004, in case unpacked (bulk) bitumen is used in the work, then rate shall be reduced by Rs 4.50 per kg.

The Executive Engineer, Provincial Highways Division, Mianwali used unpacked (bulk) bitumen in items of prime coat, tack coat and in plant premixed bituminous carpeting asphaltic base course and plant premixed bituminous carpeting asphaltic wearing course but recovery @ Rs 4.50 per kg for use of bulk bitumen in works was not made.

This resulted in overpayment of Rs 7,346,385 due to weak supervisory and technical controls in June 2012.

Audit pointed out the non-recovery in July 2012. The Department replied that the contractor used packed bitumen at site for prime coat, tack coat and average bitumen for asphalt base and wearing course. In revised estimate, as per the instructions of Finance Department, the payment of price variation to contractor was to be made by using bulk bitumen and work of A.B.C& A.W.C had been executed according to the specifications and analysis. The reply was not acceptable because in the rate analysis, rate of packed bitumen was included in case of prime and tack coat and average of bulk and packed in case of carpeting whereas bulk bitumen had been used on work as per calculation made for price variation by the Department, hence, recovery was established.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that the analysis of rate for item of carpeting etc. was prepared on the basis of packed bitumen rates. Audit was of the view that MRS was based on provision of bulk bitumen rates. Therefore, contention of the Department was not acceptable and recovery was due from contractor. Committee directed the Department to refer the case to Finance Department for advice / clarification within 2 months. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and recovery be made besides fixing responsibility against the officers involved.

(DP. 163)

2.4.21 Loss due to sanction of excess bitumen in tack coat - Rs 6.481 million

As per Finance Department No. RO(Tech) FD 1-2/2007(P) dated 21.10.2009, nomenclature as well as rate analysis of the item "P/L tack coat in MRS may be adopted by using 10 lbs bitumen per 100 sft area in place of 15 lbs bitumen.

2.4.21.1 The Chief Engineer, Punjab Highway Department (South Zone) sanctioned the rate for item of tack coat @ Rs 650% sft using 15 lbs bitumen instead of Rs 433.33% sft with 10 lbs for the work "Widening and Improvement of Road from Vehari to Hasilpur (Section Head Islam Hasilpur) on 29.07.2008.

Weak technical/engineering controls resulted in the loss to Government of Rs 2,707,042.

Audit pointed out the loss in February 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that rates for tack coat using 15 lbs per 100 sq ft bitumen was correctly allowed as per provision of MRS, TS estimate and administrative approval. Audit was of the view that Public Accounts Committee-I in similar cases had directed the Department to recover the overpayment for the component of work executed after the issuance of clarifications by the Finance Department regarding use of bitumen 10-12 lbs per 100 sq ft in the said item. The Committee directed the Department to implement the said decision of PAC-I in this case and get the recovery/record verified from Audit within one month. No compliance of the Committee's directive was reported till finalization of the report.

Loss needs to be made good besides fixing responsibility for sanctioning excess bitumen in Tack Coat.

(DP. 464)

2.4.21.2 The Superintending Engineer, Provincial Highways Circle, Multan got sanctioned the rate of laying tack coat with 15 lbs @ Rs 464.10 per % sft instead of 10 lbs @ Rs 309.36 per % sft.

Weak supervisory and technical controls resulted in the loss to the government for Rs 2.094 million.

Audit pointed out the lapse in March 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 05.09.2012. The Department admitted the recovery. No progress towards recovery was reported till finalization of the report.

Recovery of the loss needs to be made besides fixing responsibility upon the officer(s) involved.

(DP. 22)

2.4.21.3 The Chief Engineer, Punjab Highway Department, South Zone sanctioned the rate for claim of tack coat with 15 lbs bitumen @ Rs 516.92% sft instead of 10 lbs @ Rs 344.57% for the work "Conversion of Main Road leading from Bahawalpur to G.T. Road into dual carriage-way Bahawalpur to Multan Road".

Weak engineering and technical controls resulted in the loss to Government of Rs 1,324,225.

Audit pointed out the loss in February 2012. The Department did not reply.

The matter was discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that rates for tack coat using 15 lbs per 100 sq ft bitumen was correctly allowed as per provision of MRS, TS estimate and administrative approval. Audit was of the view that Public Accounts Committee-I in similar cases had directed the Department to recover the overpayment for the component of work executed after the issuance of clarifications by the Finance Department regarding use of bitumen 10-12 lbs per 100 sq ft in the said item. The Committee directed the Department to implement the said decision of PAC-I in this case and get the recovery/record verified from Audit within one month. No compliance of the Committee's directive was reported till finalization of the report.

Loss needs to be made good besides fixing responsibility against the official responsible.

(DP. 157)

2.4.21.4 The Executive Engineer, Provincial Highways Division, Jehlum in the work "W/I of Sohawa Chakwal Talagang Minwali road and W/I of THAT-Pail road (G-II)" made payment for tack coat which was provided 15 lbs per % sft instead of 10 lbs per % sft.

The incorrect application of rate resulted in overpayment of Rs 523,032.

Audit pointed out the overpayment during October 2011. The Department neither replied to the observation nor effected the recovery.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that the para consisted of three sub-paras i.e. 4, 6 and 15. In para 15, 5 lbs bitumen as per provision of T.S estimate/ agreement was allowed. In remaining two cases rate of CSR 1998 was allowed having provision of 15 lbs bitumen. Audit informed the Committee that sub-para 15 had been verified. As regard remaining 2 cases, the specification depicted use of 10-12 lbs bitumen in item of tack coat. Therefore, the recovery for Rs 356,232 was due. No progress was intimated to Audit till finalization of the report.

Recovery needs to be effected and responsibility be fixed against the officers concerned.

(DP. 300-2011-12)

2.4.22 Overpayment due to allowing excess lead - Rs 5.740 million

As per condition No. 5 of Finance Department letter No.RO (Tech) FD-2-3/2004 dated 02.08.2004, the material of sub-base and base course available from nearest quarry and shortest route shall be used. Further as per directions issued by PAC dated 16.04.2007 and circulated by Chief Engineer, Irrigation D.G Khan Zone vide No. Works/2007/5236-46/67/95 dated 18.04.2007 vide S.No. 4, lead cannot be changed after the sanction of estimate**.**

2.4.22.1 The Executive Engineer, Provincial Highways Division, Jhang paid lead of 37 km from Sikhanwali quarry to site of work for carriage of stone for sub-base course whereas, the stone was available at Chiniot quarry at a distance of 11 km from site of Pindi Bhattian Chiniot road.

This resulted in overpayment of Rs 2,434,582 due to weak supervisory and technical controls.

Audit pointed the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that material from Sikhanwali quarry was used in the work as per provision of administrative approval/technical sanction estimate and accordingly paid to the contractor. Audit was of the view that sub base material of Chiniot quarry was fit and available at a distance of 11 km. and should have been paid to the contractor. The Committee directed the Department to refer the case to RR&MTI and get the material verified / tested as of Chiniot quarry or Sikhanwali quarry within a month. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the concerned officer(s) besides effecting recovery.

(DP. 494)

2.4.22.2 The Executive Engineer, Provincial Highways Division, Jhang paid lead of 36 km from Sikhanwali quarry to the site of work for carriage of stone for sub-base course whereas the stone was available at Rabwah quarry at a distance of 10 km from site of work Sargodha Chiniot road.

This resulted in overpayment of Rs 2,205,700 due to weak supervisory and technical controls.

Audit pointed the overpayment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that material from Sikhanwali quarry was used in the work as per provision of administrative approval/technical sanction estimate and accordingly paid to the contractor. Audit was of the view that sub base material of Chiniot quarry was fit and available at a distance of 10 km. and should have been paid to the contractor. The Committee directed the Department to refer the case to RR&MTI and get the material verified / tested as of Chiniot quarry or

Sikhanwali quarry within a month. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the concerned officer(s) besides effecting recovery.

(DP. 507)

2.4.22.3 The Executive Engineer, Provincial Highways Division, Okara, provided lead for carriage of stone in T.S. estimate for sub-base, base course and TST 235.43 km instead of 229.43 km. Detail of lead of 235.43 km showed that lead from Pattoki to site of work had been taken 37 km instead of 31 km. The rate with 235.43 km was got sanctioned as Rs 3,843.34, Rs 5,109.36 per % cft and Rs 2,584.74 per % sft instead of admissible rate of Rs 3,800.14, Rs 5,065.37 and Rs 2,582.04 respectively with total lead of 231 km. In this way, excess rate of Rs 43.20 % sft, Rs 43.92 % sft and Rs 2.70 % sft was provided in the estimate and paid to the contractor accordingly.

This resulted in overpayment of Rs 649,802 to the contractor due to weak financial and technical control.

Audit pointed out overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department promised recovery from contractor within 15 days. Para was kept pending for want of recovery and its verification by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Recovery of the loss needs to be made and got verified from Audit.

(DP. 410)

2.4.22.4 Scrutiny of technical sanction estimate of work "Construction of District Jail Lodhran (Group-I) disclosed that the Executive Engineer, Provincial Buildings Division, Lodhran allowed carriage of material for "Base Course and Sub Base" from Sakhi Sarwar to site of work with lead of 265 km and accepted the rate of Rs 5,379.50 and Rs 4,493.95 per % cft respectively. Whereas, actual lead came to 219 km and with this lead rate was worked out to Rs 4,826.14 and Rs 3,983.5 per % cft. In this way, excess rates of Rs 553.36 and Rs 510.10 per % cft were paid to the contractor.

This resulted in loss of Rs 345,742 to the government due to weak financial and supervisory controls.

Audit pointed out the loss in April 2011. The Department admitted the loss and prepared new lead chart which was 233 km from Sikhanwali quarry. The reply of the Department was not tenable as neither the lead chart was provided in the technical sanction estimate nor was attached with the reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that lead for carriage of crush from Sakhi Sarwar quarry had been re-evaluated with the record of Highways Division, Bahawalpur. Actual lead now admissible was 233 km instead of 265 km already applied. Audit was to verify the contention of the Department. The Department had recovered an amount of Rs 143,815 which had been verified by Audit. The Committee reduced the amount of the para to Rs 201,927 (Rs 345,742 – Rs 143,815). The Committee directed the Department for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 99)

2.4.22.5 The Executive Engineer, Provincial Buildings Division, Faisalabad got approved the item of earth work with lead of 1 mile @ Rs 4,727/85 ‰ cft in the estimate and in the approved DNIT and allotted the work with same lead whereas the payment was made for 75,543 cft @ Rs 6,458.46 with 5 mile lead instead of lead approved in the estimate technically sanctioned on the basis of MRS rates of 1st Quarter, 2012 for district Faisalabad in violation of PAC directives.

This resulted in overpayment of Rs 130,735 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in August 2012. The Department replied that rate for 5 miles lead was being paid according to the site position and this rate would be adjusted after getting revised technical sanction estimate by the competent authority. The reply was not

acceptable because lead once approved in the estimate could not be changed as per directive issued by Public Accounts Committee.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that the 5 miles lead had been allowed as per provision of revised TS estimate keeping in view ground realities as to earth was not available within the radius of one mile as College Building was located near Allied Hospital. Audit was of the view that contract rate was due to the contractor under note-I of rule 7.28 of DFR. The rate sanctioned / revised in revised TS estimate had no effect on the contract rate. Further, PAC directive also existed wherein Department was directed to recover such overpayment from the contractor (PB Div: Gujranwala). The Committee directed the Department to recover the overpayment and get it verified from Audit within a month. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officer(s) concerned besides effecting recovery.

(DP. 338)

2.4.22.6 Scrutiny of technical sanction estimate of work "Construction of District Jail Lodhran (Group-I)" disclosed that the Executive Engineer, Provincial Buildings Division, Lodhran allowed carriage of material for crushed stone aggregate bajri" from Sikhanwali to site of work with lead of 380 km and accepted the rate of Rs 3,023.48 per % sft. Whereas, actual lead was 332 km and with this lead, rate came to Rs 2,835.17 % sft. In this way, excess rate of Rs 188.31 per % sft was paid to the contractor.

This resulted in overpayment of Rs 161,344 contractor due to weak financial and technical controls.

Audit pointed out the loss in April 2011. The Department admitted the recovery and prepared new lead chart which was 351 km from Sikhanwali quarry. The reply of the Department was not tenable as neither lead chart was provided in the T S estimate nor was attached with the reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that lead for carriage of crush from Sikhanwali quarry had been re-evaluated with the

record of Highways Division, Bahawalpur. Actual lead admissible was 351 km instead of 380 km already applied. The Department had recovered an amount of Rs 44,640 which had been verified by Audit. The Committee reduced the amount of the para to Rs 116,704 (Rs 161,344 – Rs 44,640). The Committee directed the Department for verification of record as mentioned above. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility for loss sustained by the government be fixed.

(DP. 98)

2.4.23 Overpayment due to non-deduction of volume of surplus excavated earth from embankment - Rs 4.882 million

As per specification No. 411-413 of Roads and Bridges construction 1971 earth obtained as result of regular excavation should be reused for embankment and deducted from it.

2.4.23.1 The Executive Engineer, Provincial Highways Division, Faisalabad awarded three works to three different contractors during 2006 to 2009 while making payment of an item earthwork in ordinary soil for making embankment with all leads etc complete in all respects for embankment, the quantity of surplus earth was not deducted from the embankment though earth work was approximately completed.

This resulted in overpayment of Rs 3,340,262 due to weak technical and supervisory controls.

Audit pointed out overpayment during February 2012. The Department replied that quantity of earth was paid according to detailed survey and total quantity of earth work was within TS estimate. The reply was not acceptable because material available at site was used at work.

The para was also discussed in the SDAC meeting held on 05.09.2012. The Department admitted the recovery. The Committee directed the Department to get the record verified from Audit. No progress was intimated to Audit till finalization of the report.

Recovery to be effected and responsibility be fixed upon the officers concerned.

(DP. 05)

2.4.23.2 Scrutiny of 36th and 4th bill of the work "Dualization of Kasur Depalpur Carriageway Group-I & 2" revealed that the Executive Engineer, Provincial Highways Division, Okara measured and paid item of work "Excavation of structure" 293,198 cft and 83,959 cft but did not deduct 2/3rd available quantity of earth i.e. 195,465 cft and 55,973 cft respectively from the item of work "Earth work for making embankment".

This resulted in overpayment of Rs 960,793 to the contractor due to weak financial and supervisory controls.

Audit pointed out the overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department promised that available earth would be adjusted in the upcoming bill of contractor. The Committee directed the Department to recover the overpayment and get it verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made and got verified from Audit

(DP. 418)

2.4.23.3 Scrutiny of 9th, 12th & 13th bills of the work "Construction of District Jail Rajanpur" group No.1, 2 and 7 revealed that Executive Engineer, Provincial Buildings Division, D. G. Khan measured and paid the item "Excavation in foundation of building, bridges and other structure" 74,736 cft, 103,714 cft and 146,845 cft but quantity of 12,050 cft, 32,474 cft and 94,589 cft respectively was less deducted from the item of work "Earth brought from outside". Similarly in case of work "Provision of missing facilities in government college for boys Jampur" and "Provision of missing facilities in Government College for Girls Rajanpur" 2/3rd available earth i.e. 40,048 cft and 25,066 cft respectively was not deducted from the item of work "Earth brought from outside.

This resulted in overpayment of Rs 581,253 due to weak financial control.

Audit pointed out the overpayment in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that recovery of Rs 148,385 would be made within 15 days. Audit was of the view that balance amount was also recoverable as surplus earth was also available at site whereas earth was borrowed from outside source. Para was kept pending for recovery / verification of recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made and got verified from Audit.

(DP. 430)

2.4.24 Loss due to application of higher rate - Rs 4.854 million

The rate of item of work "Providing and fitting all types of glazed aluminium windows of anodised bronze colour partly fixed and partly sliding using delux sections of M/s Al-Cop or Pakistan Cables section thickness having frame size of 100 mm x 20 mm (4"x¾") and leaf frame sections of 50 mm x 20 mm (2"x¾"), all of 1.6mm thickness including 5 mm thick imported tinted glass with rubber gasket using approved standard latches, hardware sections of dull aluminum etc. are provided in the MRS.

2.4.24.1 The Executive Engineer, 2nd Provincial Buildings Division, Lahore, got approved and paid a non-standardized item of work "P/F all type of glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using delux section of M/s Al-cop or Pakistan Cables having a size of 101 mm x 30 mm and 1.60 mm thickness leaf frame section of 45mm x 25mm thickness including 5mm thick imported tinted glass with rubber & gasket" @ Rs 464.50 per sft instead of Rs 281.47 per sft. This item of work was available as a standardized item in MRS, Chapter 25 vide item No.52 with nominal change of specification. Audit was of the view that although the change in specification of standardized item of work was nominal yet the difference of rate was much higher.

This resulted in loss of Rs 2,196,177 to the government due to weak financial and technical controls.

Audit pointed out the loss in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that rate analysis along with its justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and loss be made good from the official(s) responsible.

(DP. 394)

2.4.24.2 The Executive Engineer, Provincial Buildings Division, Sahiwal made payment for an item of work i.e. Providing / Installation of all type glazed aluminum windows of anodized bronze color partly sliding and partly fixed using deluxe for Rs 575 per sft instead of notified MRS rate Rs 291.25 per sft (less 3.90%) pertaining to 1st quarter 2009 for District Okara.

The excess rate resulted in overpayment of Rs 1,423,181 to the contractor due to weak technical control.

Audit pointed out the overpayment in September 2012. The Department replied that payment of the said item of work was made according to technical sanction estimate as installation of window/door of heavy quality aluminum in a special building. The reply was not tenable because it was not mentioned in the remarks column of chapter 25 that item No.52 was to be used only in ordinary or a special building.

The para was also discussed in SDAC meeting held on 08.01.2013. The Department informed the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officers concerned.

(DP. 400)

2.4.24.3 The Executive Engineer, Provincial Buildings Division, Dera Ghazi Khan, got approved and paid a non-standardized item of work "P/F all type of glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using delux section of M/s Al-cop or Pakistan cables having a size 100 mm x 30 mm x 2 mm and leaf frame section of 60 mm x 23 mm x1.6 mm thickness including 5mm thick imported tinted glass with rubber & gasket" @ Rs 553.85 per sft instead of @ Rs 286.35 per sft. This item of work was available as standardized item in MRS 2nd quarter 2010 (District DG Khan), Chapter No.25 vide item No.52 with nominal change of specification. Audit was of the view that although the change in specification of standardized item of work was nominal yet difference was much higher.

This resulted in loss of Rs 772,233 to the government due to weak financial and technical controls.

Audit pointed out the loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and loss be made good from the official(s) responsible.

(DP. 426)

2.4.24.4 The Executive Engineer, Provincial Buildings Division, Dera Ghazi Khan got approved and paid a non-standardized item of work "P/F all type of glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using delux section of M/s Al-cop or Pakistan Cables having a size 100 mm x 40 mm (4″x1-1/2″) and leaf frame section of 60x40 mm (2-1/2″x1-1/2″) thickness including 5mm thick imported tinted glass with rubber & gasket" @ Rs 500 per sft instead of Rs 315.85 per sft. This item of work was available as standardized item in MRS 4th quarter 2006 (District D.G Khan), Chapter 25 vide item No.52 with nominal change of specification. Audit is of the view that although the change in specification of standardized item of work was nominal but difference was much higher.

This resulted in loss of Rs 462,337 to the government due to weak financial and technical controls.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that rate analysis along with justification would be got verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Matter needs to be investigated and loss be made good from the responsible.

(DP. 427)

2.4.25 Overpayment due to non-deduction of area of crust - Rs 4.186 million

As per provision of estimate, the area of crust was required to be deducted from measured quantity of "Earth work in ordinary soil for making embankment" and area of culverts is to be deducted from the paid quantities of item sub-base course, base course and earthen embankment.

2.4.25.1 The Executive Engineer, Provincial Highways Division, Gujranwala made payment for item of work "Earth work for making embankment" for 2,207,291 cft @ Rs 3,900 ‰ cft and 2,076,801.75 cft @ Rs 2,750 ‰ cft without deduction of volume of item plant premix carpeting 2.0″ thick (crust) for 1,938,600 sft as per specification.

This resulted in overpayment of Rs 2,616,385 in June 2012 due to weak administrative and financial controls.

Audit pointed out the unjustified payment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that due recovery in respect of Advance Para No. 19 & 23 would be effected in the next running bill of contractor. The Committee directed the Department to get the record verified by Audit regarding Para Nos. 19 & 23. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made good besides fixing responsibility against the officers involved in the overpayment.

(DP. 524)

2.4.25.2 The Executive Engineer, Provincial Highways Division, Jhang made payment for item of work "Earth work for making embankment" for 5,218,442 cft @ Rs 2,000 ‰ cft without deduction of volume of another item "Plant Premix carpeting 2″ thick using 4% ratio of bitumen asphaltic base course for 2,189,012 sft and "Plant Premix carpeting 1-1/2″ using 4.5% ratio of bitumen asphaltic wearing course" for 1,642,329 sft as per specification.

This resulted in overpayment of Rs 1,140,252 in June 2012 due to weak administrative and financial controls.

Audit pointed out the unjustified payment in November 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that actual recovery from the final bill would be made and got verified from Audit after revision of technical sanction estimate. The Committee directed that Department to complete the above process within a month and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and recovery be made besides fixing responsibility against the officers involved in overpayment.

(DP. 500)

2.4.25.3 The Executive Engineer, Provincial Road Construction Division, Rawalpindi did not deduct the area of three (3) culverts from the quantities of items sub base / base course and embankment.

The non-deduction of quantity depicted that due vigilance as stated in the criterion above was not exercised and this resulted in loss of Rs 428,670 due to weak technical and financial controls.

Audit pointed out the loss in July 2012. The Department admitted the observation and promised to effect the recovery from next bill of the contractor which was still awaited.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed that total recovery of Rs 428,670 had been made but no record was shown. Audit was of the view that the payment to contractor had not so far been made. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be effected and got verified from Audit besides fixing responsibility against the official(s) concerned.

(DP. 101)

2.4.26 Overpayment due to calculation of price variation on excess value of work done than actual value- Rs 4.127 million

According to clause 55(10) of contract agreement , the increase or decrease in the contract price subsequent to any increase or decrease in the cost shall be calculated on actual value of work done.

2.4.26.1 The Executive Engineer, Provincial Highways Division, Mianwali awarded the work "Construction of Underpass at km No. 201/ 7-8 in Bhakkar city on Shershah Kundian Section in District Bhakkar" to M/s Pakistan Associated Construction Company in January 2006. The price variation factor for diesel was 0.05 only. However, the price variation for diesel was paid by applying factor 0.15 instead of correct factor 0.05.

This resulted in overpayment of Rs 1,165,074 in June 2012 due to weak supervisory and financial controls.

Audit pointed out overpayment in July 2012. The Department replied that recovery would be made after detailed calculations with correct factor but recovery had not been made so far.

The matter was also discussed in the SDAC meeting held on 03.01.2013. The Department informed the Committee that recovery would be made from bill of the contractor. The Committee directed the Department to recover the overpayment within one month and get it

verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made besides fixing responsibility against the officers concerned.

(DP. 168)

2.4.26.2 The Executive Engineer, Provincial Highways Division, Gujrat paid price escalation on the item of sub base course and base course material worked out on loose material instead of compacted quantities in respect of work "Construction of dual carriage way from Gujrat to Salam Interchange".

Incorrect or excess working out of the price escalation of stone material resulted in overpayment to contractor of Rs 808,285.

Audit pointed out the overpayment in September 2011. The Department replied that price variation under clause-55 of the Contract Agreement had been paid correctly to contractor on sub base course and base course material. The reply of the Department was not correct as clause - 55 of the agreement clarified that escalation should be paid on the actual material used in work. The escalation on voids/ carriage factor was not admissible.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that rate for escalation for sub base / base course had been notified by Finance Department for stone at quarry site. Therefore, the price variation was payable on loose stone quantity at quarry site and not on compacted quantity. Audit contended that price variation of finished work/material actually consumed was payable to contractor under clause - 55(6) of agreement. The Committee directed to refer the case to Finance Department for clarification. No progress was intimated to Audit till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officer(s) concerned.

(DP. 276-2011-12)

2.4.26.3 The Executive Engineer, Provincial Highways Division, Faisalabad made payment of price variation due to increase in the rates of different items/materials to the contractor amounting to Rs 133,404,091 in

which price variation due to increase in the rate of Bitumen (packed) used in Prime and Tack Coat for the months of December 2008 and August 2011 was paid for Rs 1,379,197 instead of Rs 1,260,085 and for Bitumen (Bulk) paid Rs 19,992,393 for the months of December 2008, February & March 2009, November 2009 and August 2011 instead of Rs 18,164,776. Audit calculated this on the basis of actual record entries made in the Measurement Book with date of execution and correct base and market rates for the work "Dualization of Faisalabad Samundri Road (Section Faisalabad Bye-pass to Samundri) Group-I km 11.68 to km 26.68" awarded to M/s Royal Construction Co.

This resulted in overpayment of Rs 2,774,393 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in August 2012. The Department replied that recovery of Rs 1,116,152 had been made and balance recovery of Rs 664,421 would be made from the contractor. The reply was not acceptable because actual overpayment was Rs 2,774,393 as calculated by Audit.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that the actual amount of para was Rs 1,946,000 instead of Rs 2,774,393 as pointed out by Audit. Further the actual recovery came to Rs 1,780,573 instead of Rs 1,946,000. An amount of Rs 1,015,707 had been verified by Audit. Audit agreed and verified the position explained above. Audit informed the Committee that the balance recovery of Rs 764,864 was yet to be verified. The Committee reduced the para to Rs 764,864 and directed the Department to get the remaining recovery verified from Audit within a week. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed and recovery be made besides fixing responsibility against the officer(s) involved in overpayment.

(DP. 226)

2.4.26.4 The Executive Engineer, Provincial Highways Division, Gujranwala paid price variation due to increase in the rate of bitumen for 1,240,350 sft area instead of 1,209,150 sft area of carpeting actually executed at site.

This resulted in overpayment of Rs 638,626 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that due recovery would be effected in the next running bill of contractor. The Committee directed to get the record verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed and responsibility be fixed against the officer(s) involved in negligence besides effecting recovery of the overpayment.

(DP. 478)

2.4.26.5 The Executive Engineer, Provincial Highways Division, Mianwali paid price escalation on account of 122 cft stone used in items of sub base course and base course material instead of 100 cft compacted quantities.

This incorrect mode of measurement resulted in overpayment of Rs 330,948 due to weak internal control.

Audit pointed out overpayment during November 2011. The Department replied that record was being thrashed out.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that rate for escalation for sub base / base course had been notified by Finance Department for stone at quarry site. Therefore, the price variation was also payable on loose stone quantity at quarry site and not on compacted quantity. Audit contended that price variation of finished work/material actually consumed was payable to contractor under clause - 55(6) of agreement. The Committee directed to refer the case to Finance Department for clarification. No progress was intimated to Audit till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officer(s) concerned.

(DP. 297-2011-12)

2.4.26.6 The Executive Engineer, Provincial Highways Division, Okara paid price variation to the contractor on base course material by multiplying the quantity with factor 1.22 instead of compacted quantity used in the base course.

This resulted in overpayment of Rs 170,526 to the contractors due to weak financial control.

Audit pointed out overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that 122 cft loose for crust stone required against compacted quantity of 100 cft as per template for the item of base course. The price variation was correctly adjusted taking volume of stone as 122 cft loose. Audit was of the view that as per contract clause-55 (6), actual volume of stone is required to be paid to the contractor as price variation adjustment. Therefore, the voids in loose volume of crush were not payable to the contractor. The Committee did not accept the views of Department and directed to recover the overpayment within 15 days and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and recovery of the overpayment be effected.

(DP. 417)

2.4.26.7 The Executive Engineer, Provincial Highways Division, Jhelum made payment on account of price variation on the item of stone metalled on loose volume of stone for 122 cft quantities instead of compacted volume of stone quantities 100 cft for item of sub base course and base course.

Payment of price variation for excess quantities of stone resulted in overpayment of Rs 135,078.

Audit pointed out the overpayment during October 2011. The Department neither replied the observation nor effected the recovery.

The matter was also discussed in the SDAC meeting held on 18.01.2012. The Department apprised the Committee that rate for escalation for sub base / base course was notified by Finance Department for stone at quarry site. Therefore, the price variation was payable on loose stone quantity of quarry at site and not on compacted quantity. Audit contended that price variation of finished work / material actually consumed was payable to contractor under clause - 55(6) of agreement. The Committee directed the Department to refer the case to Finance Department for clarification. No progress was intimated to Audit till finalization of the report.

The recovery needs to be effected and responsibility be fixed upon the officer(s) concerned.

(DP. 281-2011-12)

2.4.26.8 The Executive Engineer, Provincial Highways Division, Gujranwala paid price variation due to increase in the rate of labour for Rs 1,588,474 on value of work done for Rs 135,231,612 instead of Rs 132,298,261 actually executed upto 26th running bill. Price variation on diesel for the month of September 2011 was paid @ Rs 94.15 per litre for 21st & 22nd running bill instead of Rs 92.64 per litre.

This resulted in overpayment of Rs 113,573 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012 but the Department did not reply.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that due recovery would be effected in the next running bill of the contractor. The Committee directed the Department for verification of record by Audit. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and responsibility be fixed against the officers concerned besides effecting recovery of the overpayment.

(DP. 479)

2.4.27 Undue financial benefit due to imbalance rate - Rs 3.813 million

As per clause 47-A of contract agreement, if a contractor quoted such disproportionate rates in his tender which deviate from the rates provided in the technically sanctioned estimate, payment for the item whose rates are higher shall be made at the rates depicted in technically sanctioned estimate. On the execution of such items, the balance payment shall be withheld till the completion of the work of item for which low rates have been quoted.

The Executive Engineer, Provincial Highways Division, Gujrat, awarded work in June 2012 for Rs 216.520 million against the estimated cost of Rs 207.314 million to be completed within 10 months i.e. upto April 2013. The Department made payment for items carrying higher rates at quoted rates instead of estimated rates till the completion of items.

Weak financial control resulted in unjustified financial benefit to the contractor of Rs 3,812,933.

Audit pointed out the lapse in November 2012. The Department replied that payment for imbalance rates would be adjusted in next running bill. However, no recovery/adjustment was reported to Audit.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department informed the Committee that the scheme was in progress and adjustment on account of imbalance rate would be made in forthcoming bill of the contractor. The Committee directed the Department to adjust the imbalance rates and get it verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery/adjustment needs to be expedited and got verified from Audit besides initiating disciplinary action against the officers concerned.

(DP. 326)

2.4.28 Loss to government due to negligence - Rs 3.107 million

As per para 2.33 of Punjab Financial Rules Volume-I every Govt. official would be held personally responsible for loss sustained due to negligence at his part.

2.4.28.1 The Director, Road Research & Material Testing Institute, Lahore recovered total amount of hostel rent at Rs 234,940 (Rs 172,360 + Rs 62,580) in 2009-10 & 2010-11 respectively whereas Department made the expenditure in shape of utility bills of hostel Rs 1,854,200 during last 2 years. This position showed that total expenditure of hostel was much higher than income generated from hostel during last 2 years or there would be the possibility that hostel rent was not being recovered on actual basis because during different month's rent register was showing nil recovery.

The less recovery resulted in loss to government of Rs 1,619,260 due to weak administrative & financial controls.

Audit pointed out the loss in April 2012. The Department replied that the research institute could not generate funds from the trainee hostel because this building was used to facilitate the officers / officials. The electricity charges paid included the load of hostel of VIP rooms and disposal of waste water of whole premises, research campus, road buildings residential area of road and buildings side etc. The reply was not tenable because Department made recovery of only Rs 234,940 in the financial year 2009-10 & 2010-11 but incurred expenditure of Rs 1,854,200 on utility bills of hostel etc showing extra burden of hostel expenses of Rs 1,619,260.

The para was discussed in the SDAC meeting held on 10.01.2013. The Department informed the Committee that the matter of recovery had been taken up with the Provincial Assembly Secretariat. The Committee directed the Department to recover the amount involved and get verified from Audit. No compliance of the Committee's directives was reported till finalization of the report.

Audit recommends early recovery and appropriate action against the official(s) responsible.

(DP. 94)

2.4.28.2 The Land Acquisition Collector, Multan Road Project, Lahore made payment for compensation of structure granted to land owner, (award No. 8 Sr. No. 5 Sk. No.06/AZ) at Rs 1,773,340 instead of Rs 955,330 assessed and approved by the Punjab Buildings Department for this property.

This resulted in loss to government due to weak financial control of Rs 818,037.

Audit pointed out loss in March 2012. The Department did not reply.

The matter was also discussed in SDAC meeting held on 20.09.2012. The Department apprised the Committee that whole building was acquired on the request of the effectee and the additional compensation was made in line with the previously assessed compensation by the Buildings Department. Authentication from Buildings Department would be obtained and produced to Audit for verification within two weeks. No progress was reported till finalization of the report.

Audit recommends early recovery and fixing responsibility.

(DP. 55)

2.4.28.3 The Land Acquisition Collector-I Ring Road, Lahore made payment of Rs 1.931 million and Rs 0.904 million to the land owners of village Hando and Kotli Ghesi on account of compound interest but failed to recover 20% income tax.

Weak supervisory and financial controls resulted in non-recovery of Rs 567,004.

Audit pointed out the non-recovery in August 2011. The Department gave no reply.

The matter was also discussed in the SDAC meeting held on 20.01.2012. The LAC, Lahore Ring Road apprised the Committee that income tax on interest payment was not income of the affectee rather was compensation as per Land Acquisition Act 1894. LAC further informed the committee that the issue had been referred to Board of Revenue by LAC Punjab Highway Department for clarification. Audit stressed recovery of income tax on interest payment as the matter already clarified by Federal Board of Revenue according to which the interest came under the classification of income of the affectee and not under that of compensation. The Committee directed the LAC to pursue the referred case with Punjab Board of Revenue and produce it to Audit for verification within 30 days. No progress was intimated to Audit till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officers concerned besides effecting recovery.

(DP. 325-2011-12)

2.4.28.4 The Land Acquisition Collector, Multan Road Project, Board of Revenue Punjab, Lahore paid land compensation of Rs 84.272 million along with 8% compound interest for Rs 517,175.93 (28 days). Recovery of withholding tax at source @ 20% due under section 151(1)(c) of Income Tax Ordinance 2001 on compound interest was not made from the land affectees and was not remitted to Income Tpax Department.

This resulted in non-recovery of Rs 103,435 due to weak financial and managerial controls.

The matter was also discussed in the SDAC meeting held on 20.01.2012. The Land Acquisition Collector, Multan Road Project, Board of Revenue Punjab, Lahore apprised the Committee that income tax on interest payment was not the income of the affectee rather was compensation as per Land Acquisition Act 1894. LAC further informed the committee that the issue had been referred to Board of Revenue by LAC, Punjab Highway Department for clarification. Audit stressed recovery of income tax on interest payment as the matter already clarified by Federal Board of Revenue according to which the interest came under the classification of income of the affectee and not under that of compensation. The Committee directed the LAC to pursue the referred case with Punjab Board of Revenue and produce it to Audit for verification within 30 days. No progress was intimated to Audit till finalization of the report.

Audit pointed out the loss in March 2012. The Department did not reply.

Audit recommends early recovery.

(DP. 466)

2.4.29 Overpayment due to sanction of incorrect rate of non-MRS item of steel grade 60 - Rs 2.339 million

As per standard the factor for conversion of Cwt into Kilogram is 0.01968 (1/50.80). Further, as per approved analysis of steel Grade-60 by the consultant M/s NESPAK in buildings works of Daanish Schools, the credit was given for wastage of steel.

The Executive Engineer, 5th Provincial Buildings Division, Lahore awarded the work "Construction of Government College for Boys and Hostel Building Gulberg, Lahore" to the contractor during June, 2009. The Department sanctioned/approved a non-schedule item of "Steel deformed bar Grade-60 etc" in the estimate with incorrect application of conversion factor @ 0.02(1/50) from Cubic Weight into Kilogram instead of admissible factor @ 0.01968 (1/50.80) and without credit of 5% wastage of steel at higher rates @ Rs 89.36 per kg instead of admissible rate @ Rs 82.73 per kg. Keeping in view the BOQ rates the contractor quoted the rate of Rs 92.97 per kg including premium. Therefore, due to sanction/approval of excessive rates by Rs 6.63 per kg, the extra payment was allowed and paid to the contractor.

Weak supervisory and technical controls resulted in overpayment of Rs 2,338,725.

Audit pointed out the overpayment in November 2012. The Department did not furnish any reply even after the lapse of considerable period and in spite of repeated written and verbal reminders.

The matter was also discussed in the SDAC meeting held on 10.01.2013. The Department explained to the Committee that correct rate had been paid with quoted premium as Rs 91.88 per kg. The Committee directed the Department to produce final bill showing payment to contractor on revised rate. No progress was intimated to Audit till finalization of the report.

Audit recommends an early recovery of the due amount from the responsible.

(DP. 446)

2.4.30 Loss due to non-recovery of Government dues - Rs 2.271

As per para 4.1 of Punjab Financial rules Volume-I, the Department controlling officers should accordingly see that all sums due to government are regularly received and checked against demands and that they are paid to the treasury. They should make some arrangement to receive all sums from their subordinates' accounts and returns claiming credit to be paid to the treasury and compare them with the figures shown in the returns received from the Accountant General.

2.4.30.1 The Director, Road Research & Material Testing Institute, Lahore had been recovering room rent @ Rs 20 per day from the residents of hostel since office order dated 02.04.1989. The minimum rate per room of the government rest houses was Rs 300 per day. The rate of Rs 20 per day was not justified as the same did not meet the expenses of the hostels i.e. utility bills, repair and maintenance.

Non-revision of hostel rent tariff resulted in loss to the Government of Rs 918,680 due to weak financial and administrative controls.

Audit pointed out the overpayment in March 2012. The Department replied that the rent @ Rs 20 per day per room was exclusively fixed for the trainees being accommodated during the training courses launched by the Department. The accommodation had never been declared or used as a Rest House except as a Trainees Hostel, despite this the matter for revision of existing rates of room rent had also been taken up vide Director RR&MTI No.G-I/T.H/975 dated 12.12.2007. The reply was not tenable because room rent of Rs 20 per day did not meet the expenses of hostel i.e. utility bills and repair and maintenance charges etc. The expenses of utilities bills increased many times during the period w.e.f. 02.04.89 to 04.04.12 but the Department had not moved the case to the Secretary C&W Department for revision of room rent and thus, the government sustained loss of Rs 918,680. Besides, the officers posted on regular assignments were also observed having occupied the hostel rooms.

The para was discussed in the SDAC meeting held on 10.01.2013. The Department attended the meeting but did not produce any working paper. The Committee directed the Department to recover the amount involve and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and appropriate action against the responsible.

(DP. 465)

2.4.30.2 The Director, Road Research & Material Testing Institute, Lahore failed to recover the room rent of trainees hostel for the period w.e.f 04.11.2008 to 30.09.2010 from different MPAs despite lapse of 21 months.

This resulted in non recovery of room rent for Rs 745,000 due to weak financial & administrative control.

Audit pointed out the non-recovery in April 2012. The Department replied that the matter for recovery of room rent had already been taken up with the Secretary Punjab Assembly through various letters to retrieve the outstanding amount. The reply was not tenable because neither the Department recovered the outstanding dues from the MPAs nor any record in support of reply was produced to Audit for verification.

The para was also discussed in the SDAC meeting held on 10.01.2013. The Department has recovered Rs 144,800 and remaining amount was due. The Committee directed the Department to get the recovery verified by Audit. No compliance of the Committee's directives was reported till finalization of the report.

Audit recommends early recovery.

(DP. 93)

2.4.30.3 The Director, Building Research Station, Lahore did not recover the penal rent @ 60% from retired Chief Engineer and did not get vacated the government accommodation after the expiry of relaxed period of six months and stayed in the government residence with effect from 01.06.2010 to 25.06.2011.

This resulted in non recovery of penal rent for Rs 337,740 due to weak financial & supervisory controls.

Audit pointed out the non recovery in March 2012. The Department stated that reply would be submitted after scrutiny of the relevant record.

The para was discussed in the SDAC meeting held on 20.09.2012. The Department apprised the Committee that officer was entitled to retain residence upto two months after retirement date. A further extension was granted by C&W Department vide letter dated 11.3.2010 as per Allotment Policy. A further extension upto 30.6.2011 was given by C&W Department vide letter dated 16.4.2011 on approval by competent authority. Audit was of the view that extension granted vide letter dated 16.4.2011 was beyond provision of Allotment Policy prescribed by S&GAD. The Department promised for production of record pertaining to

relaxation of rules for grant of extension of government residence beyond 8 months by the competent authority would be provided to Audit for verification within 3 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility for not taking timely action.

(DP. 46)

2.4.30.4 The Executive Engineer, Provincial Highways Division, Faisalabad did not recover the rent for using right of way from petrol pumps and CNG Stations owners @ Rs 5,000 per annum for the period 2011-12.

This resulted in non-recovery of Rs 270,000 due to weak administrative and financial controls.

Audit pointed out the non-recovery in August 2012. The Department replied that the notices had been served to the petroleum authorities for depositing the annual rent of approaches. The reply was not tenable because recovery of the rent was to be made in advance.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department informed the Committee that recovery was being made through personal efforts. Audit was of the view that Department should have approached the DCO of the district concerned to cancel the license of the petrol pump. The Committee directed the Department to recover the amount involved or otherwise to take the matter with the DCO concerned within a month. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be probed in and recovery be made besides fixing responsibility against the officer(s) concerned.

(DP. 221)

2.4.31 Overpayment due to incorrect calculation - Rs 2.019 million

As per rule 7.17 (b) of Departmental Financial Rules, all payment for work done are based on quantities recorded in Measurement Book, it is incumbent upon the person taking the measurement to record quantities clearly and accurately.

2.4.31.1 Scrutiny of 9th bill of the work "Widening /Improvement of Sadiqabad - Kashmore Road (Section Dauwala to Switra) Length 35 km Ryk G-I" revealed that the Executive Engineer, Provincial Highways Division, Rahim Yar Khan measured and paid the average width of road as 1710 feet instead of actual width of 90 feet. Due to excess measurement of width of road 1620 feet quantity of the item of work "P/L Base course" was calculated and paid for 18,382 cft instead of 688 cft. In this way excess quantity of 17,694 cft was paid to the contractor.

This resulted in overpayment of Rs 1,438,729 due to weak financial and technical controls.

Audit pointed out the overpayment in July 2012. The Department replied that the recovery pointed out by Audit would be made from the contractor from his next running bill. However, it was not got verified from Audit till finalization of the report.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that the recovery would be made within one month. The Committee kept the para pending for verification of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made from the contractor and got verified from Audit.

(DP. 438)

2.4.31.2 The Executive Engineer, Provincial Buildings Division, Gujrat paid item P/F PVC door of approved size for the quantity of 1236 sft vide page 72 of MB 963/398 whereas the actual contents come to 402 sft in the work "Construction of university at Gujrat". Moreover, deductions of the previous bill No 10th vide page 189 MB 6312 was made Rs 22,701,553 instead of Rs 22,781,553.

Incorrect calculation of quantities of work done resulted in overpayment of Rs 580,400 due to weak financial control.

Audit pointed out the overpayment during October 2011. The Department replied that recovery would be made in the next running bill of the contractor.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department promised to recover the amount in the next running bill of the contractor or from the mature security deposit. No recovery was effected till finalization of the report.

Recovery needs to be effected and responsibility be fixed against the officers concerned.

(DP. 374-2011-12)

2.4.32 Irregular payment for allowing incorrect rate of - Rs 1.788 million

As per clarification issued by the Finance Department vide their No RO(Tech) FD-2-6/93 dated 19.12.1993, dressing and chamfering is not payable separately because of its normal course covered under brick work, as well as rate for the item RCC etc is also inbuilt of all type of shapes and design required at site and also not to be paid separately as per letter No FD letter no RO(Tech) FD-11-47/2004 dated 24.02.2005.

2.4.32.1 The Executive Engineer, Provincial Buildings Division, Gujrat made extra payment for chamfering and dressing of bricks for cornices as well as extra payment for RCC work in addition to its unit rate which resulted in overpayment, because design and drawing of those schemes do not allow/show any extraordinary design to be paid separately.

This resulted in irregular payment of Rs 1,328,818 due to weak supervisory control.

The overpayment was pointed out during November 2011. The Department replied that payment was made as per typical architectural feature / design cornices of roof parapet, finishing of window item. RCC column chamfering and dressing of brick and extra rate of shuttering of paragola could not be met with the normal RCC and brick rate. The reply was not admitted because as per design, there was neither any real arch work nor extraordinary design involved; therefore, there was no justification for extra payment in addition to composite rate.

The matter was also discussed in the SDAC meeting held on 16.01.2012. The Department explained to the Committee that recovery had been made. The recovery was not got verified from Audit till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officer(s) concerned besides effecting recovery.

(DP. 272-2011-12)

2.4.32.2 The Executive Engineer, Provincial Buildings Division, Gujranwala made payment for items of work "Extra for shuttering of RCC decorative cornice and labour for finishing, involved in another item "Extra for molding and labour for finishing RCC decorative columns as shown in drawing" as approved in architecture drawing & design, complete in all respect, for different works which was not admissible because extra cost of shuttering and labour was included in the composite rate of RCC work as per clarification by the Finance Department. Further, the chamfering and dressing of bricks was also included in the composite rate of item "Pacca brick work" as per specifications.

The payment for inadmissible items resulted in overpayment of Rs 208,775 in June 2012 due to weak administrative and financial controls.

Audit pointed out the overpayment in October 2012. The Department replied that the payment for these items was made as per provision of estimate technically sanctioned by the competent authority. The reply was not acceptable because extra cost for shuttering in case of RCC work and chamfering/dressing was not admissible as per clarification by the Finance Department.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that special design features were constructed at site in RCC work as per design approved by competent authority. The Committee directed the Department to produce adopted design/drawing for verification by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made and responsibility be fixed against the concerned officers for making overpayment.

(DP. 380)

2.4.32.3 The Executive Engineer, Provincial Buildings Division, Sialkot made payment for the items of work "Extra cost of labour for profile and

flared wall for 131,815 cft @ Rs 181.65 % cft to the contractor along with 4.48% above which was not admissible as per specifications.

This resulted in overpayment of Rs 250,169 due to weak administrative and financial controls in June 2012.

Audit pointed the overpayment in October 2012. The Department replied that "Extra cost of labour for masonry work was not for ordinary masonry of boundary wall. It was a special perimeter wall upto 16.75′ height and enclosure wall of 10′ height around the jail as per jail manual. The extra cost of profile and flared masonry was to be involved to finish this type of structure and the same had also been got technically sanctioned from the competent authority. The reply was not acceptable because dressing and chamfering of bricks was not admissible as per specification and clarification by the Finance Department.

The matter was also discussed in the SDAC meeting held on 08.01.2013. The Department explained to the Committee that the brick work was cut and shaped according to the design feature by grinding / rubbing to match with the architecture feature and payment was made as per MRS extra rates. Audit pointed out that drawing giving true picture was not produced to Audit for verification. The para was kept pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be made and responsibility be fixed against the officer(s) concerned.

(DP. 307)

2.4.33 Overpayment due to allowing price variation on inadmissible value of work done - Rs 1.535 million

As per notification issued by the Finance Department vide No. RO (Tech)FD-1-2/2007(Provl) dated 26 October 2009, items falling in Chapter 21(Sewerage) and Chapter 22 (Sinking Wells) of MRS are also part of Building Projects, therefore, same inputs factors alpha and beta notified for Building and RCC are also applicable for works carried out under Public Health Engineering. However, factors alpha and beta would not be applicable in case of items of Chapter-23 "Tube well and water supply" as the same do not fall under the category of Building and RCC units.

2.4.33.1 The Executive Engineer, Provincial Buildings Division, Mianwali made payment of price variation due to increase in the rate of diesel on value of work done of Rs 49,746,170 to the contractor in case of work "Construction of Gymnasium in 13 Districts in Punjab one at Mianwali" awarded to M/s Bashir Ahmed & Co. In total cost of work done, an amount of Rs 21,826,837 was paid for the items of water supply, tube well etc and as per clarification no price variation of diesel was admissible on these items.

Payment of price variation for inadmissible cost of work done resulted in overpayment of Rs 1,434,946 in June 2012.

Audit pointed out the overpayment in July 2012. The Department replied that the payment was made according to the C&W Department letter No SPOC(C&W) 5-9/2008, dated 24.02.2009. The reply was not acceptable because price variation on diesel for cost of work of water supply and tube well was not admissible.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained that price variations were correctly allowed as per F.D. letter dated 11.01.2007. Audit was of the view that Department could not justify payment of price variation on water supply and tube well items. The Committee directed the Department to produce the record for verification to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility also be fixed against the officer(s) concerned besides effecting recovery thereof.

(DP. 224)

2.4.33.2 The Executive Engineer, Provincial Buildings Division, Muzaffargarh awarded the work "Establishment of Government Girls Degree College at Chak No.90/ML Tehsil Karor Lal Eason, District Layyah, Group No.2" for Rs 42.627 million and paid an amount of Rs 100,245 to the contractor during 2011-12 on account of price variation on labour, diesel and water supply items.

This resulted in overpayment of Rs 100,245 to the contractor due to weak financial and supervisory controls.

Audit pointed out overpayment in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 07.01.2013. The Department explained to the Committee that recovery had been made. The Committee directed the Department to get the recovery verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be effected and got verified from Audit.

(DP. 269)

2.4.34 Overpayment due to incorrect carry forward of quantity and non deduction of available earth - Rs 1.408 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 calculations have been checked arithmetically to be correct.

Examination of MB No 6091 revealed that Executive Engineer, Provincial Highways Division, Gujrat executed quantity of 856,411 cubic feet for the item of earth work in all types of soil for making embankment including all lead & lift. While carrying forward the above quantity to the abstract of cost it was taken as 1,070,514 cubic feet instead of 856,411 cubic feet. Moreover, 1,881,028 cubic feet earth work was paid for embankment from outside source but did not deduct 85,547 earth available at site from excavation in foundation of building & bridges.

Weak supervisory and financial controls resulted in overpayment of Rs 1.408 million.

Audit pointed out overpayment in October 2012. The Department admitted the recovery of Rs 402,071 on account of non deduction of available earth and did not reply about incorrect carry forward of the quantity. The reply was not accepted because check and measure control to be exercised at Sub-Engineer, Sub-Divisional Officer and Executive Engineer levels was not exercised vigilantly before making payment to the contractor.

The matter was also discussed in the SDAC meeting held on 04.01.2013. The Department explained that 80% earth work was to be paid which was inadvertently allowed as 100% in the running bill which was subsequently corrected in the next bill. The Department further

explained that since drain was constructed at the extreme end of right of way well away the drawing X-section of road, hence earth received from excavation was not utilized for making embankment. Contention of the Department was yet to be verified by Audit. The Committee directed to get the record verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Recovery needs to be expedited and got verified from Audit besides initiating disciplinary action against the officers responsible.

(DP. 245)

2.4.35 Overpayment due to less deductions of dismantled material - Rs 1.159 million

As per para 9 of chapter 18.1 of specification of execution of work 1967, all dismantled material will be property of the government and shall be disposed of as directed by the Engineer In-charge.

2.4.35.1 The Executive Engineer, Provincial Highways Division, Muzaffargarh got executed items of work "Dismantling of brick work in cement" and "Dismantling of reinforcement cement concrete" but did not make recovery of cost of bricks and steel on account of dismantled material.

This resulted in non-recovery of Rs 850,888 from contractors due to weak financial control.

Audit pointed out non-recovery in September 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 02.01.2013. The Department informed the Committee that recovery of Rs 484,970 against the pointed out recovery of Rs 850,888 had been made from the contractor and got verified from Audit. Audit was of the view that accountal of recovery in the monthly account as well as recoupment of security deposit was yet to be verified. As regards balance recovery of Rs 365,918, the position from record regarding no recovery is yet to be

verified. Para was kept pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

The recovery needs to be made from the contractor.

(DP. 187)

2.4.35.2 The Executive Engineer, Provincial Buildings Division, Faisalabad made recovery on account of cost of old material for Rs 247,668 instead of admissible recovery of Rs 2,305,002.

Weak financial and supervisory controls resulted in less recovery of Rs 1,877,334 (Rs 2,305,002 - Rs 427,668) on account of cost of old material.

Audit pointed out the overpayment in February 2012. The Department did not reply.

The matter was discussed in the SDAC meeting dated 20.09.2012. The Department apprised the Committee that recovery of Rs 2,088,385 had been made from the contractor upto 22nd running bill vide Vr. No. 81 dated 23.06.2012. Audit verified the recovery and the Committee reduced the amount of para to Rs 308,372. The Committee kept the para pending with the direction to effect the remaining recovery within a month. No compliance of the Committee's directives was reported to Audit till finalization of the report.

The matter needs to be investigated and the balance recovery needs to be made.

(DP. 43)

2.4.36 Overpayment on account of price variation - Rs 1.033 million

As per instruction No. 5 for posting in Measurement Book (Form DFR PW-20), no entry in MB should be erased or disfigured. If a mistake is made, it should be corrected by correcting the incorrect words or figures with a single stroke of pen and by writing correct word or figure separately and correction thus made should immediately be initialed and dated by the officer/official making correction.

The Executive Engineer, Provincial Buildings Division, Sahiwal, made payment of price variation on steel pertaining to work "Construction of Gymnasium at Okara**".** Scrutiny of MB No.480/6537 page No.11

revealed that record entries were made with one pen but date was recorded with another pen and at page 23, the month of record entry was changed from June 2008 to August 2008. Similarly in MB No.240/4497 page No.115 and 126 two different pens were used to record entries and for date of record entries. Moreover, month of record entry was also changed from February 2008 and March 2008 to April 2008. Due to change of month of record entries excess, difference of rates of cement was paid to the contractor on account of price variation.

This resulted in overpayment of Rs 1,033,001 due to weak financial and supervisory controls.

Audit pointed out the overpayment in February 2012. The Department replied that no record entry of item of work "Steel grade 60 had been made during 06/2008. The record entries had been made during 07/2008 & 08/2008 at page Nos.144, 151, 171 and 179 of M.B No.240/4497 and Page Nos.10 & 23 of MB No.480/6537, respectively. The measurement book No.480/6537 was issued on 07.07.2008 as shown at 1st page of Measurement Book. So the question of recording measurements during 06/2008 did not arise. The payment on account of price variation had correctly been made to the contractor. The reply was not convincing because record entries made in MB No.480/6537 at page 11 made with one pen but date was recorded with another pen. Moreover, at page 11 and 23, months of record entries were changed from 6/2008 to 8/2008. Similarly month of record entry in MB No.240/4497 at page 115 and126 was changed from 2/2008 and 3/2008 to 4/2008 by overwriting.

The para was discussed in SDAC meeting held on 20.09.2012. The Department apprised the Committee that recoverable amount, if any, as per audit observation would be worked out and be recovered from the contractor besides its verification by Audit within a month. The Committee kept the para pending. No compliance of the Committee's directive was reported till finalization of the report.

The matter needs to be investigated and responsibility be fixed against the officer(s) concerned besides effecting recovery of the overpayment.

(DP. 39)

CHAPTER - 3

HOUSING, URBAN DEVELOPMENT & PUBLIC HEALTH ENGINEERING DEPARTMENT

3.1 Introduction of the Department

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 Authority and Public Health Engineering Department. The Secretary HUD & PHE Department is the Principal Accounting Officer. The functions of HUD & PHE Department are controlled under the Rules of Business 1974 and the Punjab Development of Cities Act 1976.

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

3.2 Comments on Budget & Accounts (Variance Analysis)

Housing and Urban Development

The developments authorities are the autonomous bodies. For financial viability, these bodies rely on their own sources and government grants-in-aid. The budgetary breakup of Housing and Urban Development component is tabulated as under:

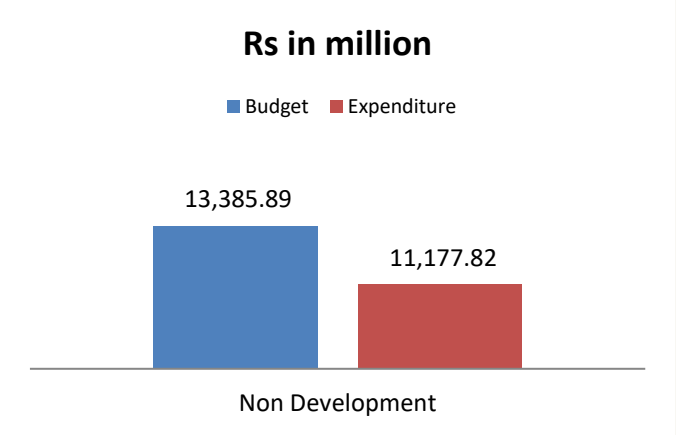
(Rs in million)

Nature of Budgetary Allocation	Original Budget	Actual Expenditure	Variation Excess/(Saving)	Variation in %
Non-Development	13,385.89	11,177.82	(2,208.07)	(16.50)
Development	26,961.73	22,863.61	(4,098.12)	(15.20)
Total	**40,347.62**	**34,041.43**	**(6,306.19)**	**(15.63)**

Source: Budget Handout and Financial Statements (FY-2011-12) of LDA, MDA, GDA, FDA, RDA

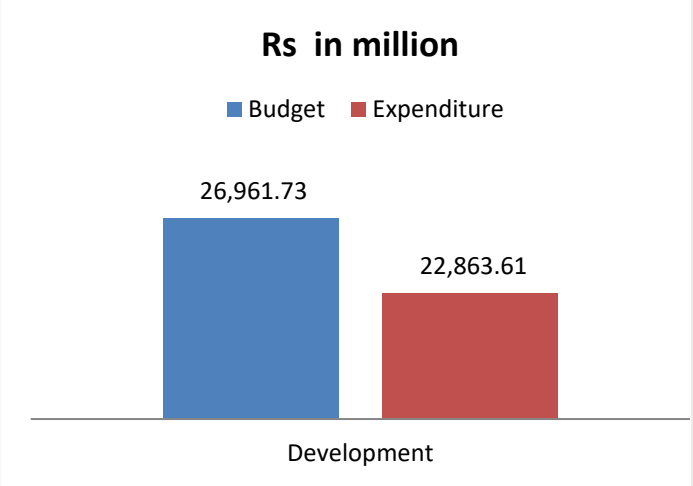
Non-Development

The budget was not fully utilized. The non-development expenditure incurred was Rs 11,177.82 million against the budget of Rs 13,385.89 million. Thus there was a saving of 16.50%.



Development

The development budget was not fully utilized. The expenditure incurred was Rs 22,863.61 million against the budget of Rs 26,961.73 million. Thus there was a saving of 15.20%.



PHE Department

The non-development grants PC21017 includes funds for repair & maintenance works including salary. The funds for original development schemes are allocated under the budgetary grant PC22036 development.

(Rs in million)

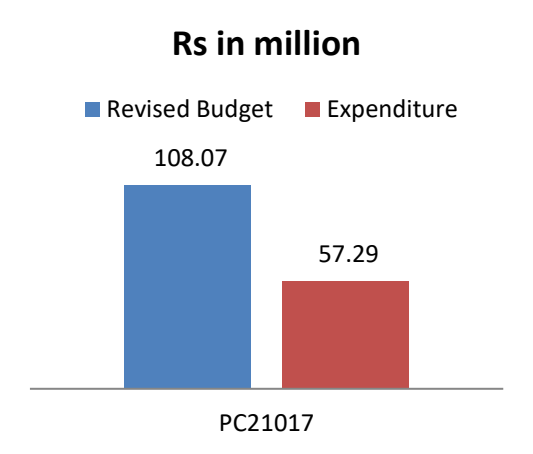
Grant No & Nature	Original Budget	Supplementary & Re-appropriation /(Surrender)	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21017	40.46	67.61	108.07	57.29	(50.78)	(46.99)
Development Grant						
PC22036	10,433.85	(34.99)	10,398.86	9,329.33	(1,069.53)	(10.29)
Grand Total	**10,474.31**	**32.62**	**10,506.93**	**9,386.62**	**(1,120.31)**	**(10.66)**

Source: Budget Book and Appropriation Accounts (FY-2011-12)

Non-Development Grant

Grant No PC21017

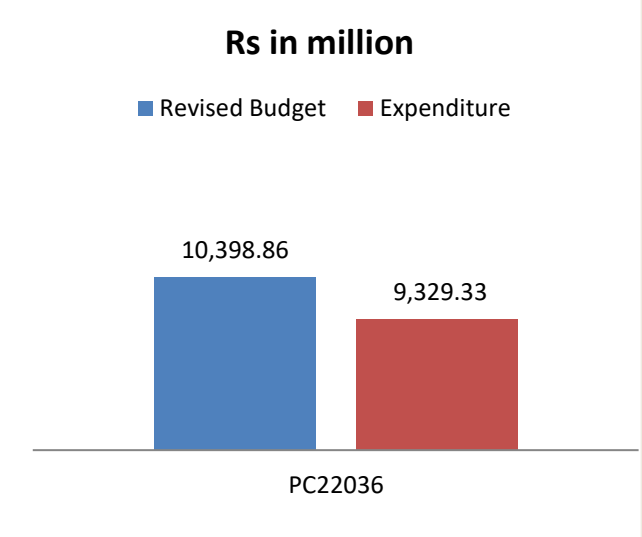
In the non-development grant PC21017, budget was not fully utilized. The expenditure incurred was Rs 57.29 million against the revised budget of Rs 108.07 million. Thus there was a saving of 46.99%.



Development Grant

Grant No PC22036

In case of development grant PC22036, the expenditure incurred was Rs 9,329.33 million against the revised budget of Rs 10,398.86 million. Thus there was a saving of 10.29 %.



According to Chapter 14 of Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the PHE Department did not surrender a saving of Rs 1,120.31 million.

Audit pointed out the above mentioned savings but the department did not reply till the finalization of the report.

3.3 Brief comments on the status of compliance with PAC directives

The position of compliance of PAC directives over the years is tabulated as under:

PHE					
Sr. No.	**Audit Report Year**	**Total Paras**	**Compliance Received**	**Compliance not Received**	**Percentage of Compliance**
1	1960-61	01	-	01	-
2	1965-66	05	-	05	-
3	1966-67	01	-	01	-
4	1668-69	04	-	04	-
5	1970-71	07	-	07	-
6	1971-72	06	-	06	-
7	1972-73	05	-	05	-
8	1973-74	01	-	01	-
9	1974-75	02	-	02	-
10	1975-76	03	-	03	-
11	1978-79	03	-	03	-
12	1981-82	15	-	15	-
13	1982-83	13	-	13	-
14	1983-84	18	-	18	-
15	1984-85	09	-	09	-
16	1985-86	08	-	08	-
17	1986-87	09	-	09	-
18	1987-88	05	-	05	-
19	1988-89	05	-	05	-
20	1989-90	08	-	08	-
21	1990-91	19	-	19	-
22	1991-92	17	-	17	-
23	1992-93	50	-	50	-
24	1993-94	46	-	46	-
25	1994-95	19	-	19	-
26	1995-96	66	01	65	1.52%
27	1996-97	48	-	48	-
28	1997-98	106	-	106	-

29	1998-99	46	-	46	-
30	1999-00	13	-	13	-
31	2000-01	16	-	16	-
32	2001-02	16	-	16	-
33	2009-10	11	-	11	-
Total		**601**	**1**	**600**	**0.17%**
LDA					
34	1982-83	30	-	30	-
35	1983-84	06	-	06	-
36	1984-85	06	-	06	-
37	1985-86	23	-	23	-
38	1986-87	27	-	27	-
39	1987-88	02	-	02	-
40	1988-89	06	-	06	-
41	1989-90	04	-	04	-
42	1990-91	15	-	15	-
43	1991-92	13	-	13	-
44	1992-93	13	-	13	-
45	1993-94	25	-	25	-
46	1994-95	16	-	16	-
47	1995-96	12	-	12	-
48	1996-97	01	-	01	-
49	1997-98	56	-	56	-
50	1998-99	02	-	02	-
51	1999-00	12	-	12	-
52	2000-01	05	-	05	-
53	2001-02	03	-	03	-
54	2003-04	04	-	04	-
55	2006-07	15	-	15	-
56	2009-10	13	-	13	-
Total		**309**	-	**309**	-
FDA					
57	1982-83	02	-	02	-
58	1983-84	01	-	01	-
59	1984-85	17	-	17	-
60	1985-86	18	-	18	-
61	1986-87	05	-	05	-
62	1987-88	05	-	05	-
63	1988-89	01	-	01	-
64	1989-90	03	-	03	-
65	1990-91	04	-	04	-

66	1991-92	04	-	04	-
67	1992-93	16	01	15	6.25%
68	1993-94	11	-	11	-
69	1994-95	01	-	01	-
70	1995-96	04	-	04	-
71	1996-97	02	-	02	-
72	1997-98	40	-	40	-
73	1998-99	11	-	11	-
74	1999-00	19	-	19	-
75	2000-01	03	-	03	-
76	2001-02	05	-	05	-
77	2003-04	02	-	02	-
78	2006-07	04	01	03	25%
79	2009-10	09	01	08	11.11%
Total		**187**	**03**	**184**	**1.60%**
MDA					
80	1982-83	02	-	02	-
81	1983-84	02	-	02	-
82	1985-86	03	-	03	-
83	1986-87	05	-	05	-
84	1988-89	02	-	02	-
85	1989-90	01	-	01	-
86	1990-91	06	-	06	-
87	1991-92	06	-	06	-
88	1992-93	05	-	05	-
89	1993-94	11	-	11	-
90	1995-96	03	-	03	-
91	1996-97	01	-	01	-
92	1997-98	05	-	05	-
93	1999-2000	05	-	05	-
94	2000-01	04	-	04	-
95	2001-02	01	-	01	-
96	2003-04	02	-	02	-
97	2006-07	01	-	01	-
Total		**65**	**-**	**65**	**-**
GDA					
98	1995-96	10	-	10	-
99	2000-01	01	-	01	-
100	2006-07	02	-	02	-
101	1997-98	01	-	01	-
Total		**14**	**-**	**14**	**-**

RDA					
102	2006-07	01	-	01	-
103	2009-10	02	02	-	100%
Total		**3**	**02**	**01**	**66.67%**
SAR No 33					
104	2000-01	19	-	16	-
PHATA					
105	1968-69	01	-	01	-
106	1972-73	04	-	04	-
107	1978-79	01	-	01	-
108	1981-82	12	-	12	-
109	1982-83	10	-	10	-
110	1983-84	22	-	22	-
111	1984-85	07	-	07	-
112	1985-86	08	-	08	-
113	1986-87	02	-	02	-
114	1988-89	03	-	03	-
115	1989-90	02	-	02	-
116	1990-91	02	-	02	-
117	1991-92	04	-	04	-
118	1992-93	10	-	10	-
119	1993-94	11	-	11	-
120	1995-96	10	-	10	-
121	1996-97	04	-	04	-
122	1997-98	44	-	44	-
123	1198-99	05	-	05	-
124	1999-2000	03	-	03	-
125	2000-2001	01	-	01	-
126	2001-2002	09	-	09	-
127	2009-2010	04	-	04	-
Total		**179**	**-**	**179**	**-**

Source: PAC Digest and PAC Compliance Cell data base

As per para 16(25-26) of Punjab Budget Manual, Punjab Finance Department is responsible to watch compliance of PAC directives / actionable points. Over the years, there has neither been regular monitoring mechanism to watch compliance of PAC directives in the Finance Department nor in the Administrative departments.

Although the Principal Accounting Officer was reminded time and again through Demi Official letters but no positive response was received in this regard. PAC was also requested by Audit to intervene and take some initiatives to institutionalize review mechanism for prompt and effective compliance of PAC directives. Audit is pursuing actively with the Principal Accounting Offices through Compliance Cell to expedite the compliance of PAC directives.

3.4 AUDIT PARAS

3.4.1 Misappropriation of trees - Rs 2.093 million

According to award No.03/08 dated 1509-2008 regarding Housing Scheme Fatima Jinnah Town Phase-I, Vehari Road, Multan, compensation of Rs 2,093,396 was announced for loss of trees in the acquired area.

The Deputy Director, Horticulture, MDA, Multan made payment of Rs 2,093,396 to the owner of land on account of compensation of trees existed in the area acquired for the scheme. Latter, the Deputy Director Horticulture, MDA, Multan issued list of trees with the assessed price of Rs 1,142,985 to LAC Branch MDA, Multan for auction. As per report dated 02.11.2010 of field staff of Land & Estate Management, these trees were stolen. The Director General, MDA, Multan constituted the Committee under the convener Director Engineering to inquire the matter and fix the responsibility regarding removal/theft/disappearance of trees vide letter No.280-284/EM/MDA dated 26.02.2011 but the enquiry in this regard was pending despite lapse of more than one and a half year.

Weak supervisory and managerial controls resulted in loss Rs 2,093,396.

Audit pointed out the loss in October 2012. The Authority replied that issue of auction of trees relates to Estate Branch. The compensation of trees was paid after receiving letter No.2507/FR/MDA dated 08.12.2010. The reply was not tenable. Reassessment of auction price for Rs 1,142,985, stealing of trees before auction and pending of such an important enquiry seem to be due to malafide intention of concerned staff.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that issue of auction proceeding relate to EM Branch. The matter was under active consideration. The recovery would be made on finalization of inquiry. The Committee directed the Authority to make recovery of cost of material / trees within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be probed, recovery effected and to take action against responsible.

(DP. 76)

3.4.2 Loss due to theft of material - Rs 2.086 million

According to para 4.32 & 4.33 of Buildings & Roads Department Code, in case of any robbery or theft of public store, Divisional Officer should submit a report to higher officers and also to the police. The Divisional officer will hold an inquiry and record evidence.

3.4.2.1 The Director Water Resources, WASA, FDA, Faisalabad neither recovered cost of transformers stolen, nor took appropriate action against the persons responsible.

Weak administrative and Supervisory controls resulted in loss to Agency for Rs 1,800,000.

Audit pointed out the loss in September 2012. The Department replied that the copper coils of two transformers of capacity of 200 KVA & 25 KVA were stolen on 27.03.2012. Accordingly FIR was registered on 29.03.2012, but no progress towards recovery was intimated.

The mater was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that WASA was making efforts to recover the loss / from the responsible. The Committee directed to expedite the matter and recover loss within one month. No compliance of the Committee's directives was intimated till finalization of the report.

The matter needs to be probed and action also be taken against the responsible.

(DP. 39)

3.4.2.2 The Director Administration, WASA, FDA, Faisalabad neither recovered cost of material / different items which were stolen, nor took appropriate action against the persons responsible.

Weak administrative and supervisory controls resulted in loss to Agency for Rs 286,326.

Audit pointed out the loss in July 2012. The Agency admitted that the inquiries were under process and the responsibility would be fixed by the concerned inquiry officers after going through the merits of the case and recovery would be made from the responsible persons. No progress towards recovery was intimated.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that the inquiries were under process and loss would be recovered from concerned persons besides ensuring disciplinary action against them. The Committee directed to complete the enquiry and make the loss good within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

The matter needs to be probed and action also be taken against the responsible(s).

(DP. 09)

3.4.3 Non-production/concealment of record involving expenditure - Rs 2.469 million

As per section 14(02) of Auditor General Pakistan (Functions, Powers, Terms and conditions of services) Ordinance 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection.

An examination of record of Director Monitoring and Operation, PHA, Lahore revealed that expenditure of Rs 2,468,537 was incurred for the repair of different vehicles during the financial year 2011-12 but no record in support thereof, was produced to Audit i.e. paid vouchers, log books and estimates despite several requests.

This resulted in non-production of record involving expenditure of Rs 2,468,537.

Audit pointed out the non-production of record in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that during verification no record was produced to Audit. The Committee took it very serious and directed to take disciplinary action against the person(s) at fault, who failed to produce the record. The para was deferred for production of record within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Record needs to be got verified besides fixing responsibility against the official concerned.

(DP. 229)

3.4.4 Irregular award of work - Rs 21,796.858 million

As per government of the Punjab P&D Department letter No 35 (231) RO Coord/ P&D/2004 dated 12.04.2004 and Finance Department letter No (FR)-II/89 dated 06.07.2005, schemes costing more than Rs 5,000 million should be sanctioned from Executive Committee of National Economic Council (ECNEC).

An examination of record of the project "Bus Rapid Transit System Lahore" revealed that the Director Engineering Construction, TEPA, Lahore splitted the project into eight segments and got approved each segment from the Secretary HUD & PHE Department unauthorizedly just to avoid the approval of higher competent forum i.e. ECNEC which is competent to sanction the project costing Rs 5,000 million and above.

Weak managerial and supervisory controls resulted in irregular approval /award of work valuing Rs 21,796.858 million.

Audit pointed out the lapse in November 2012. The Agency did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Agency (TEPA) neither submitted working papers nor attended SDAC meeting. The Committee took it very serious and directed the Agency to produce record for verification in audit office within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be got regularized besides fixing responsibility.

(DP. 342)

3.4.5 Non-recovery due to illegal commercialization - Rs 11,389.825 million

As per Sr. No.7 of Appendix-D of LDA Building Regulations 2006, in case of unauthorized change in character or use of a building or part thereof from residential to commercial or industrial or office use, the

Authority shall recover a daily fine of Rs 5,000, if the offence is continued after serving notice, if necessary shall demolish the property.

3.4.5.1 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 2,144 plots of Quaid-e-Azam Town scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine of Rs 3,912.800 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee further directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 178)

3.4.5.2 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 792 plots of M.A Johar Town

were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 1,445.400 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 189)

3.4.5.3 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 418 plots of Gulshan-e-Ravi scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 762.850 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 179)

3.4.5.4 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 407 plots of Allama Iqbal Town were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 742.775 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 171)

3.4.5.5 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 391 plots of Samanabad Scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 713.575 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore.

Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 183)

3.4.5.6 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 376 plots of Sabzazar scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 686.200 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal

commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 182)

3.4.5.7 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 117 plots of Shadbagh scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 323.025 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit.

No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 184)

3.4.5.8 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 174 plots of New Garden Town Scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs317.550 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 174)

3.4.5.9 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 162 plots of Gulberg-III Lahore were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 295.650 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 187)

3.4.5.10 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 128 plots of PIA Employee Society Lahore were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 233.600 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 191)

3.4.5.11 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 117 plots of Tajpura scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 213.525 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 181)

3.4.5.12 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 100 plots of Model Town Extension Scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 182.500 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore.

Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 172)

3.4.5.13 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 100 plots of Faisal Town were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 182.500 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal

commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 190)

3.4.5.14 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 95 plots of Gujjarpura scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 173.375 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit.

No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 180)

3.4.5.15 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 87 plots of PCSIR Staff Housing Society were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 158.775 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 199)

3.4.5.16 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 82 plots of Gulberg-II Lahore were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 149.650 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 186)

3.4.5.17 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 67 plots of Wapda Town Phase-I were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 122.275 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 202)

3.4.5.18 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 61 plots of Khyaban-e-Jinnah Road were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 111.325 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 197)

3.4.5.19 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 53 plots of Muslim Town scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 96.725 million on account of illegal commercial activities.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore.

Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 175)

3.4.5.20 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 49 plots of Mustafa Town scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 89.425 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or

permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 173)

3.4.5.21 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 44 plots of Shadman scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 80.300.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit.

No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 176)

3.4.5.22 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 44 plots of Revenue Employees Society were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 80.300 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 201)

3.4.5.23 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 42 plots of Board of Revenue (BOR), Housing Society were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 76.650 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 193)

3.4.5.24 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 34 plots from Caltex Pump to College Road Lahore were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 62.050 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 194)

3.4.5.25 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 22 plots of Shah Jamal scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 40.150 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 177)

3.4.5.26 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 20 plots of Punjab Govt. Housing Society were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 36.500 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore.

Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 200)

3.4.5.27 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 19 plots of Airline Society Lahore were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 34.675 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the

Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 192)

3.4.5.28 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 10 plots of Iqbal Avenue, Phase-I were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 18.250 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit.

No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 195)

3.4.5.29 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 08 plots of Nespak Housing Scheme were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 14.600 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 198)

3.4.5.30 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 07 plots of Main Boulevard, Gulberg were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 12.775 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 185)

3.4.5.31 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 5 plots of Iqbal Avenue, Phase-II were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 9.125 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 196)

3.4.5.32 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 02 plots of Gulberg IV were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 3.650 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 188)

3.4.5.33 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 02 plots of Sunny Park Society were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 3.650 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or

seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 203)

3.4.5.34 Examination of the accounts record of Director Commercialization LDA, Lahore revealed that the owners of 02 plots of Wapda Town Phase-II were using their properties for commercial purpose during 2011-12, without prior approval of the Authority. The Authority neither sealed their properties nor recovered fine/fee for commercial use from the illegal users of properties.

Weak supervisory control resulted in non-recovery of fine for Rs 3.65 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that challans were sent to Special Judicial Magistrate of LDA UD-Wing, Lahore for effecting recovery under Section 34 & 38 of LDA Act, 1975. Now, imposition of fine or recovery was the responsibility of the Special Judicial Magistrate, who was directly under the command of Session Judge, Lahore. Moreover, authority regarding change of character or use of building or seal rested with the Director Town Planning. Therefore, by issuing challans, the Director Commercialization fulfilled his obligations or duties under law and rules. The Committee directed that rules and regulations be framed and laid before Governing Body of LDA, so that illegal commercial users since 2001 be added in the network of temporary or permanent commercialization. It would enhance the revenue of the

Authority. The Committee directed that Director Town Planning, UD-Wing, LDA, Lahore may effect the recovery under LDA Building Regulations 2006 and Land Use Rules 2009 and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility.

(DP. 204)

3.4.6 Non-recovery of penalty due to non-completion of building within the specified period - Rs 243.730 million

As per HUD and PHE Department's Notification No. SO (D-11-HP&EP2-3/92 dated 19.10.1993, if allottee fails to construct the building within stipulated period, either building period penalty will be recovered from them as per prescribed rates or their allotment will be cancelled.

3.4.6.1 Examination of the record of Director Town Planning, LDA, UD-Wing revealed that the owner of Plot No 1-A, Block A/1, Gulberg-III, Lahore applied for building sanction plan which was approved on 03.01.2003. The building period was expired on 02.01.2006 but neither owner applied for completion certificate nor the staff of Town Planning Branch visited the site. A private school named, Lahore Grammar School carried out its commercial activities. Moreover, building plan was sanctioned by Town Planning Wing by allowing lesser open space on either sides, and permanent car parking structure was made around the building on road side.

Weak internal control and supervisory function, government sustained loss / non-recovery of Rs 239.309 million.

Audit pointed out the non-recovery during October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither submitted working papers nor provided record for verification. The Committee took it serious and directed the Authority to effect recovery with 30 days and get it verified from Audit. No compliance of the Committee's directives was reported to Audit till finalization of this report.

Recovery needs to be effected at the earliest.

(DP. 167)

3.4.6.2 Examination of the record of Director Estate Management, LDA UD-Wing revealed that owner of plot No. 303, Block H-3, M.A Johar Town, Lahore requested for the extension of building period on 21.05.2007 for the period up to 30.06.2007 vide challan No. 000027 approved by Deputy Director S&A. Subsequently owner of plot applied for completion certificate on 15.03.2008. The Authority issued the completion certificate with completion date of 29.06.2006. Hence the Authority issued completion certificate from two years back date by tempering date in application of the owner.

Weak supervisory and managerial controls resulted in less recovery of Rs 4,117,383

Audit pointed out the non-recovery during September 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that completion certificate from back date was issued as per rules by the Director Town Planning. Audit was of the view that there exists no rule to issue completion certificate on back date whatsoever reason may be. In this case manipulation in record was visible as one Directorate of Authority had extended the building period with fee and another had issued the completion certificate on back date. The Committee directed the Department to initiate disciplinary action under PEEDA besides recovery within 2 months. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be investigated and responsibility also be fixed against the culprit.

(DP. 309)

3.4.6.3 Examination of the record of Director Metropolitan & Town Engineering, RDA, Rawalpindi revealed that allottee of Plot Nos. 210 & 21 Asghar Mall Scheme, applied for revised plan and completion certificate during April 2004 and January 2010 respectively. The Director, Metropolitan & Town Engineering, RDA, Rawalpindi did not finalize the official proceedings regarding issuance of revised building plan and completion certificate and recovery of resultant penalty, despite lapse of eight years.

This resulted in non-recovery of Rs 231,190 due to weak supervisory control.

Audit pointed out the non-recovery in October 2012. The Authority replied that notices to the defaulting owners of properties had been issued for recovery. As and when recovery is made, the same would be got verified from Audit. The reply was not satisfactory because as per record no concrete efforts appeared to have been made for recovery of penalty.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that notices to the parties had been issued and recovery would be made shortly. The Committee directed the Authority to make the recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Efforts need to be accelerated and recovery effected also be got verified from Audit.

(DP. 94)

3.4.6.4 Examination of the record of Director Town Planning, LDA, UD-Wing revealed that completion certificates were issued to owners of 3 houses, but the penalties were either not imposed at all or recovered less than the prescribed rate in consideration of area of plot.

Weak supervisory and managerial controls resulted in non-recovery of Rs 73,000.

Audit pointed out the non-recovery during October, 2012 but the Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither submitted working papers nor provided record for verification. The Committee took it seriously and directed the Authority to effect recovery with 30 days and get it verified from audit. No compliance of the Committee's directives was reported to Audit till finalization of this report.

Recovery needs to be effected at the earliest.

(DP. 165)

3.4.7 Less / non-recovery of commercialization fee - Rs 206.549 million

According to para (d) and (k) of Housing Urban Development & PHE Department, Government of Punjab Notification No. SO(D-II) 5-2/81/Vol-II, dated 2nd July 2001, commercialization fee would be charged @ 20% of the value of the urban land based on the valuation tables and 10% extra will be charged for commercialization on existing unauthorized commercial activities.

3.4.7.1 Examination of the record of Director Commercialization, LDA, UD-Wing revealed that Plot No 28-31, Gulberg-III, Lahore measuring the area of 50 kanal, 15 marla and 115 sft was in the possession of Punjab Road Transport Corporation (PRTC) workshop which was auctioned by the Punjab Privatization Board to M/s City School (Pvt) Ltd. The City School is running its business since 2002. The Director Commercialization, LDA neither recovered the commercialization fee nor sealed the property.

Weak supervisory control resulted in loss to the Authority for Rs 132.015 million.

Audit pointed out the loss to Government in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither produced any record for verification nor provided any working papers. The Committee took it very serious and directed the Authority to effect the recovery as per prevailing policy along with 17.50% late surcharges and get it verified from Audit immediately. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made good besides fixing responsibility against the officers concerned for not initiating timely action for recovery.

(DP. 206)

3.4.7.2 The Director Commercialization, LDA, UD-Wing Lahore did not recover the permanent commercialization fee for Rs 48,599,405 from the 13 owners of the commercial plots. The demand notices were issued but despite the expiry of due dates, no recovery was received.

Weak supervisory and financial controls resulted in non-recovery of Rs 48,599,405.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither produced any record for verification nor provided any working paper. The Committee took it very serious and directed the Authority to effect the recovery along with 17.50% late surcharges and getting it verified from Audit immediately. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility against the officers concerned for not initiating timely action for recovery.

(DP. 170)

3.4.7.3 Examination of the record of Director Commercialization, LDA, UD-Wing revealed that the Property No 1, A block A/1, Gulberg III, Lahore having area of 9 kanal 19 marla and 109 sft was awarded @ Rs 300 per marla for school site. The original allotee made sale deed on 05.8.2000 with a commercial institution namely Lahore Grammar School, and sold the land to commercial institute. Building plan was approved by Town Planning Wing of LDA on commercial rates i.e. Rs 5 per sft as the character / nature of the building was changed. The commercial entity was running the business on the commercial road but the Director Commercialization LDA did not recover commercial fee of Rs 25.935 million from the owner of the Lahore Grammar School.

Weak supervisory and managerial controls resulted in non-recovery of Rs 25.935 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither produced any record for verification nor provided any working paper. The Committee took it very serious and directed the Authority to effect the recovery along with 17.50% late surcharges and get it verified from Audit immediately. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility against the officers concerned for not initiating timely action for recovery.

(DP. 205)

3.4.8 Non-recovery of mobilization advance - Rs 117.776 million

According to Finance Department's Notification No. R.O (Tech) F.D 18-44/2006, dated 07.12.2007, the mobilization advance would be given @ 10% to the contractor whose tendered amount in the acceptance letter exceeds 10 million. Further, 5% of tendered amount would be paid to the contractor on a certificate issued by Engineer Incharge that the mobilization by the contractor is complete in all respects.

The Executive Engineer, Public Health Engineering Division, Toba Tek Singh awarded two works for Rs 405.845 and Rs 379.327 million on 14.02.2011 with completion period of two years to different contractors. The Department paid mobilization advance of Rs 60.877 million and Rs 56.899 million on 19.02.2011 and 26.02.2011 to the contractors. The Department did not recover the mobilization advance upto September 2012 despite more than 60 % of stipulated period was expired.

Weak technical and financial controls resulted in non-recovery of mobilization advance of Rs 117.776 million.

Audit pointed out the non-recovery in September 2012. The Department replied that the amount of mobilization advance would be adjusted in the next running bills of the contractors. The reply was not tenable as the Department had intentionally extended undue favour to the contractors.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Department promised to effect the recovery of mobilization advance. The Committee directed to effect the same and get it verified from Audit within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility for this lapse.

(DP. 401)

3.4.9 Unjustified financial benefit due to non-obtaining and revalidated/ renewed performance bond / insurance guarantee - Rs 84.300 million

As per Rule 17 (f) I&II of Punjab Private Housing Schemes & Land Sub-Division Rules 2010, a Development Authority shall, prior to issuance of sanction for scheme, requires a developer to furnish a mortgage deed, twenty percent (20 %) for housing scheme of saleable area as security for completion of development works or to furnish a performance bond and a bank guarantee, amount of which shall be equivalent to total cost of development works.

The Director Metropolitan & Town Engineering, RDA, Rawalpindi granted approval of 4th amended (revised & extension) plan of Bahria Town Rawalpindi, Phase-I&II during April 2007. The performance bond/insurance guarantee amounting to Rs 84.300 million submitted by the developer expired on 07.01.2011 but authority failed to obtain the renewed performance/insurance bond despite lapse of a period of more than twenty two months.

Weak supervisory control resulted in unjustified financial benefit of Rs 84.300 million.

Audit pointed out the lapse in October 2012. The Authority replied that developer had been asked to furnish renewed performance bond**.** The reply was not tenable because as per rules neither developer mutated land in the name of RDA nor submitted valid performance guarantee because performance guarantee submitted was issued by unknown insurance company instead of National Bank of Pakistan or the Bank of Punjab as provided in approval letter. Further, the ownership of the developer was also defective as reported by Assistant Commissioner (Saddar) Rawalpindi vide letter No.986/AC(S) RWP dated, September 2012.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that the mortgaged plot or performance bond / insurance guarantee were actually the guarantees to complete the development work. All formalities were fulfilled and now RDA was in the process of issuance of completion certificate to the developers. The Committee did not accept the contention of the Authority and directed to probe the matter within 30 days. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be investigated for accepting invalid guarantee, non-revalidation of the same and for defective ownership of land besides fixing responsibility against the officer concerned.

(DP. 97)

3.4.10 Non-recovery of water/sewerage/drainage charges from the consumers - Rs 66.712 million

According to Notification No.412/MD/WASA dated 13.12.2003 effective from 01.07.2004, recovery of water/ sewerage/ drainage facilities will be made from the consumers as per rates provided in the above notification.

The Director Recovery, WASA (MDA), Multan did not recover the outstanding dues of water / sewerage/drainage charges from the various industrial, Government, Commercial and domestic consumers.

Weak supervisory and financial controls resulted in non-recovery of outstanding water/sewerage/drainage charges for Rs 68.139 million.

Audit pointed out the non-recovery in September 2012. The Agency replied that WASA knew that recovery was only source of income to meet expenditure of WAPDA bills, salary of staff and other day to day liabilities, therefore, WASA (MDA) was trying its best to recover the legitimate outstanding dues from the consumers and effected recovery would be shown to audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 1.427 million had been recovered. The record was verified by Audit and para was reduced to Rs 66.712 million. The Committee directed to make balance recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected and get it verified from Audit.

(DP. 80)

3.4.11 Unauthentic/excess payment - Rs 28.819 million

As per Para 2.22 (1) and para 2.82 of B&R Code, estimate should always be prepared in detail prior to execution of work. No lumpsum provision of any item should be made in the estimate. Further, as per

instruction No 4 laid down in the preface of MB, payment to the contractor should be based on actual measurement checked by the SDO.

The Director Traffic Engineering, TEPA, LDA, Lahore awarded the work "Construction of Alternate Route to Raiwind road from Khyaban-e-Jinah to Defence Road Lahore" to the contractor on 02.03.12 for Rs 1,008.249 million. Estimate was sanctioned by the Chief Engineer TEPA on 02.03.12, wherein an item diversion of water for Rs 20,000,000 was sanctioned on lumpsum basis without detailed rate and measurement. Further, in MB No 2417/442 this item was paid for Rs 28,819,417 in the 1st running bill without any detail measurement. In 2nd running bill paid amount was corrected as Rs 20,000,000 but again abstracted as Rs 28,819,417 in the 3rd running bill.

Weak technical and supervisory control resulted in unauthentic/excess payment of Rs 20,000,000 and Rs 8,819,417 (Rs 28,819,417 – Rs 20,000,000).

Audit pointed unauthentic/excess payment in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the lumpsum payment was made as per technical sanction estimate / agreement and as per site requirement. The estimate would be got revised by the Competent Authority. The Committee upheld the view point of Audit and directed the Authority to produce revised technical sanction estimate and other relevant record to Audit for detail verification within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be investigated besides fixing responsibility.

(DP. 324)

3.4.12 Non-recovery of commercialization fee - Rs 20.506 million

As per Director Town Planning GDA, Gujranwala letter No. GDA/D(TP)/464 dated 02.04.2011 read with undertaking of the landlord, the owner of property No. 1130 Mouza Dhulley, Shaheenabad shall pay 25% of commercialization fee in advance and remaining in equal six monthly installments.

3.4.12.1 The Director Town Planning, GDA, UD-Wing, Gujranwala granted provisional NOC to the owner of the plot for conversion of land measuring 171.2 marla (46,598 sft) out of khasra No. 1130 at Mouza Dhulley Zarai, Tehsil and District Gujranwala and commercial fee was worked out to Rs 25,612,800. The owner of the land deposited an advance of Rs 6,403,200 but did not pay the balance amount of Rs 19,209,600. Hence, Director Town Planning failed to recover the outstanding fee.

This resulted in non-recovery of Rs 19,209,600 due to weak financial and managerial controls.

The non-recovery was pointed out in August 2012. The Authority did not furnish the reply to the audit observation despite issuance of several reminders.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that Administrator Zila Council/DCO had started to exercise power of commercialization vide Zila Council notification dated 27.07.2011. The matter was under consultation with City District Government Gujranwala and TMA. The Committee directed that matter may be resolved with consultation of District Government & TMA concerned and recovery of commercialization fee be effected by the end of January. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 106)

3.4.12.2 The Director Town Planning, GDA, UD-Wing, Gujranwala granted provisional NOC to the owner of the plot for conversion of land measuring 12 marla 236 sft out of khasra No. 1130 at Mouza Dhulley Shaheenabad, G.T Road Gujranwala and commercial fee was worked out for Rs 1,728,720. The owner of the land deposited Rs 432,180 as advance but did not pay the balance amount of Rs 1,296,540. Hence, Director Town Planning failed to recover the outstanding fee.

This resulted in non-recovery of Rs 1,296,540 due to weak financial and managerial controls.

The non-recovery was pointed out in August 2012. The Department did not furnish the reply to the audit observation despite issuance of several reminders.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that Administrator Zila Council/DCO had started to exercise power of commercialization vide Zila Council notification dated 27.07.2011. The matter was under consultation with City District Government and TMA Gujranwala. The Committee directed that matter may be resolved with consultation of District Government & TMA concerned and recovery of commercialization fee be effected by the end of January 2013. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 105)

3.4.13 Non-recovery of cost of land and development charges - Rs 16.728 million

In terms of Director General Katchi Abadis and Urban Improvement letter No. DG (KA&UI) ADM/1-140/98 dated 27.03.2002 read with minutes of the meeting of District Assessment Committee for market price of Katchi Abadis dated 05.08.2009, the recovery of Government dues on account of land and development charges from the dwellers of Katchi Abadis was required to be made at the prevailing rates.

The Director Katchi Abadis, UD-Wing, FDA, Faisalabad did not recover the cost of land/ development charges from 492 Nos. dwellers of Katchi Abadis of chak No.119/R.B, 223/R.B, 279/R.B, 07/J.B, 124/J.B and 07/J.B Faisalabad.

Weak technical and supervisory financial controls resulted in non-recovery of Rs 16.947 million.

Audit pointed out the non-recovery in February 2012. The Authority admitted recovery of Rs 0.659 million from dwelling units below 5 marla and promised that the balance recovery from dwelling units above 5 marla would be made after re-assessment of rates by the Government but no progress towards recovery was intimated to Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 219,292 had been recovered from the allottees/owners and efforts for balance recovery of Rs 16.728 million were being made. The Audit verified the recovery made by the Department. The Committee directed to recover balance amount within 15 days and reduced the para to Rs 16.728 million. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made at the earliest.

(DP. 02)

3.4.14 Undue financial aid due to non-obtaining of the additional performance security - Rs 16.349 million

According to Finance Department letter No.RO (Tech) FD 1-2/83 (VI) (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 ranging from 5% to 10% within 15 days of issuance of notice or within expiry period of bid whichever is earlier.

3.4.14.1 The Director (O&M), Nishtar Town / Executive Engineer, O&M-I, WASA, LDA, Lahore awarded a work "Construction of lift station at Kamahan road in Industrial Area sub-division, Lahore Pumping Machinery Part-III" in April 2012 at 39.61% below the estimated cost without obtaining additional performance security from the contractor.

Weak financial controls resulted in non-obtaining of the additional performance security of Rs 13,313,637.

Audit pointed out the undue financial aid in October 2012. The Agency did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that contractor was directed to submit performance guarantee but he applied that performance guarantee may be deducted from his running bills. The Committee did not agree with the view point of Authority and directed the Authority to obtain additional performance security in the shape of bank guarantee from scheduled bank

and irregularity be got condoned by Finance Department. No compliance of the Committee's directives was intimated till finalization of the report.

Additional performance security needs to be obtained besides initiating action against responsible(s) for this negligence.

(DP. 411)

3.4.14.2 The Director (O&M), Nishtar Town / Executive Engineer, O&M-II, WASA, LDA, Lahore awarded a work "Replacement of sewerage system from Ayub road to Peco Morr (NADRA Office) Moulana Shoukat Ali Road in Township Sub-Division" in October 2011 at 7.70% below the estimated cost without obtaining additional performance security from the contractor.

Non-obtaining of the additional performance security for Rs 1.850 million had put the departmental interest at risk due to weak financial controls.

Audit pointed out the undue financial aid in October 2012. The Agency did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that contractor was directed to submit performance guarantee but he applied that performance guarantee may be deducted from his running bills. The Committee did not agree with the view point of Authority and directed that additional performance security should be obtained in the shape of bank guarantee from scheduled bank and irregularity be got condoned from Finance Department. No compliance of the Committee's directives was intimated till finalization of the report.

Additional performance security needs to be obtained besides action upon responsible for this negligence.

(DP. 410)

3.4.14.3 The Director (O&M), Nishter Town / Executive Engineer, O&M-II, WASA, LDA, Lahore awarded a work "Shifting of 10" dia water supply line from Peco More to Moulana Shoukat Ali Road to Lahore Bridge Ferozepur Road, Lahore in Township Sub-Division" in November 2011 at 15.85% below the estimated cost without obtaining additional performance security from the contractor.

Non-obtaining of the additional performance security for Rs 1,185,696 had put the departmental interest at risk due to weak financial controls.

Audit pointed out the undue financial aid in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that contractor was directed to submit additional performance guarantee but the contractor applied that additional performance guarantee might be deducted from running bills and amount of Rs 629,547 had been deducted. The Committee did not agree with the reply and directed the Authority that additional performance security be obtained in the shape of bank guarantee from scheduled bank and irregularity got condoned from Finance Department. No compliance of the Committee's directives was intimated till finalization of the report.

Additional performance security needs to be obtained besides taking action against responsible for this negligence.

(DP. 409)

3.4.15 Less / non-recovery of commercial fee - Rs 13.622 million

According to Para-J of Commercialization Policy 2001 read with Para 69(3) of land use rules, 2009, in case a defaulter fails to deposit the outstanding dues within thirty days from the date of issuance of the demand notice, the Authority shall cancel the permission for temporary commercialization and shall take action in accordance with the law for the time being in force, and action in illegal cases shall be taken under the law and shall interalia, include sealing of premises.

3.4.15.1 The Director Commercialization, LDA, UD-Wing, Lahore did not recover the commercialization fee from the owners of 19 Plots of various schemes of LDA, Lahore for the year 2011-12. The Authority issued notices but the owners did not deposit outstanding dues.

Weak managerial and supervisory controls resulted in non-recovery of Rs 8.416 million.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither submitted working papers nor provided record for verification. The Committee took it serious and directed the Authority to effect recovery within 30 days along with 17.50 % late surcharges and get it verified from audit. No compliance of the Committee's directives was reported to Audit till finalization of this report.

Recovery needs to be effected at the earliest.

(DP. 168)

3.4.15.2 The Director Commercialization, LDA, UD Wing, Lahore did not recover the annual commercialization fee of Rs 4,805,602 from 09 owners of commercial plots for the year 2011-2012. The demand notices were issued but despite expiry of due dates, no recovery was received. The Authority neither cancelled the permission for temporary commercialization nor recovered the outstanding dues.

Weak managerial and supervisory controls resulted in non-recovery of Rs 4,805,602.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Director Recovery, UD-Wing, LDA, Lahore replied that due recovery came to Rs 8.616 million against 19 properties out of which an amount of Rs 3,152,161 was recovered and deposited through challans in National Bank of Pakistan, LDA Booth Johar Town, Lahore, which was verified. The amount of the para was enhanced from 4.805 million to Rs 5.205 million. The Committee directed the Authority to effect the recovery along with 17.50 % late surcharges and get it verified from Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility against the officers concerned for not initiating timely action for recovery.

(DP. 169)

3.4.16 Non-recovery of the cost of land from the occupants of katchi abadis - Rs 12.177 million

According to Condition No.1 of Directorate General, Katchi Abadis (Colonies Department), Board of Revenue, Punjab, Lahore vide No.DG(KA)/BOR/1-140/14 dated 21.06.2012, the current price of valuation table would be charged from the residents of all categories of Katchi Abadis irrespective of area occupied by them. As per District Collector's Office letter No.188/DC/LAC dated 27.06.2012, current price of Katchi Abadies, Mumtazabad was evaluated @ Rs 89,600 per marla.

The Director Estate and Land Management, MDA, Multan did not recover the amount of Rs 12.177 million on account of cost of land from 15 No. residents/dwellers of Katchi Abadies of Mumtazabad, Multan as per evaluation table. These dwellers / residents have occupied more than 5 marla land in the aforesaid Katchi Abadi.

Weak supervisory and financial control resulted in non-recovery of cost of land of Rs 12.177 million.

Audit pointed out non-recovery in October 2012. The Authority replied that recovery would be made as and when dwellers/residents would request for issuance of proprietary rights. The reply was not tenable because the Authority should take appropriate steps to issue proprietary rights and collect authority's dues from the allotees/occupants.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that Audit had pointed out recovery of cost of land @ Rs 172 per marla whereas as per revised policy the correct rate came to Rs 2 per marla of Katchi Abadies. The Committee directed the Authority to produce the copy of new policy within 15 days or make recovery as per old policy within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Audits recommends for early issuance of proprietary rights and recovery of the cost of land from dwellers/residents of katchi abadi.

(DP. 75)

3.4.17 Overpayment due to allowing higher rate in the rate analysis - Rs 12.016 million

According to Notification issued by Finance Department vide No. RO (Tech) FD 2-3/2004 dated 02.08.2004, the rate analysis of non-

standardized items should be prepared by applying input rates notified by the Finance Department for the relevant quarter.

3.4.17.1 The Executive Engineer, Public Health Engineering, Gujrat in the execution of work "Construction of Water Supply System Gujrat (Group I, II & III)" obtained quotations for the item steel wire wound strainer @ Rs 6,500 per rft (ex-stock) but while preparing / approving the rate analysis cost of material was taken as Rs 10,000 per rft.

Incorrect approval / application of rate resulted in overpayment of Rs 5,403,678 due to weak technical and supervisory controls.

Audit pointed out overpayment in August 2012. The Department replied that the work was got executed / paid in accordance with the technically sanctioned estimate and approval of tendered rates issued by the competent authority. Reply was not tenable because the rate in the rate analysis was approved over and above the rates obtained from the market.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that the quotation enclosed with PC-I / TSE for Rs 6,500 was for stainer of internal dia 241 mm and thickness of 4.5 mm whereas the stainer of 6.35 mm thickness for Rs 10,000 was used. Hence, the rates in the rate analysis were taken as Rs 10,000 P.rft due to change of specification. The Department could not explain the base rate taken in the rate analysis. The Committee did not accept the contention of the Department and directed to get the matter probed within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Audit recommends recovery and fixing responsibility upon the concerned.

(DP. 263)

3.4.17.2 The Director, Traffic Engineering, TEPA, LDA, Lahore provided and sanctioned 26162 litre @ Rs 127.20 per litre admixture in package-III of the Bus Rapid Transit System awarded on 29.05.2012 despite the fact that this item was already included in the rate analysis of concrete. Further, this item was sanctioned without concurrence of the Finance Department and recommendation of the manufacturer in terms of dosage.

Provision / sanction of inadmissible item in the estimate resulted in loss of Rs 3,327,806.

Audit pointed out loss in October 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the item of admixture was included in the technical sanction estimate for use in work subject to approval of Competent Authority and should be paid accordingly. No record was produced in support of reply. The Committee directed the Authority to get the record verified from Audit within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Loss needs to be made good besides fixing responsibility.

(DP. 327)

3.4.17.3 The Director Engineering, UD-Wing, RDA got technical sanction estimate with provisions of non-MRS item of "supply and filling sand" under brick, based on incorrect rate analysis for Rs 1,987.60 per % cft by taking incorrect material input rate of sand for Rs 1,550 per % cft instead of correct rate of Rs 700 per % cft as per input rates for 1st quarter 2011 for District Rawalpindi.

Approval/payment of incorrect rate resulted in overpayment of Rs 1,537,957 due to loose financial control.

Audit pointed out overpayment in October 2012. The Department replied that rate of the item was worked out correctly as per input rates for 1st quarter 2011 for District Rawalpindi. The reply being evasive was not accepted because incorrect input rate of sand was applied and paid.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that harrow sand was used in work because local sand is not available in Rawalpindi. The Committee did not agree with the view point of the Department because input rate of local sand in Rawalpindi is available on website. The Committee directed to get the matter condoned from Finance Department or to make recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected and responsibility fixed against the concerned officers.

(DP. 85)

3.4.17.4 The Director Engineering, UD-Wing, RDA got technical sanction estimate with provisions of non-MRS item of "P/F Tuff Tiles 50 mm & 60 mm thick" based on incorrect rate analysis for Rs 70.15 per RFT and Rs 62 per rft by taking incorrect material input rate of Tuff tiles Rs 40 per sft and Rs 43 per sft instead of correct rates of Rs 31 per sft and Rs 34 per sft beside Rs 1,987.60 per % cft for sand instead of Rs 700 per % cubic feet based on input rate of MRS 1st quarter 2011.

Approval / payment of incorrect rate resulted in overpayment for Rs 1,239,173 due to loose financial control.

Audit pointed out overpayment in October 2012. The Department replied that correct input rates notified by the Finance Department were applied. The reply was not tenable because incorrect / excessive input rate for tuff tiles and sand had been applied while approving the rate analysis.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that during execution of work the specification was revised from 80 mm to 60 mm thick tuff tiles at parking and cycle track. The rate for 60 mm paver was prepared on input rates notified by Finance Department and rates were paid as per approval of competent authority. The reply was not correct because the rate analysis of item was approved at higher side by allowing profit and overhead on carriage / transportation. The Committee did not agree with Authority's reply and directed the Authority to make actual recovery within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and responsibility also be fixed against the concerned officers.

(DP. 82)

3.4.17.5 The Director Construction-II, WASA, FDA, Faisalabad in the rate analysis of item, base, sub-base, and technical sanction estimate took lead from Kirana quarry to site of work, as 76 km and paid accordingly. Whereas the actual lead from the quarry to the site of work was 54 km as

per lead chart of Highway Department. Hence, the Agency paid the items rate at higher side due to extra lead.

Weak technical and supervisory controls resulted in overpayment of Rs 401,433.

Audit pointed out overpayment in September 2012. The Agency replied that the payment was made to the contractor as per contract agreement and approval by the competent authority. The reply was not tenable because lead of stone for sub-base, base course and triple surface treatment was paid on excessive side than admissible / actual from quarry to site of work.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that correct lead was paid from quarry to site of work but did not produce any record in support of reply. The Committee directed the Department to get the record verified within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Overpayment needs to be recovered and get it verified from Audit.

(DP. 34)

3.4.17.6 The Director Construction-I, WASA, FDA made payment at higher rates. In the execution of work "Laying of RCC Sewer Pipe by Jacking Method 60 dia" the Department prepared the rate analysis on higher side against skilled and semi skilled Labour @ Rs 500 and Rs 290 per day instead of rates of labour charges of Rs 325 and Rs 275 per day as available in input rates of MRS 4th quarter 2010.

Weak technical and financial controls resulted in overpayment of Rs 105,000.

Audit pointed out overpayment in August 2012. The Agency replied that rates applied in the rate analysis were correct. The reply was not tenable because the Agency prepared analysis of rate of item of work on the basis of schedule of wages which was applicable to the daily paid labour instead of labour rate mentioned in input rate issues by the Finance Department.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that rates applied in the rate

analysis were correct as per government notification. The reply was not correct because the Authority applied the rates of daily wages / work charged employees instead of input rates of labour placed on website of Finance Department. The Committee did not agree with the view point of the Department and directed to make recovery within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified from Audit.

(DP. 28)

3.4.18 Irregular grant and non-adjustment of advances - Rs 10.771 million

As per rule 2.10 (b) (5) and 2.20 of Punjab Financial Rules Volume-I, it is not permissible to draw advances from the treasury / fund for the execution of work in future and 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.

3.4.18.1 The Director Finance, LDA, UD-Wing, Lahore made advance payments to the various officers for execution of the works of different nature during 2007-08 to 2011-12. The advances were not adjusted despite lapse of considerable time.

This resulted in irregular sanction of advance payments and its non-recovery for Rs 5,207,936.

Audit pointed out irregular grant of advance / non-adjustment during July 2012. The Authority replied that adjustment of advances was still awaited. Efforts were being made for early adjustment of these advances. The record would be produced to Audit as soon as the adjustments are made. The reply was not acceptable as the grant of advance and non-adjustment thereof, was a serious irregularity and misappropriation could also not be ruled out.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that advances were granted for execution of emergent nature of works and adjustments were under process. The Committee took serious notice about irregular grant and

non-adjustment of advances despite lapse of considerable period and directed to adjust advances within 30 days and to produce record to Audit for further examination. No compliance of the Committee's directives was intimated till finalization of the report.

The matter needs to be investigated for fixing responsibility towards adjustment of advances.

(DP. 146)

3.4.18.2 The Director, Admn. and Finance, TEPA, Lahore granted advances of Rs 5,095,786 to seventeen (17) officials for the execution of various assignments during 2011-12. Despite lapse of considerable period the advances were not adjusted.

Non-observance of rules ibid and weak financial controls resulted in irregular grant and non-adjustment of advances of Rs 5,095,788.

Audit pointed out the irregularity in October 2012. The Agency did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that advances were granted for execution of emergent nature of works and adjustments are under process. The Committee took serious notice about grant of advances without any delegated powers and non-adjustment of advances despite lapse of considerable period and directed to adjust advances within 30 days and to produce record to Audit for further examination. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be got regularized besides fixing responsibility.

(DP. 232)

3.4.18.3 The Director Finance, WASA, FDA, Faisalabad made irregular advance payment to officers / officials of WASA-FDA for the execution of various works during 2011-12 but no advance had been adjusted by obtaining vouched account.

Weak financial and supervisory controls resulted in irregular payment of advance and non-adjustment thereof for Rs 467,000.

Audit pointed out non-adjustment of advance in July 2012. The Agency replied that the efforts were being made for early adjustment.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 85,000 had been adjusted and efforts were being made to recover the balance amount. The Committee directed to make all adjustments of advances as per codal rules / tax deduction etc. within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

The matter needs to be probed and responsibility for irregular grant of advances and non-adjustment thereof be fixed.

(DP. 11)

3.4.19 Loss due to non-inclusion of penalty clause in agreement on delayed receipt of payment/installments from the lessees and amount of rent - Rs 8.267 million

As per Director General FDA, Faisalabad notification circulated vide No. 290/DG/ FDA/2009 dated 17.02.2009 penalty @ 10% shall be payable on delayed installments/dues from the lessee to safeguard the Government / Authority's interest.

The Director Water Resources, WASA, FDA, Faisalabad rented out different locations of WASA overhead water reservoirs to the Telenor and Mobilink companies for the installation of radio base stations and base transceiver stations in Faisalabad without inclusion of delayed payment penalty clause in violation of FDA's notification dated 17.02.2009. Resultantly the lessee did not deposit the Agency's dues in time but Agency could not take appropriate action against the defaulters.

Loose contractual control resulted in loss of Rs 8.267 million.

Audit pointed out loss in August 2012. The Agency replied that the lease agreements were made by Revenue and Recovery Directorate and delivered to this directorate for reply. The reply of the Agency was not tenable as all the overhead reservoirs were under the control of Director Water and lease agreement were made by the Managing Director WASA.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that para pertained to revenue

directorate of WASA. The Committee took serious notice of this non-seriousness of Department and directed to make recovery from the concerned besides fixing responsibility. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited, besides fixing responsibility against officer who did not include clause for penalty on delayed payment in the agreement.

(DP. 40)

3.4.20 Non-recovery of water & sewerage charges from consumers - Rs 8.083 million

According to Punjab Gazette Notification No.2190/DDR (D)/WASA/FDA /2006 dated 12th December, 2006 issued under the Punjab Development of Cities Act 1976; the Agency was required to recover the aquifer, water and sewerage charges from commercial/industrial users at the rates prescribed from time to time.

3.4.20.1 The Director Revenue / Deputy Director Revenue, Allama Iqbal Town, WASA, LDA, Lahore issued the commercial bills to seven consumers but neither recovered the huge dues nor water & sewer connections were disconnected despite lapse of considerable time.

Weak managerial and supervisory controls resulted in non-recovery of water and sewerage charges from commercial users of Rs 2,970,480.

Audit pointed out non-recovery in November 2011. The Agency replied that the account wise detail of the above mentioned amount may be provided. The reply was not tenable because the details of outstanding dues with consumer account were provided twice, but no action was taken for effecting recovery.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Agency replied that an amount of Rs 1.938 million had been recovered. The record i.e. billing sheets verified by Audit and para was reduced to Rs 1.032 million. The Committee directed to make balance recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

The matter needs to be probed and responsibility also be fixed against the officer concerned for the loss besides effecting recovery thereof.

(DP. 405)

3.4.20.2 The Director, Revenue and Recovery, WASA, FDA, Faisalabad did not recover outstanding dues from various domestic consumers of WASA.

Weak financial internal controls resulted in non-recovery of Rs 2.695 million.

Audit pointed out non-recovery in July 2012. The Agency replied that the efforts are being made for recovery from defaulters. The Department admitted non-recovery.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 0.137 million had been recovered and efforts were being made to recover the balance amount of Rs 2.558 million The Committee directed to make balance recovery within 15 days and reduced the para to Rs 2.558 million. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified from Audit.

(DP. 16)

3.4.20.3 The Director Revenue and Recovery, WASA, FDA, Faisalabad did not recover outstanding dues from various commercial consumers of WASA.

Weak financial internal controls resulted in non-recovery of Rs 1.736 million.

Audit pointed out non-recovery in July 2012. The Agency replied that the efforts were being made for recovery from defaulters.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 0.665 million had been recovered and efforts were being made to recover the

balance amount of Rs 1.071 million. The Committee directed to make balance recovery within 15 days and reduced the para to Rs 1.071 million. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified from Audit.

(DP. 15)

3.4.20.4 The Director Revenue & Recovery, WASA (FDA), Faisalabad did not recover the aquifer and sewerage charges from Textile Mills (Koh-i-Noor Textile Mill & Mian Habib Ihsan Textile).

Weak financial controls resulted in non-recovery of aquifer and sewerage charges for Rs 1.473 million.

Audit pointed out the non-recovery in August 2012. The Agency replied that some amount was recovered and efforts were being made for recovery of balance amount. The reply was not tenable as no documentary evidence in support of reply was produced to Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 0.254 million had been recovered and efforts were being made to recover the balance amount of Rs 1.219 million. The Committee directed to make recovery of balance amount within 15 days and reduced the para to Rs 1.219 million. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made at the earliest.

(DP. 19)

3.4.20.5 The Director Revenue / Deputy Director Revenue, Nishtar Town, WASA, LDA, Lahore did not recover the water / sewer dues from account No. 80040213 of a commercial consumer Plot No. 59, Block-I Sector BI, Township Lahore. Neither huge dues were recovered nor the water & sewer connection was disconnected despite lapse of considerable time.

Weak managerial and supervisory controls resulted in less recovery of water and sewerage charges from commercial user Rs 1,178,289.

Audit pointed out non-recovery in November 2011. The Agency replied that efforts were being made for recovery of outstanding dues and an inquiry was also under process against the officials responsible for non-recovery of dues. The reply was not tenable because the outstanding dues were not recovered despite lapse of considerable time.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the consumer had filed a case in Civil Court and stay was granted by the honorable Court subject to 50 % payment of bill. Efforts were being made to recover the outstanding dues. The Committee directed the Authority to recover the full amount as per Court orders and follow the case. No compliance of the Committee's directives was intimated till finalization of the report.

Matter needs to be investigated for undue benefit to the consumer besides effecting recovery.

(DP. 404)

3.4.20.6 The Director, Revenue and Recovery, WASA, FDA, Faisalabad did not recover outstanding aquifer and sewerage charges from Textile Mills (M/s Suleman Fabrics & Haider Sultan Textile Processing).

Weak financial internal controls resulted in non-recovery of Rs 1.135 million.

Audit pointed out non-recovery in August 2012. The Agency replied that the some amount was recovered and efforts were being made for recovery of balance amount. The reply was not tenable as no documentary evidence in support of reply was produced to Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 10,000 had been recovered and efforts were being made to recover the balance amount of Rs 1.025 million. The Committee directed the Authority to make recovery of balance amount within 15 days and reduced the para to Rs 1.025 million. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified from Audit.

(DP. 18)

3.4.21 Non-finalization of inquiry case of embezzled amount - Rs 7.933 million

According to Section 10(6) of the Punjab Employees, Disciplinary and Accountability Act-2006, the inquiry officer or inquiry committee as the case may be, shall submit his / its report containing clear findings to the competent authority within sixty days of the initiation of the inquiry.

3.4.21.1 The scrutiny of record of the office of the Superintending Engineer, Public Health Engineering Circle, Multan revealed that an inquiry on account of embezzlement/corruption was initiated against Mr. Khadim Hussain, junior clerk, PHE Division, Vehari on 27.01.2012. Despite lapse of considerable period of 5 months neither the inquiry was finalized nor the embezzled amount was recovered.

Weak financial and internal controls resulted in embezzlement of Rs 5.844 million.

Audit pointed out the issue in March 2012. The Department replied that the case has been forwarded to the Anti-corruption Department Multan region for registration of case and recovery of embezzled amount. The reply was not tenable because neither inquiry was finalized nor embezzled amount was recovered.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department did not produce any record regarding recovery of embezzlement. The Committee directed the Department to follow up case with Anti Corruption Department, finalize departmental inquiry and to recover the embezzled amount within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery of embezzled amount needs to be effected besides taking disciplinary action against the person(s) at fault.

(DP. 21-2010-11)

3.4.21.2 The scrutiny of record of the Office of the Superintending Engineer, Public Health Engineering Circle, Lahore revealed that an inquiry on account of embezzlement/corruption was initiated against Mr. Munir Ahmed Bhutta, Accounts clerk, and Mr. Riaz Ahmed, Sub-

Divisional Clerk, PHE Division, Okara on 03.02.2011. Despite lapse of considerable period of 6 months, neither the inquiry was finalized nor the embezzled amount was recovered.

Weak financial and supervisory controls resulted in loss to Government for Rs 4.136 million.

Audit pointed out the issue in February/March 2012. The Department replied that the inquiry proceedings were underway in the Office of the Chief Engineer (North) Lahore. The result of the same would be communicated to the Audit as and when it was finalized.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department presented bank statement from Bank of Punjab in which the accused re-deposited Rs 2,047,191 leaving a balance of Rs 2,088,990. The Committee reduced the para to Rs 2,088,990 and directed to effect the balance recovery besides taking disciplinary action against the defaulter within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery of embezzled amount needs to be made besides taking disciplinary action against the person(s) at fault.

(DP. 22-2010-11)

3.4.22 Non-recovery of building period surcharge - Rs 7.879 million

As per Condition No. 6 of allotment order read with HUD & PHE Department's Notification No. SO (H-II) 2-3/92 dated 27.10.2010, the allottee shall construct the building within a period of three years. Where the permissible period of construction already stands expired, the allottees of 1-kanal and 10-marla plots would be allowed to construct houses by June, 2015 by paying penalty @ Rs 12,000 and Rs 7,000 per year, respectively.

3.4.22.1 The Deputy Director, PHATA, Sub-Region, Bahawalpur did not recover the building period surcharge from 54 allottees of 1-kanal and 10-marla plots of Area Development Schemes, Yazman, Hasilpur, Bahawalpur and Khairpur Tamianwali who failed to construct their houses within stipulated building period.

Weak supervisory and financial controls resulted in non-recovery of building period surcharge for Rs 2,843,000.

Audit pointed out the non-recovery during March 2012. The Agency replied that notices have been issued to the allottees for payment of building period surcharge as pointed out by audit.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the contention of the Department regarding recovery of Rs 237,967 and exemption of surcharge / penalty Rs 100,000 was accepted by the Committee and the Department was directed to effect balance recovery in the light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 09-2010-11)

3.4.22.2 The Deputy Director, PHATA, Sub-Region, Bhakkar did not recover the building period surcharge from 22 allottees of 1-kanal and 10-marla plots of Area Development Schemes-I, Kallur Kot who failed to construct their houses within stipulated building period.

Weak supervisory and financial controls resulted in non-recovery of building period surcharge of Rs 2,218,000.

Audit pointed out the non-recovery during April 2012. The Agency replied that notices have been issued to the allottees for payment of building period surcharge as pointed out by Audit.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the contention of the Department regarding recovery of Rs 95,000 and completion certificate for plot No. 2/B-5 was verified / accepted by the Committee and the Department was directed to effect balance recovery in the light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 11-2010-11)

3.4.22.3 The Deputy Director, PHATA, Sub-Region, Khushab did not recover the building period surcharge from 14 allottees of 1-kanal and

10-marla plots in Area Development Schemes-I&II, Jauharabad and Khushab who failed to construct their houses within stipulated/extended period.

Weak supervisory and financial controls resulted in non-recovery of building period surcharge for Rs 1,931,000.

Audit pointed out the non-recovery during April 2012. The Agency replied that notices have been issued to the allottees for payment of building period surcharge as pointed out by Audit.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Agency did not submit reply through working paper but explained in the meeting that fresh notices were issued to the allottees for depositing building period surcharge. The Committee took serious view for non-submission of reply and directed to effect recovery in light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 14-2010-11)

3.4.22.4 The Deputy Director, PHATA, Sub-Region, Lahore did not recover the building period surcharge from 45 allottees of 3-Marla, 10-marla and 1-kanal plots of Area Development Schemes, Kasur and Sher Shah Colony, Lahore who failed to construct their houses within stipulated building period.

Weak supervisory and financial controls resulted in non-recovery of building period surcharge for Rs 1,475,000.

Audit pointed out the non-recovery in March 2012. The Agency replied that notices had been issued to the allottees for payment of building period surcharge as pointed out by Audit.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the contention of the Department regarding exemption of low paid Government employees BPS 1-15 in respect of 08 cases at Sr.No. 09 to 16 for Rs 155,000 was accepted and verified. The Committee reduced the amount of para to Rs 1,320,000 and directed to effect balance recovery of building period surcharge from the allottees in the light of

Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 13-2010-11)

3.4.23 Non-recovery of commercialization fee - Rs 6.772 million

As per Director Town Planning GDA, Gujranwala letter No. GDA/D(TP)/149 dated 04.02.2011 read with undertaking of the land lord, the owner of property No. 390 Mouza Lohianwala, Teshil and District Gujranwala shall pay commercialization fee in four equal installments.

The Director Town Planning GDA, UD-Wing, Gujranwala granted provisional NOC for change of residential site located on G.T Road, Gujranwala measuring 6 kanal for construction of shopping and commercial plaza and commercial fee was worked out to Rs 13,544,598. The owner of the land deposited first and second installment of Rs 6,772,300 but did not pay the third and fourth installment of Rs 6,772,300. Hence, Director Town Planning failed to recover the outstanding fee.

This resulted in non-recovery of Rs 6,772,300 due to weak financial and managerial control.

The non-recovery was pointed out in August 2012. The Department did not furnish the reply to Audit observation despite issuance of several reminders.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that Administrator Zila Council/DCO had started to exercise power of commercialization vide Zila Council notification dated 27.07.2011. The matter was under consultation with City District Government and TMA Gujranwala. The Committee directed that matter may be resolved with consultation of District Government & TMA concerned and recovery of commercialization fee be effected by the end of January. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 104)

3.4.24 Loss due to short recovery of rent and penalty - Rs 6.518 million

As per Government of the Punjab, notification No.(H-II)2-3/92 dated 3rd August 2005, if the allottee fails to construct the building within the stipulated period or construct house in violation of approved building plan, then penalty for non-construction of building/violation of building plan will be recovered at the rate prescribed from the owner.

The Director Town Planning, LDA, UD-Wing, Lahore did not effect recovery from property holders on account of fee / fine and penalties. As per demand notices issued, huge amount of fee / fine and penalties due to violation of certain rules/ regulations were lying outstanding against the property holders in Model Town Extension, Gulberg-II and New Garden Town schemes, but the Authority did not take cogent steps for these recoveries.

Weak managerial and supervisory controls resulted in non-recovery of Rs 6,518,401.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither submitted working papers nor provided record for verification. The Committee took it serious and directed the Authority to effect recovery with 30 days and get it verified from audit. No compliance of the Committee's directives was reported to Audit till finalization of this report.

Recovery needs to be effected at the earliest.

(DP. 164)

3.4.25 Non-recovery of balance cost of plots with penal surcharge - Rs 5.968 million

According to Condition No.3 (a, b & c) of allotment letter of Fatima Jinnah Town Phase-I&II, Multan after adjustment of amount deposited with applications of plot, the balance amount shall be payable in eight equal quarterly installments on or before due date. A penal surcharge

shall be charged @ Rs 3.5% per annum on delayed payment of installments.

The Director Estate and Land Management, MDA, Multan did not recover the balance amount/installments of plots along with penal surcharge from the 40 allottees of Fatima Jinnah Town Phase-I & II, despite lapse of more than two years.

Weak supervisory and financial controls resulted in non-recovery of Rs 6.769 million.

Audit pointed out the non-recovery in October 2012. The Authority replied that notices were issued to the allottees of plots for payment of installments along with interest as per policy.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 0.800 million had been recovered. The record was verified by Audit. The para was reduced to Rs 5.968 million. The Committee directed to make remaining recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 79)

3.4.26 Non-recovery of additional cost of plots - Rs 5.033 million

According to condition No.2 of allotment letter, the price of plots in Fatima Jinnah Town Phase-I&II was fixed Rs 50,000 per marla provisionally. In case, the price of land in the Housing Scheme is enhanced due to any circumstances, the allottee will be bound to pay the additional price that might be added to the total cost of the plot.

The Director Estate and Land Management, MDA, Multan did not recover the enhanced amount of Rs 6.188 million on account of additional cost of plots from the allottees of Fatima Jinnah Town Phase-I Multan which was enhanced by Board of Revenue, Punjab, Lahore to Rs 5,500 per marla vide letter No. 93/2007/1753-S-II dated 21.11.2007.

Weak supervisory and financial control resulted in non-recovery of additional cost of plots amounting to Rs 6.188 million.

Audit pointed out the non-recovery in October 2012. The Authority replied that notices were issued to the allottees of plots for payment of enhanced amount. However, the Governing Body of MDA Multan in the 59th meeting had granted grace period for payment of enhanced amount up to 30-06-2013.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that an amount of Rs 1.155 million had been recovered and remaining recovery was in process. The record was verified by Audit. The para was reduced to Rs 5.033 million. The Committee directed to make remaining recovery of Rs 5.033 million within 30 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest

(DP. 78)

3.4.27 Overpayment due to application of incorrect rates - Rs 4.315 million

As per template of analysis of rate for the item cement concrete 1:1.5:3 issued by Finance Department, the Department was required to use 22.50 cement bags for 100 cft i.e. 397 cement bags for 50 cum concrete.

Examination of the accounts record of Director ADS-II, LDA, UD-Wing relating to work "Widening & Improvement of Bhogiwal Road from G.T Road to Bund Road, Lahore" revealed that the Authority approved the rate analysis with 460 bags of cement for 50 cm, for the item concrete class A2 1:1.5:3 against the permissible quantity of 397 cement bags for 50 cm. The Authority made payment @ Rs 8,963.26 per cum for the quantity of 7968.084 cum instead of admissible rate of Rs 8,509.66 per cm. Hence, the Authority made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 4,315,323.

Audit pointed out the overpayment in August 2012. The Authority replied that the rate analysis was based on engineer estimate prepared by consultant and approved by the competent authority. The analysis included 21 cum sand, 42 cum aggregate and 14 cum cement (460 cement bags) as per standard ratio. The reply was not tenable as it was against the criteria

ibid. One cement bag was equal to 1.25 cft in volume of 460 cement bags worked out to 575 cft i.e. 16.282 cum. Therefore, for the 14 cum volume of cement (as contended by Department) needed 397 cement bags. (1.25 x 397 = 496.25 cft / 35.31 = 14.05 cum). In the similar project Lahore Ring Road Package-VII, 397 cement bags had been included / approved for the item concrete clause A2 4000 PSI.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the rate analysis of item pacca brick work Foundation & Plinth (F&P) in cement sand mortar 1:3 was prepared by NESPAK which was approved by the competent authority and included in technical sanction estimate. The Committee did not agree with the view point of the Department and ordered that Finance Department's rules / input rates were to be applied. The Committee directed the Authority to make recovery within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest besides fixing the responsibility against officer responsible for payment of incorrect rate.

(DP. 319)

3.4.28 Non-recovery of cost of dismantled material - Rs 4.213 million

In terms of item No 9 of chapter 18.1 of Specifications for execution of works Vol-I, the dismantled material was the property of the Government and as such it was required to be re-used / adjusted or accounted for accordingly.

3.4.28.1 The Director Construction-I, WASA, FDA, Faisalabad did not recover the cost of 72822.54 kg old steel obtained by "disjoining / lifting and shifting of broken / damaged 498 Nos. RCC slabs" from the contractor. The contractors neither reused the steel nor the cost of old steel was recovered from the contractor.

Weak technical and supervisory controls resulted in non-recovery of Rs 2.913 million.

Audit pointed out non-recovery in August 2012. The Agency replied that the slabs were manufactured by Frontier Works Organization wherein wires were used instead of steel. The reply was not tenable because Frontier Works Organization is an executing organization of

government which did not execute substandard slabs by using wires instead of steel. Moreover, no documentary evidence in support of reply was produced to Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that only 53 cft area was dismantled. The majority of the slabs that were dismantled were not owned by WASA but by private people and the steel obtained from dismantled slabs was rusted and was of no use. The Committee did not agree with reply and directed to make full recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified from Audit.

(DP. 20)

3.4.28.2 The Director Engineering, Gujranwala Development Authority Gujranwala, in the execution of work "Rehabilitation and Dualization of Road Gondalanwala Chowk to Western Bypass Gujranwala, got dismantled brick works for 14,310 cft during 2011-12 and made payment to the contractor accordingly. The contractor neither reused the dismantled bricks i.e. 193,185 bricks nor the Authority recovered the cost from the contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 946,906.

Audit pointed out the non-recovery in August 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that work was in progress, however, recovery would be made from next running bill. The Committee directed to make recovery within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected from the contractor besides fixing responsibility against the officer concerned.

(DP. 109)

3.4.28.3 The Executive Engineer, Public Health Engineering Division, Kasur in the execution of different works measured and paid for dismantling of brick or flagged flooring without cement concrete foundation but did not restore the full quantity at site. The Department neither restored balance quantity nor credited to work or recovered the same.

Weak supervisory and technical controls resulted in non-recovery/ adjustment of Rs 557,763 (192950+364813) from the contractors.

Audit pointed out non-recovery in October 2012. The Department replied that the works were in progress and adjustment of dismantled material would be made according to the provision of the technical sanction estimate.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Department produced record for restoration of dismantled material for Rs 204,943 out of Rs 557,763 and the same was verified by Audit. The Committee reduced the para to Rs 352,820 and directed to get restored balance quantities or effect recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected / adjusted at the earliest.

(DP. 388)

3.4.29 Overpayment due to preparation of the rate analysis at higher side - Rs 3.799 million

According to Finance Department letter No. RO (Tech) FD-18-29/2004 dated 03.03.2005, contractor profit and over head charges 20% will not be added while preparing the rate analysis of the machinery and store items.

3.4.29.1 The Executive Engineer, Public Health Engineering Division, Rahim Yar Khan paid the item of work diesel generator set for Rs 3.407 million to the contractors by including 20% contractor profit and overhead charges in the rate analysis. Hence, the Department made overpayment to the contractor.

Weak financial controls resulted in overpayment of Rs 3.407 million.

Audit pointed out the overpayment in July 2012. The Department replied that the manufacturers did not participate in tendering process as the job included not only the provision but also installation and commissioning at site. The contractor was also responsible for removal of the defects and security deposit was retained with the Department till the expiry of their defect liability period. The reply was not acceptable because as per the Finance Department's above referred letter, contractor profit was not to be included in the rate analysis of the machinery. Further, the manufacturers are responsible for the removing any defect during warrantee period.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that manufacturer did not participate in the tendering process and installation was always done through contractor. The Committee did not agree with the explanation of the Department as 20% contractor profit and overhead charges were not to be included in the rate analysis of machinery. Purchase should have been done as per laid down procedure in the Punjab Procurement Rules Agency read with Finance Department letter No. R.O (Tech) F.D-18-29/2004 dated 03.03.2005. The Committee directed to effect the recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility on the officers concerned.

(DP. 246)

3.4.29.2 The Director Engineering, PHA, Lahore sanctioned technical estimate for the procurement of 90 No's ornamental lights along the canal with the 20% overheads and contractors profit and made payment to the contractor accordingly during the year 2011-12. Hence, the Authority paid over and above the admissible rate to the contractor.

Weak technical control resulted into overpayment of Rs 0.392 million to the contractor.

Audit pointed out the overpayment in September 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied in the items of ornamental lights, lamp and RCC and anchor bolt 20% overhead charges were added in the light of FD instructions. Moreover, the letter relates to C&W Department. The Committee did not accept the contention of the Authority and directed either to seek clarification from Finance Department or effecting recovery within 30 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made along with fixing responsibility against the official concerned.

(DP. 226)

3.4.30 Non-recovery on account of charges / price of excess area - Rs 3.653 million

As per Office Order No. ADG/LDA/132 dated 28.05.2001, in the cases for the determination of market price of the area in excess up to 3 marla, the concerned Director will himself work out the price of excess area of allotted / exemption @ 40% above the DC's current evaluation table.

3.4.30.1 The Director Land Development-I, LDA, UD-Wing, Lahore did not recover the outstanding / recoverable amount on account of excess area of plots from the different owners of M.A. Johar Town Scheme.

Weak managerial and supervisory controls resulted in non-recovery of Rs 1,620,930.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority neither submitted working papers nor attended SDAC meeting. The Committee took it very serious and directed the Authority to produce record for verification to Audit within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 317)

3.4.30.2 The Director Estate Management, LDA, UD-Wing, Lahore did not recover the outstanding/ recoverable amount on account of excess area of plots from the owners of Housing Schemes of LDA.

Weak managerial and supervisory controls resulted in non-recovery of Rs 1,299,794.

Audit pointed out the non-recovery in September 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that an amount of Rs 0.162 million had been deposited by the allottee. The record i.e. challan bill was verified from Audit and para was reduced to Rs 1.138 million. The Committee directed to make balance recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 311)

3.4.30.3 Examination of the record of Director Town Planning, LDA, UD-Wing revealed that Plot No 1-A Block A/1 Gulberg-III Lahore for the area of 9 kanal 19 marla and 109 sft was awarded for school site to Ms. Nayab Begum. The original allotee made sale deed on 22.09.2000 with a commercial institution where as the site plan sanctioned by Director Town Planning during 2003 revealed that the area of plot was 10 kanal and 140 sft. Thus the Authority did not recover the cost of excess area of plot.

Weak supervisory and managerial controls resulted in non-recovery of cost of excess area Rs 678,300.

Audit pointed out the non-recovery during October, 2012 but the Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority neither submitted working papers nor provided record for verification. The Committee took it serious and directed the Authority to effect recovery with 30 days and get it verified

from audit. No compliance of the Committee's directives was reported to Audit till finalization of this report.

Recovery needs to be effected at the earliest.

(DP. 166)

3.4.30.4 The Director Land Development-I, LDA, UD-Wing, Lahore did not recover the outstanding/ recoverable amount on account of excess area of plots from the different owners of Sabzazar Housing Scheme Phase-II.

Weak managerial and supervisory controls resulted in non-recovery of Rs 216,520.

Audit pointed out the non-recovery in October 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority neither submitted working papers nor attended SDAC meeting. The Committee took it very serious and directed the Authority to recover the amount and get it verified from Audit within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 316)

3.4.31 Overpayment due to excessive use of bitumen - Rs 3.421 million

As per section 611-34 of standard specification for Roads and Bridges construction 1971, bituminous material should be applied at the rate directed by the Engineer but not to exceed 10 to 12 lbs per hundred square feet.

3.4.31.1 The Director Engineering, Gujranwala Development Authority, GDA, Gujranwala in the execution of two works "Rehabilitation of Passroor Road from G.T Road to Eastern Bypass Gujranwala and Dualization of Katcha Eminabad Road from GT Road to Eastern Bypass Gujranwala" approved and paid the item of tack coat by using 15 lbs bitumen per hundred sft instead of permissible quantity of 10 lbs and also paid price variation for 15 lbs instead of 10 lbs.

Weak technical and supervisory controls resulted in excess payment of Rs 1.580 million in violation of Finance Department's instructions 2009 and specification ibid.

Audit pointed out the excess payment in August 2012. The Authority did not reply despite repeated reminders.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that work was executed as per MRS agreement and technical sanction estimate and also payment was made as per actual work done. The Committee did not agree with the view point of Authority and ordered that specification of 1971 was to be followed at the time of preparing estimate, making agreement, executing work and making payment. The Committee directed to make recovery within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility against the officer concerned.

(DP. 107)

3.4.31.2 The Director Engineering, Gujranwala Development Authority, GDA, Gujranwala in the execution of work "Dualization of Kashmir Road from Pasroor Road to Disposal Works near People Colony Gujranwala" approved and paid the item of tack coat by using 15 lbs bitumen per hundred sft instead of permissible quantity of 10 lbs.

Weak technical and supervisory controls resulted in excess payment of Rs 1.493 million.

Audit pointed out the excess payment in August 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that work was executed as per MRS agreement and technical sanction estimate and payment was made as per actual work done. The Committee did not agree with the view point of Authority and ordered that Specification of 1971 was to be followed at the time of preparing estimate, making agreement, executing work and making payment. The Committee directed to make recovery within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility against the officer concerned.

(DP. 111)

3.4.31.3 The Executive Engineer, Division-I, MDA, Multan used 15 lbs bitumen for the item "P/L bituminous tack coat" @ Rs 260.95% sft as recorded at P-121 of MB No. 634/3389 whereas as per standard specification and clarification by the Finance Department maximum 10 lbs bitumen should be used.

Weak supervisory and technical controls resulted in overpayment of Rs 348,152.

Audit pointed the overpayment in November 2012. The Authority replied that payment was made to contractor as per MRS rates for January to March 2007 for the work P/L bituminous tack coat using 15 lbs of bituminous per 100 sft (0.75 Kg. per Sq. Meter). No other rates were available in the MRS for January to March 2007. Payment was correctly made to the contractor. The reply was not tenable because 15 lbs bitumen was consumed in violation of standard specifications and decision of Finance Department.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that the item of providing and laying bituminous take coat using 15 lbs of bitumen % sft was paid as per estimate and MRS on which tenders were called. The Committee did not agree with the reply of the Department and decided that preparation of estimate and execution of work should have been as per Specification 1971. The Committee directed to make recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Audit recommends to get the violation of standard specification regularized and effecting recovery at the earliest under intimation to Audit and its verification by Audit.

(DP. 54)

3.4.32 Overpayment due to incorrect rate - Rs 2.690 million

As per notified standardized analysis of rates in Market Rate System placed on the website by the Finance Department, no contractor

profit and overhead charges are admissible on the items of carriage and transportation.

3.4.32.1 The Executive Engineer, Public Health Engineering Division, Pakpattan in the execution of various works prepared / approved the rate analysis of item providing and laying crush stone ½" to ¾" by including 20% contractor's profit on transportation/carriage and paid accordingly. Thus, the Department made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment Rs 1,599,198.

Audit pointed out overpayment in November 2012. The Department did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Department replied that the rate analysis of the item crush stone was approved by the Competent Authority and payment was made accordingly. The Committee did not agree with the version of the Department and directed to make recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest, besides fixing responsibility on the officer responsible for overpayment.

(DP. 363)

3.4.32.2 Examination of the accounts record of Director ADS-II LDA UD-Wing relating to work 'Widening & Improvement of Bhogiwal Road from G.T Road to Bund Road Lahore, revealed that the Authority took the rate of carriage of Rs 91.86 per cum based on MRS 3rd quarter 2010 for the rate analysis for the item excavation and disposal of unsuitable / surplus common material lead 5 km and allowed 20% contractor profit and overhead on carriage factor. The quantity of 46805.643 cum was measured vide MB No. 2589 at page 172 and paid accordingly. Thus, the Authority made overpayment to the contractor due to charging of overhead and profit as carriage factor.

Weak technical and financial controls resulted in overpayment of Rs 997,428 due to incorrect application of rates.

Audit pointed out the overpayment in August 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the recovery of Rs 997,428 would be made from the security deposit of the contractor. The Committee directed to make recovery within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest besides fixing responsibility.

(DP. 320)

3.4.32.3 The Executive Engineer, Public Health Engineering Division, Jhelum in the execution of work "Water Supply Scheme Naroomi Dhan" prepared/approved the rate analysis provided in technically sanctioned estimate for the item of work 16" i/d M.S pipe line by including (10+10)% contractor profit & overhead on transportation and carriage in violation of MRS.

Weak supervisory and financial controls resulted in unjustified/overpayment of Rs 94,335 to the contractor.

Audit pointed out overpayment in September 2012. The Department replied that the rate analysis was approved by the competent authority and accordingly provided in technically sanctioned estimate. The reply of the Department was not tenable because the rate analysis approved was not in accordance with the standard rate analysis.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the contention of the Department was not accepted by the Committee and the Department was directed to effect recovery as per approved template of the rate analysis within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected.

(DP. 275)

3.4.33 Undue financial benefit due to non-obtaining of performance security - Rs 2.562 million

As per Finance Department Notification No. RO(Tech)FD1-2/83-VI (P) dated 06.04.2005, performance security in the shape of bank guarantee was to be obtained at the rate of 5% of contract sum from the contractor if the cost of work exceeds Rs 50 million.

The Executive Engineer, Public Health Engineering Division, Mandi Baha-ud-Din awarded work "Drainage/ Sewerage and Water Supply Scheme for Mangat & Rasul" at an agreement cost of Rs 51,235,615 in December 2011 which was more than 50 million but performance security in the shape of bank guarantee or in cash was not obtained from the contractor.

Weak supervisory control resulted in undue financial benefit of Rs 2,561,781 to the contractor.

Audit pointed out the irregularity in November 2012. The Department replied that the progress on these entire schemes was excellent. Security deposit in millions was lying with the Department against these schemes. However, contractor was directed to deposit the performance security. The reply of the Department was not tenable as the performance security was to be obtained within 15 days of the issuance of acceptance letter.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Department replied that the work was allotted to the pre-qualified, no limit & well reputed firm which was working all over the Punjab on the major sewerage schemes. The progress on all these schemes was excellent. Security deposit in millions is lying with the Department. However, contractor was directed to deposit the performance security. The contention of the Department was not accepted by the Committee and it was directed to obtain the performance security along with condonation from Finance Department. No compliance of the Committee's directives was intimated till finalization of the report.

Performance security needs to be obtained besides getting condonation of irregularity.

(DP. 385)

3.4.34 Non-recovery of fine on account of illegal construction and deviation in approved plan - Rs 2.530 million

As per Rule 34 & 39 (2) of Punjab Development of Cities Act 1976, if an order under sub-section (1), in respect of any building, structure, work or land is not complied within such time, as may be specified therein, the Authority or any person authorized by it in this behalf may, after giving the person affected by the order an opportunity of being heard, remove, demolish or alter the building and may also recover the cost thereof.

3.4.34.1 Examination of property record of the office of the Director Metropolitan & Town Engineering, RDA, Rawalpindi revealed that Plot No.1, Sherpao Colony, Taqi Plaza, Rawalpindi was allotted to the owner during August 1972. The owner erected building on the plot in violation of approved plan. The Director Metropolitan & Town Engineering, RDA, Rawalpindi neither issued completion plan nor recovered fine from the owner for violation of approved plan for fourteen years.

Weak supervisory control resulted in non-recovery of Rs 2,259,506.

Audit pointed out the non-recovery in October 2012. The Authority replied that notice to the defaulting owner of property had been issued for recovery during October 2012. As and when recovery was made, the same would be got verified from Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that entire recovery from the defaulter was in process and actual recovery was less than the recovery pointed out by Audit. The Committee directed to make recovery as per policy and get it verified. No compliance of the Committee's directives was intimated till finalization of the report.

Efforts need to be accelerated and recovery effected be got verified from Audit.

(DP. 98)

3.4.34.2 The Director Metropolitan & Town Engineering, RDA Rawalpindi did not recover fine from owner of property who illegally made addition & alteration in approved building plan and submitted application for approval of addition & alteration plan during 1999.

Authority neither issued completion plan nor recovered fine from owner for illegal alteration and addition.

This resulted in non-recovery of Rs 270,508 due to weak supervisory control.

Audit pointed out the non-recovery in October 2012. The Authority replied that notice to the defaulting owner of property had been issued for recovery during October 2012. As and when recovery was made, same would be got verified from Audit. The reply was not satisfactory because no concrete efforts appeared to have been made for recovery of fine. Even notice for recovery was issued after being pointed out by Audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that final notice had been issued to defaulter and recovery would be made and got verified. The Committee directed to make recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Efforts need to be accelerated and recovery effected also be got verified from Audit.

(DP. 100)

3.4.35 Overpayment due to incorrect application of rate - Rs 2.524 million

As per note-I below rule 7.28 Departmental Financial Rules, agreement rate was payable and revision of rate in original or revised estimate has no effect on contract rates.

3.4.35.1 The Executive Engineer, Public Health Engineering Division, Mianwali in the execution of work "Construction of Slab/Culverts & Drain in U.C. Watta Khel Gulmari Mianwali City Installation Submersible Pumps in PP-45 G-II" measured and paid a quantity of 1378 rft for the item 'P/I PVC strainer 4" i/d and blind pipe 5" i/d in bore hole @ Rs 198.65 & Rs 305.77 per rft against agreement rate of Rs 124.23 per rft and Rs 209/22 per rft respectively .

Weak supervisory control resulted in over payment of Rs 1,356,762 to the contractors.

Audit pointed out overpayment in October 2012. The Department replied that during execution 4″ i/d D Class strainer and 5″ i/d PVC D Class blind pipe according to the design and provision exist in technically sanctioned estimate was utilized and reduced rate was paid in running bills. According to the revised technical sanction estimate and after approval of rates from the competent authority payment was made. The reply of the Department was not acceptable because rate once agreed cannot be changed. However, estimate can be revised for scope and quantities and not for rates.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the contention of the Department regarding approval of rates in revised estimate was not accepted by the Committee and directed to effect recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

The recovery needs to be made.

(DP. 376)

3.4.35.2 The Executive Engineer, Public Health Engineering Division, Mianwali in the execution of work "Construction of Slab/ Culverts and Drains in UC Watta Khel Gulmiri Mianwali City and Installation of Submersible Pumps (PP-45)" measured a quantity of 702 rft & 6796 rft for both the item P/I PVC strainer 4" i/d and blind pipe 5" i/d class D' and paid @ Rs 200/25 & Rs 308/26 per rft respectively against agreement rate of Rs 125/25 Per rft and Rs 210/92 per rft respectively .

Weak supervisory control resulted in overpayment of Rs 714,173 to the contractor.

Audit pointed out overpayment in October 2012. The Department replied that during execution 4″ i/d D-Class strainer and 5″ i/d PVC D-Class blind pipe according to the design and provision exist in technical sanction estimate was utilized and reduce rate was paid in running bills. According to the revised technical sanction estimate and after approval of rates from the competent authority payment was made. Reply of the Department was not acceptable because rate once agreed cannot be

changed. However, estimate can be revised for scope and quantities and not for rates.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the contention of the Department regarding approval of rates in revised estimate was not accepted by the Committee and directed to effect recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

The recovery needs to be made.

(DP. 375)

3.4.35.3 The Executive Engineer, Public Health Engineering Division, Chakwal in the execution of work 'Rehabilitation of Water Supply Scheme Ghazial' approved items of works, earthwork excavation and re-handling of earthwork at the rates of Rs 2,139.45‰ cft & Rs 712.80 ‰ cft respectively. The contractor quoted his rate as 8.99% below technical sanction estimate. The Department got executed items of work and paid @ Rs 5,417.30 and Rs 2,850.30 ‰ cft against the admissible rates Rs 2,139.45‰ cft and Rs 712.80 ‰ cft with 8.99 % below. Hence, the Department made overpayment.

Weak supervisory and financial controls resulted in overpayment of Rs 453,091 to the contractor.

Audit pointed out overpayment in September 2012. The Department replied that the payment was made to the contractor according to actual site situation, however, the revision of estimate was in process of sanction and the same would be provided in due course of time. The reply of the Department was not accepted because the rate agreed / accepted could not be revised.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that the payment was made according to actual site situation and as per revised technical sanction estimate. The Committee did not agree with the contention as rate could not be revised through revising of the technical sanction estimate. The Committee directed the Department to get the record verified relating to change of specification duly incorporated and approved through PC-I / administrative approval and to make the recovery within 15 days. No

compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made besides fixing responsibility.

(DP. 277)

3.4.36 Overpayment due to excess measurement of earth - Rs 2.403 million

As per provisions of technical sanction estimate of various works, the Department was required to re-handle/re-fill earth/sand equal to 80% of earth excavated from trenches. Moreover, the Department was required to dispose of surplus earth equal to the quantity of sand filling.

3.4.36.1 The Executive Engineer, Public Health Engineering Division, Layyah measured and paid the quantity of earthwork excavated for 1,013,525 cft of which 80% quantity came to 810,820 cft. The Department refilled earth and sand in trenches for a quantity of 715,574 cft and 142,590 cft respectively (858,164 cft). Moreover, the Department measured and paid 671,404 cft for disposal of surplus earth against the admissible quantity of 142,590 cft. Thus the Department measured and paid the quantity of sand/earth and disposal of earth of 47,344 cft and 576,155 cft respectively over and above the admissible quantity.

Weak technical and financial controls resulted in overpayment of Rs 1.613 million.

Audit pointed out the overpayment in November 2012. The Department replied that the transportation of excavated earth was necessitated because metaled road was dismantled. The backfilling of trenches was filled with sand. The respective quantities existed in revised technical sanction estimate. The reply was not acceptable because item re-handling of earth was executed and sand filling was not paid.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Department replied that excess transportation / disposal of earth was paid due to sand filling in trenches. The Committee did not agree with the explanation of the Department because sand filling was to be done as per provision of technical sanction estimate. The Committee directed the Department to effect the full recovery. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest and get it verified from Audit.

(DP. 349)

3.4.36.2 The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan excavated earth for a quantity of 1,931,978 cft in various works but paid for a quantity of 1,614,048 cft for back filling of sand instead of 80% quantity of the excavated earth which came to 1,545,582 cft. Thus the Department paid excess quantity of sand filling for 648,466 cft (1,614,048 -1,545,582). Furthermore, the Department paid rate of compaction for item of transportation of earth lead of 3 miles. Hence, no earth was available for compaction after transportation out.

Weak technical and supervisory controls resulted in overpayment of Rs 790,468.

Audit pointed out overpayment in August 2012. The Department submitted interim reply.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that 80% back filling is thumb rule and work was carried out as per site requirements. The Committee did not agree with the Departmental explanation because provision in technical sanction estimate for back filling was 80% of excavated material and directed to effect the recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest and responsibility fixed against the concerned.

(DP. 238)

3.4.37 Less recovery of additional cost of plots - Rs 2.255 million

According to decision of the Cost Finalization Committee dated 02.02.2008, the Agency was required to recover the cost of plots @ Rs 3,600 per marla in additional cost of plots of Area Development Scheme-III, Rahim Yar Khan.

The Deputy Director, PHATA, Sub-Region, Rahim Yar Khan allotted plots of 7 marla, 10 marla and 1-kanal on provisional payment. The Agency could not recover the actual cost of plots. The outstanding

dues were recoverable from the allottees/owners of ADS-III, Rahim Yar Khan despite lapse of period of more than four years.

This resulted in non-recovery of additional cost of plots of Rs 2,456,656 due to weak supervisory and financial controls.

Audit pointed out the non-recovery in March 2012. The Agency replied that the notices had been issued to the allottees for payment of enhanced cost as pointed out by Audit and the same would be recovered from the allottees.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that an amount of Rs 202,272 on account of additional cost of plots out of Rs 2,457,000 was recovered from different allottees. Audit verified the recovered amount. The Committee reduced the amount of para to Rs 2,254,728 and directed the Department to recover the balance amount in light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 16-2010-11)

3.4.38 Overpayment due to excess rate - Rs 2.076 million

As per Finance Department notification No.R.O (Tech) F.D-2-3/ 2004 dated 02.08.2004, the composite schedule of rates were replaced with MRS w.e.f. 01.07.2004 and C.E was required to fix the rate of each item of work for rough cost and technical sanction estimate on the basis of input rates of MRS.

The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan measured and paid the item of work 'Providing and Laying Crush stone ¾ gauge' with excessive rate of Rs 46 per rft instead of admissible rate of Rs 39 per rft as per rough cost estimate / administrative approval in four groups of work. Thus, the Department paid excessive rate than admissible.

Weak financial and supervisory controls resulted in overpayment Rs 2,076,450.

Audit pointed out overpayment in August 2012. The Department replied that cost of carriage was not incorporated in administrative approval, however, which was incorporated in technical sanction estimate. The reply was not acceptable because in the rough cost estimate the rate analysis of crush stone was prepared for Rs 39 per rft whereas the rate was increased in technical sanction estimate to Rs 44 per rft. As per Finance Department instructions the rate in the technical sanction estimate would be incorporated as per MRS quarter in which administrative approval was accorded.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that payment was made as per provision of technical sanction estimate. The Committee did not agree with the view point of Department and directed to effect the recovery within 15 days as the rate of rough cost was to be incorporated in the technical sanction estimate. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest and get it verified from Audit.

(DP. 239)

3.4.39 Non-recovery of rent of petrol pump – Rs 2.004 million

As per terms and conditions of lease agreement of petrol Pump at Truck Stand, Jhang Road, Faisalabad executed between the lessee and FDA, the lessee shall pay rent @ Rs 25,000 per month in advance with 10% annual increase in rental amount.

The Director Estate Management-I, FDA, Faisalabad leased out a site for petrol pump / CNG station at truck stand, Jhang Road, Faisalabad to Mr. Khalid Pervaiz etc on Pagri for the period of twenty 20 years on 10.02.2005 @ Rs 25,000 per month. The site was transferred to Malik Abdul Sattar Awan on 19.07.2005 on the same terms and conditions. The lessee did not deposit the amount of rent w.e.f. 01.06.2010 to 31.05.2012 along with 10% surcharge on late/ non-payment on due dates. Resultantly, the lease was cancelled and an amount of Rs 665,196 was forfeited from security amount. The lessee neither vacated the site of Petrol pump nor paid the outstanding amount of rent to FDA.

Weak technical and financial control resulted in non-recovery of Rs 2.004 million.

Audit pointed out non-recovery in March 2011. The Authority replied that in the 82nd meeting of Governing Body of FDA Faisalabad held on 28.07.2011, it was decided to restore the site to the lessee with 20% restoration charges and to enhance the rate from Rs 25000 per month to Rs 30,000 per month. However, under the order of Director General FDA, the case was again being submitted to the body for reconsideration in the light of terms and conditions of agreement. The reply was not tenable as no progress towards recovery of outstanding dues was intimated.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that the recovery would be made as soon as the committee under chairmanship of ADG FDA made any decision. The Committee directed to expedite the matter and to make recovery within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made at the earliest besides fixing responsibility against the responsible officers / officials.

(DP. 06)

3.4.40 Overpayment due to incorrect calculation of quantity – Rs 1.886 million

According to rule 7.17 (b) of Departmental Financial Rules, "all payments for work are based on the quantities recorded in measurement book, it is incumbent upon the person taking the measurement to record the quantities clearly and accurately".

3.4.40.1 The Executive Engineer Division-II, MDA, Multan measured and paid in the 11th running bill vide page No.117 to 118 of MB No.475/26 an item of work "P/L base course aggregate modified AASHO dry density 100% compaction for reach J-28 RD 00-645 (1x645x18x0.375) for 34,540 instead of actual quantity for 4,353.75 cft.

Weak supervisory and technical controls resulted in overpayment of Rs 1,750,803.

Audit pointed out the overpayment in November 2012. The Authority replied that overpaid amount would be recovered from the next bill of the contractor.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that excess amount of Rs 1.750 million paid to the contractor would be recovered from the next running bill. The Committee directed the Department to make recovery within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be made and get it verified by the Audit at the earliest besides fixing responsibility against the officer responsible for payment.

(DP. 53)

3.4.40.2 The Executive Engineer, MDA, Multan made a payment of Rs 2,038,982 to the contractor on account of price variation at base course item for diesel and labour for the quantity of 34,540 cft against the actual quantity of 4,353.75 cft vide page 76 to 102 on MB No.546/3966 in the 13th & running bill. Hence, the Department made over payment of price variation for the quantity of 30,186.25 cft.

Weak supervisory and technical controls resulted in overpayment of Rs 134,964.

Audit pointed out the overpayment in November 2012. The Authority replied that overpayment would be effected through next running bill of the contractor and get it verified from audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that recovery of overpayment was under process. The Committee directed the Department to make recovery within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected besides fixing responsibility for this overpayment.

(DP. 58)

3.4.41 Non-recovery on account of excess area of plot - Rs 1.671 million

As per Director General Katchi Abadies Urban Improvement letter No. DG (KA & UI) TR-I-5/87-1200 dated. 18.05.2002, cost of land up to 5 marla was to be recovered @ Rs 172 per Marla and exceeding 5 marla at market rate of 1985 approved by the District Improvement Committee.

The Director Kacthi Abadi, LDA U.D-Wing, Lahore did not recover excess area charges of plots amounting to Rs 1.671 million from the different allotees of Guru Mangat & Shah Jamal Kacthi Abadies despite lapse of consideration time.

Weak managerial and supervisory controls resulted in non-recovery of Rs 1,670,953.

Audit pointed out the non-recovery in December 2012. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that public response towards grant of property rights was very poor. Efforts were being made to make recovery. The Committee directed the Authority to effect the recovery as per policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest.

(DP. 323)

3.4.42 Less recovery of additional cost of plots - Rs 1.664 million

According to decision of the Cost Finalization Committee dated 23.12.2006, the Agency was required to recover the cost of plots @ Rs 4,010 and Rs 2,765 per marla as additional cost of plots of Area Development Scheme, Hasilpur and additional cost of plots of Area Development Scheme, Bahawalnagar.

The Deputy Director, PHATA, Sub-Region, Bahawalpur allotted plots of 5, 7, 10 marla and 1-kanal on provisional payment. The Agency could not recover the actual cost of plots. The outstanding dues were recoverable from the allottees/owners of Area Development Scheme

(ADS) Hasilpur and Bahawalnagar despite lapse of period of more than five years.

This resulted in less recovery of additional cost of plots of Rs 1,761,678 due to weak supervisory and financial controls.

Audit pointed out the non-recovery in March 2012. The Agency replied that notices had been issued to the allottees for payment of enhanced cost as pointed out by Audit and the same would be recovered from the allottees.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that an amount of Rs 97,787 on account of additional cost out of Rs 1,767,678 was recovered from different allottees. Audit verified the recovered amount. The Committee reduced the amount of para to Rs 1,663,891 and directed the Department to recover the balance amount in the light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 08-2010-11)

3.4.43 Overpayment due to incorrect application of rate - Rs 1.598 million

As per template of the rate analysis of Finance Department read with acceptance letter of work 'Widening & Improvement of Bhogiwal Road from G.T Road to Bund Road Lahore' the Department was required to prepare the rate analysis, sanction technical estimate, execute and pay for the item foundation and plinth brick masonry 1:3 strictly in accordance with the ingredient/ composition of material, labour rate as provided in the template.

Examination of the accounts record of Director ADS-II, LDA, UD-Wing relating to work 'Widening & Improvement of Bhogiwal Road from G.T Road to Bund Road Lahore' revealed that the rate analysis for the item "Pacca brick work foundation & plinth (F&P) in cement sand mortar 1:3" was prepared with 7 cement bags 26.25 cft sand and 4 No coolies for each unit of 100 cft pacca brick masonry 1:3" cement, sand mortar against the permissible quantity of 6 bags of cement 22.50 cft sand and 3.33 unskilled coolies. Further, the Department took rate of brick as Rs 5 each instead of admissible rate of Rs 4/- as per input up rate 3rd

quarter 2010 District Lahore. The Department made payment for the quantity of 2,068.952 cum @ Rs 4,874.84 per cum against the permissible rate of Rs 4,102.17 per cm.

Weak technical and financial controls resulted in overpayment of Rs 1,597,707.

Audit pointed out the overpayment in August 2012. The Authority replied that the rate analysis was based on engineer estimate prepared by consultant and approved by the competent Authority. The reply was not tenable as material and labour cost was provided in excess than provided in the standard the rate analysis approved by Finance Department for the item.

The matter was also discussed in the SDAC meeting held on 30.12.2012 wherein the Authority replied that the rate analysis of item pacca brick work foundation & plinth (F&P) in cement sand mortar 1:3 was prepared by NESPAK which was approved by the competent authority and included in technical sanction estimate. The Committee did not agree with the Department view point and ordered that Finance Department's rules / input rates were to be applied. The Committee directed the Authority to make recovery within 07 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest besides fixing responsibility for the overpayment.

(DP. 318)

3.4.44 Non-recovery of additional cost of plots - Rs 1.590 million

According to Cost Finalization Committee dated 16.09.2006, the Agency was required to recover the cost of plots @ Rs 4,400 per marla in Area Development Scheme Kasur from the allottees.

The Deputy Director, PHATA, Sub-Region, Lahore handed over possession of plots to different allottees on provisional payment but did not recover the enhanced / actual cost of plots from 117 allottees/owners. The outstanding dues are recoverable from the allottees/owners of ADS-Kasur despite lapse of period of more than five years.

Weak supervisory and financial controls resulted in non-recovery of additional cost of plots for Rs 1,590,137.

Audit pointed out the non-recovery in March 2012. The Agency replied that the notices had been issued to the allottees for payment of enhanced cost as pointed out by Audit and the same will be recovered from the allottees.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Committee did not agree with the contention of the Department and directed to effect recovery in the light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 12-2010-11)

3.4.45 Loss due to defective execution of work and payment for work not executed - Rs 1.552 million

As per clause 31 of contract, if it appears to Engineer Incharge that any work has been executed with unsound, imperfect or unskilled workmanship or otherwise not in accordance with the contract, the contractor should rectify the defective work. In the event of contractor's failure to do so, the Engineer Incharge may rectify or remove the defects and re-execute the work by other contractor and recover the cost of defective work from the defaulting contractor.

The Director Construction-II, WASA, FDA, Faisalabad executed substandard building work for Rs 1.552 million in June 2011. The inspecting team constituted by Managing Director, comprising of Deputy Managing Director and Director Construction-II, WASA FDA, Faisalabad in its report dated 22.02.2012 declared the work as extremely defective. The Agency neither got repaired the work from the contractor nor got the repair done at the cost of the contractor.

Weak technical and supervisory controls resulted in loss of Rs 1.552 million.

Audit pointed out the loss in September 2012. The Agency replied that the Authority constituted a committee regarding measurement of the

defective work. The Agency admitted defective execution of work by the contractor but the defective execution were neither rectified by the contractor nor effective steps were taken against the contactor/person at fault.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that inquiry was in process for execution of defective work. The recovery would be effected on the completion of inquiry. The Committee did not agree with the reply and directed the Department to make recovery within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Audit recommends for early removing of defects by the contractor and early recovery besides taking disciplinary action against the person responsible.

(DP. 31)

3.4.46 Less recovery of additional cost from the allottees of Area Development Scheme, Multan - Rs 1.338 million

According to decision of the Cost Finalization Committee dated 20.09.2004, the Agency was required to recover the cost of plots @ Rs 2,450 in Area Development Scheme (New Multan) from the allottees.

The Deputy Director, PHATA, Sub-Region, Multan allotted plots of 1-kanal on provisional payment. The Agency could not recover the actual cost of plots. The outstanding dues are recoverable from the allottees/owners of ADS-Multan despite lapse of period of more than seven years.

This resulted in less recovery of Rs 2,342,740 due to weak supervisory and financial controls.

Audit pointed out the non-recovery in February 2012. The Agency replied that the notices had been issued to the allottees for payment of enhanced cost as pointed out by Audit and the same will be recovered from the allottees.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that an amount of Rs 1,003,758 on account of additional cost out of Rs 2,342,740 was

recovered from different allottees. Audit verified the recovered amount. The Committee reduced the amount of para to Rs 1,338,242 and directed the Department to recover the balance amount in light of Government policy. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be expedited.

(DP. 07-2010-11)

3.4.47 Overpayment due to excess measurement - Rs 1.286 million

According to Rule 2.10(a) of Punjab Financial Rules Vol-I, a Govt. servant should exercise the same vigilance for incurring expenditure from Govt. funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan, in the execution of work "Ext. Improvement of Urban Sewerage Scheme D.G Khan City G-VII" measured and paid the item of work 'Earthwork excavation in open cutting for channel sullage drain upto 5' depth in ordinary soil @ Rs 2,500 % cft instead of per 1000 cft for 57172 cft. Thus, the Department paid the item by applying incorrect unit rate.

Weak financial and supervisory control resulted in overpayment Rs 1,286,370.

Audit pointed out overpayment in August 2012. The Department submitted interim reply.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department admitted the recovery of Rs 1.286 million and promised to effect it in the next bill of contractor. The Committee directed to effect the recovery within 15 days and getting it verified by Audit. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest and get it verified from Audit Office.

(DP. 236)

3.4.48 Undue payment of price escalation - Rs 1.204 million

According to Finance Department letter No. R.O. (Tech) FF-I-2 provl dated 21.10.2009, price variation on factors Alfa (α) and Beta (β) i.e. on fuel and labour would not be applicable in case of items of chapter 23 "tubewell and water supply".

3.4.48.1 The Executive Engineer, Public Health Engineering Division, Sahiwal made payments of price variation on fuel and labour to the contractor amounting to Rs 608,711 which was not admissible in the light of the Finance Department's clarification referred above.

Weak technical and supervisory control resulted in undue payment of price escalation for Rs 608,711.

Audit pointed out undue payment in March 2012. The Department replied that the scheme is unfunded and on release of funds, recovery if due, would be made in the next bill.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department replied that scheme had become unfunded. As soon as the funds were received the recovery would be made from the contractor. The Committee did not accept the contention of the Department and directed to recover the overpayment within 15 days. No compliance of the Committee's directives was intimated till finalization of the report.

Overpayment needs to be recovered at the earliest besides fixing responsibility against the concerned officers / officials for allowing wrong price escalation.

(DP. 20-2010-11)

3.4.48.2 The Executive Engineer, MDA, Multan made payment to the contractor on account of price escalation on labour and diesel items of tube-well and water supply in violation of above criteria.

Weak supervisory and financial controls resulted in overpayment of Rs 453,979.

Audit pointed the overpayment in November 2012. The Authority replied that overpayment would be effected through next coming bill of the contractor and get it verified from audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that recovery of overpayment was under process. The Committee directed the Department to make recovery within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to effected at the earliest besides fixing responsibility for overpayment.

(DP. 57)

3.4.48.3 The Executive Engineer, Public Health Engineering Division, Mandi Baha-ud-din, in the execution of work "Rural Water Supply/ Sewerage/ Drainage Scheme Harya" made payment of price variation on fuel and labour to the contractor amounting to Rs 140,764 which was not admissible in the light of the Finance Department's clarification referred above.

Weak technical and supervisory controls resulted in undue payment of price escalation of Rs 140,764.

Audit pointed out undue payment in April 2012. The Department replied that the price variation on the component of water supply on labour and diesel was given to the contractor on running bills due to non-awareness of notification of Finance Department regarding price variation on component of water supply on labour and diesel. Matter would be regularized before final payment to the contractor.

The matter was also discussed in the SDAC meeting held on 22.12.2012 wherein the Department admitted the recovery but did not effect due to non-availability of funds. The Department promised to effect recovery as and when funds were received. The Committee did not accept contention of the Department and directed to effect the recovery within one month. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest besides fixing responsibility against the responsible(s).

(DP. 25-2010-11)

3.4.49 Non-recovery of price de-escalation due to decrease in rate of cement - Rs 1.120 million

According to clause 55 (1) of contract agreement, any price variation (increase or decrease) to the extent of 5% or more in the price of any item take place after the acceptance of tender and before completion of contract, the amount recoverable shall be adjusted to the actual variation in the cost of item concerned.

The Executive Engineer, MDA, Multan made overpayment to the contractor for Rs 1,119,772 on account of price escalation on labour due to applying the incorrect base rate of labour in the 11th running bill. The entry was recorded in the MB No.466/17 at page 194 to 199 for Rs 2,339,842 with the base rate Rs 125 per day but at the time of opening date of tender dated 15-09-2007, the rate of labour was Rs 160 per day.

Incorrect application of rate resulted in over payment of Rs 1,119,772.

Audit pointed the overpayment in November 2012. The Authority replied that overpayment would be recovered through next coming bill of the contractor and get it verified from audit.

The matter was also discussed in the SDAC meeting held on 19.12.2012 wherein the Authority replied that recovery would be made from next running bill. The Committee directed to make recovery within 20 days. No compliance of the Committee's directives was intimated till finalization of the report.

Recovery needs to be effected at the earliest besides fixing responsibility for this over payment.

(DP. 56)

CHAPTER-4

IRRIGATION DEPARTMENT

4.1 Introduction of Department

Punjab Irrigation Department was established in 1854. The Punjab Irrigation System is divided into 11 field zones and each field zone is controlled by a Chief Engineer with the assistance of the Superintending Engineers. They are assisted by the Executive Engineers and Sub-Divisional Officers etc. Office of the Divisional Engineer is the basic accounting unit assisted by a Divisional Accounts Officer. The main functions of the department include:

- Planning, prioritization and implementation of Rehabilitation Schemes of canals, barrages and headworks;
- Operation and upkeep of irrigation system of the province;
- To optimize the use of water resources in the province by equitable distribution of irrigation water supplied through canal outlets;
- Assessment of water rates based on actual field inspections by revenue staff of the department; and
- Implementation of the development programme portfolio and foreign aided projects

4.2 Comments on Budget & Accounts (Variance Analysis)

The budget of Irrigation Department comprises development and non-development major heads. The non-development budget is allocated under grant No. PC-21009 which includes salary, repair and maintenance works. The development budget is allocated under grant No PC-12037 which is the original grant for civil works. The development schemes are also allocated under grant No. PC-22036 development for Irrigation works.

Irrigation Department

(Rupees in million)

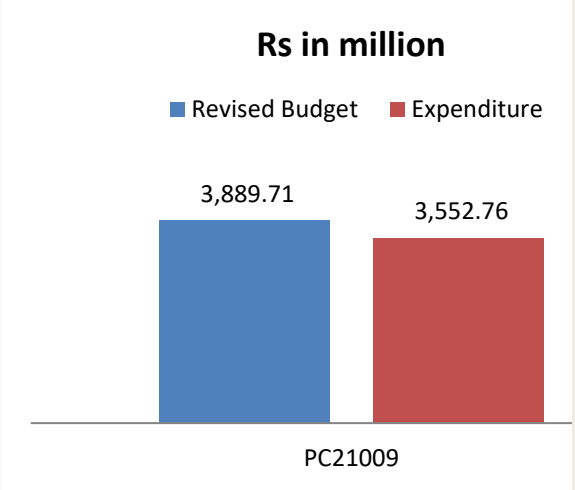
Grant No & Nature	Original Budget	Supplementary & Re-appropriation /(Surrender)	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21009	3,338.23	551.48	3,889.71	3,552.76	(336.95)	(8.66)
Development Grants						
PC22036	-	331.54	331.54	118.30	(213.24)	(64.32)
PC12037	10,891.00	818.36	11,709.36	6,237.28	(5,472.08)	(46.73)
Total	**10,891.00**	**1,149.90**	**12,040.90**	**6,355.58**	**(5,685.32)**	**(47.22)**
Grand Total	**14,229.23**	**1,701.38**	**15,930.61**	**9,908.34**	**(6,022.27)**	**(37.80)**

Source: Budget Book and Appropriation Accounts (FY-2011-12)

Non-Development Grant

Grant No PC-21009

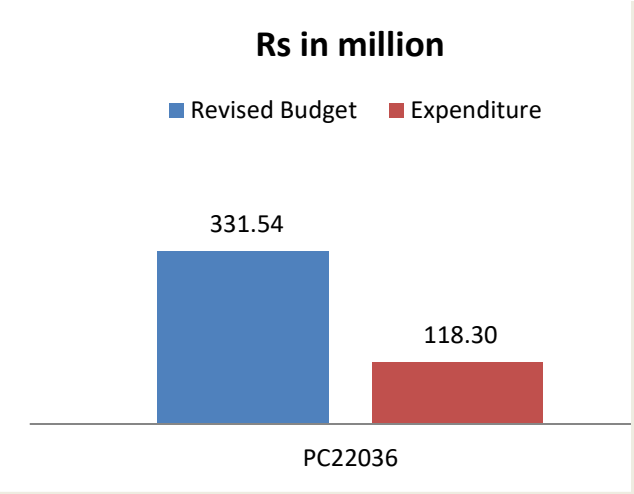
Non-development budget under grant PC-21009, budget was not fully utilized. Expenditure of Rs 3,552.76 million was incurred against the revised budget of Rs 3,889.71 million. Thus there was a saving of 8.66%.



Development Grant

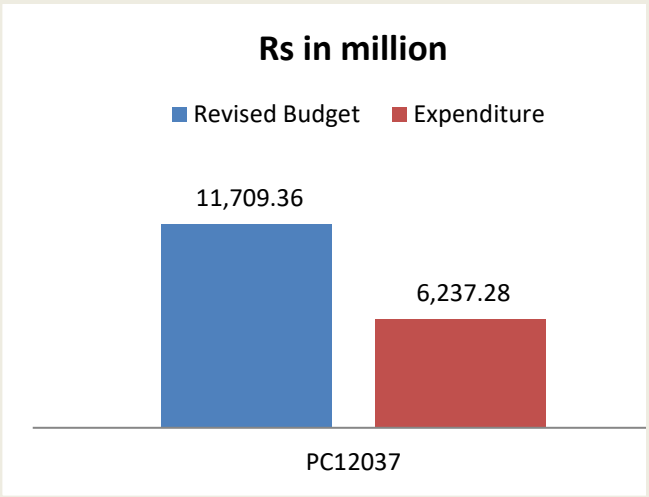
Grant No PC-22036

Under development grant PC-22036, the expenditure incurred was Rs 118.30 million against the revised budget of Rs 331.54 million. Thus there was a saving of 64.32%.



Grant No PC-12037

Under the development grant PC-12037, the expenditure incurred was Rs 6,237.28 million against the revised budget of Rs 11,709.36 million. Thus there was a saving of 46.73% depicting that substantial part of the development grant was not utilized.



According to Chapter 14 of Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the Irrigation Department did not surrender a saving of Rs 6,022.27 million.

Audit pointed out the above mentioned savings but the department did not reply till the finalization of the report.

4.3 Brief comments on the status of compliance with PAC directives

Status of compliance of PAC directives over the years is tabulated as under:

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1956-57	02	-	02	-
2	1957-58	01	-	01	-
3	1958-59	03	-	03	-
4	1960-61	01	-	01	-
5	1961-62	01	-	01	-
6	1963-64	01	-	01	-
7	1965-66	11	-	11	-
8	1966-67	02	-	02	-
9	1967-68	02	-	02	-
10	1968-69	07	-	07	-
11	1970-71	06	-	06	-
12	1971-72	03	-	03	-
13	1972-73	05	-	05	-
14	1973-74	01	-	01	-
15	1974-75	01	-	01	-
16	1975-76	11	-	11	-
17	1977-78	01	-	01	-
18	1978-79	02	-	02	-
19	1980-81	13	-	13	-
20	1981-82	44	-	44	-
21	1982-83	50	-	50	-
22	1983-84	19	-	19	-
23	1984-85	41	-	41	-
24	1985-86	62	-	62	-
25	1986-87	59	-	59	-
26	1987-88	21	-	21	-
27	1988-89	94	-	94	-
28	1989-90	29	-	29	-
29	1990-91	71	-	71	-
30	1991-92	80	-	80	-
31	1992-93	85	-	85	-
32	1993-94	136	-	136	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
33	1994-95	21	-	21	-
34	1995-96	94	01	93	1.06%
35	1996-97	60	-	60	-
36	1997-98	320	-	320	-
37	1998-99	61	-	61	-
38	1999-00	71	-	71	-
39	2000-01	62	-	62	-
40	2001-02	41	-	41	-
41	2003-04	17	-	17	-
42	2005-06	32	-	32	-
43	2006-07	30	-	30	-
44	2009-10	04	-	04	-
Total		**1677**	**01**	**1676**	**0.006%**

Source: PAC Digest and PAC Compliance Cell data base

As per para 16(25-26) of Punjab Budget Manual, Punjab Finance Department is responsible to watch compliance of PAC directives / actionable points. Over the years, neither there has been a regular monitoring mechanism to watch compliance of PAC directives in the Finance Department nor in the Administrative departments.

Although the Principal Accounting Officer was reminded time and again through Demi Official letters but no positive response was received in this regard. PAC was also requested by Audit to intervene and take initiatives to institutionalize some review mechanism for prompt and effective compliance of PAC directives. Audit is pursuing actively with the Principal Accounting Offices through Compliance Cell to expedite the compliance of PAC directives.

4.4 AUDIT PARAS

4.4.1 Loss due to fake appointment of Patwaries - Rs 10.827 million

As per Rule 2.33 of Punjab Financial Rules Vol-I, every government servant is personally held responsible for the loss sustained by the Govt. due to his negligence.

During scrutiny of record of Director Land Reclamation, Lahore it was observed that the department conducted record verification like service books, appointment letters of Patwaries and noticed that appointment of 67 canal Patwaries was made on bogus/fake appointment letters while these Patwaries remained in service w.e.f 2007 to 2011 and also drawn salary amounting to Rs 10,826,724. After having done detailed inquiry proceedings against the aforesaid Patwaries, they were dismissed from government service by the competent authority.

Weak supervisory and financial controls resulted in loss of Rs 10,826,724 to government exchequer.

Audit pointed out the loss in February 2012. The department replied that the matter was under investigation and after completion of the inquiry the responsibility would be fixed against the responsible for this irregularity.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that the case was subjudice in the court. The Committee directed to pend the para till decision by the court.

The investigation/proceedings needs to be expedited and completed without further loss of time and responsibility fixed against the officers/officials for causing delay in the completion of pending investigation proceedings.

(DP. 69)

4.4.2 Loss due to theft of machines - Rs 16.524 million

As per rule No. 2.34 and 2.35 of Punjab Financial Rules (Vol-I) the losses are to be reported to Audit and Head of the department

immediately after this occurrence. When matter has been fully inquired, a complete report should be submitted about the nature and extent of loss showing the errors or neglect by which such loss was rendered possible and prospects of effecting recovery.

4.4.2.1 The Executive Engineer, Panjnad Headworks Division, Panjnad neither ejected the unauthorized occupants from government residences situated in Canal Colony, Panjnad Headworks, Panjnad nor recovered any house rent from them who had illegally occupied these residences since long.

Non-ejectment of unauthorized occupants of government residences and non-recovery of house rent resulted in loss of Rs 3,950,800 to government due to weak administrative, supervisory and financial controls.

Audit pointed out the loss / non-recovery in August 2012. The department replied that Station House Officer, Saddar Ali Pur had been requested to assist the department in connection with the vacation of govt. residences from illegal occupants vide this office No.867 dated 24.07.2012. The department had also served the notices to all the illegal occupants vide No. 477-80 dated 17.06.2010 for early vacation of these residences. The reply was not tenable because government residences had been occupied by un-authorized occupants since long but department did not take any action.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter is under inquiry. The Committee directed that enquiry be finalized as soon as possible and residences be got vacated from illegal occupants besides recovery of rent. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery and ejectment of unauthorized occupants.

(DP. 280)

4.4.2.2 Record of the Drainage Division, Mandi Baha-ud-Din revealed that the auction of scrap material of tube wells was made and the successful bidder did not deposit the bid amount for Rs 3,464,976 and

stole the tube well scrap material (lot No. 41 and 43) with the involvement of officers of the Division. The theft was not reported to the police.

This resulted in loss to the government for Rs 3,464,976 due to weak watch & ward and supervisory controls.

Audit pointed out the loss during March 2012. The department replied that FIR against culprits had been registered in police station, Mandi Baha-ud-Din. The reply of the department was not tenable because no final reports had been produced by the department.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that recovery would be made on the finalization of the case. The Committee pended the para for recovery within 90 days.

Audit recommends to take up the case at higher level so that loss to the government be recovered.

(DP. 301)

4.4.2.3 In the Executive Engineer, Store & Workshop Division, Sheikhupura, while handing over / assuming charge of Satiana Tubewell Section by the Sub-Engineer Mr. Muhammad Yaseen, it was found that some articles and 38 tubewells were found missing at sites during the charge of Mr. Noor Ahmed. The losses were required to be reported to the higher authorities along with registration of FIR. Departmental action under PEEDA Act was also not initiated against the delinquents.

Weak supervisory and financial controls resulted in non-recovery of Rs 2,850,000 on account of theft/losses from the responsible(s).

Audit pointed out the non-recovery in November 2012. The Department did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was discussed in SDAC meeting held on 31.12.2012. The Committee directed for recovery but neither any progress towards recovery was reported nor any disciplinary action was intimated by the department till finalization of this report.

Audit recommends recovery of the due amount from the responsible.

(DP. 489)

4.4.2.4 In the office of the Superintending Engineer, Machinery Circle, Lahore three machines were stolen from its sub-divisions "Excavator sub-division Sheikhupura and Sargodha", but inquiries were not finalized to recover the loss.

This resulted in non-recovery of Rs 1,477,000 due to weak administrative and supervisory controls.

Audit pointed out the issue in January 2012. The department replied that inquiries regarding theft of two machines were under process whereas in the third case, Rs 108,000 were recovered from the culprit and the recovery of balance amount was under process. The reply was not agreed because inquiries were not finalized despite lapse of considerable period.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that out of Rs 1.477 million an amount of Rs 0.200 million had been recovered and got verified. The Committee directed that balance amount of Rs 1.277 million may be recovered at the earliest. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery of remaining amount along with disciplinary action against the responsible staff.

(DP. 85)

4.4.2.5 The Executive Engineer, Store & Workshop Division, Sheikhupura, did not recover the losses occurred due to theft and placed as recoverable at Form PWA-32 for the Month of June, 2012 under sub head of other items Part No. IV. The loss needed to be recovered from the responsible but no progress towards recovery was on record.

The weak supervisory and financial controls resulted in non-recovery of theft/losses from the responsible(s) of Rs 1,164,857.

Audit pointed out the irregularity in November 2012. The Department did not furnish any reply even after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was discussed in SDAC meeting held on 31.12.2012. The department explained that the matter was under enquiry. The Committee pended the para till the finalization of the inquiry report. No compliance was reported till finalization of this report.

Audit recommends investigation of the matter and fixing the responsibility besides effecting recovery thereof.

(DP. 483)

4.4.2.6 A scrutiny of the accounts record of Chief Engineer, Development Zone, Lahore had revealed that a machine was missing form stock resulting into loss of Rs 946,000.

This resulted in loss of Rs 946,000 due to weak supervisory and monitoring controls.

Audit pointed out the loss in January 2012. The department replied that the regular inquiry under PEEDA Act-2006 was initiated against the custodians. The reply was not tenable because the final action of the department was under process.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that inquiry in the matter was already under process. The Committee pended the para with direction that inquiry be completed within 60 days. No progress was reported till finalization of this report.

The matter needs to be investigated and action taken against the officers responsible(s) besides effecting recovery of the loss thereof.

(DP. 27)

4.4.2.7 The Executive Engineer, Panjnad Headworks Division, Panjnad, neither recovered the government loss sustained on account of theft of government trees nor took any action against the person(s). FIR was initiated against culprits/different persons who had stolen the government trees at different RDs / areas.

This resulted in loss to government for Rs 616,000 due to weak administrative and supervisory controls.

Audit pointed out the loss in August 2012. The department replied that an inquiry committee was constituted under the supervision of Sub Divisional Officer, Panjnad Headworks Sub Division, to probe into the matter. The inquiry was still under process. The department gave interim reply which was not tenable because a considerable period had since been lapsed and theft of government trees was happening on continuous basis in the jurisdiction of Panjnad Headworks, Panjnad.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter was under inquiry. The Committee directed the department that inquiry be finalized as soon as possible. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the loss.

(DP. 295)

4.4.2.8 The Executive Engineer, Panjnad Headworks Division, Panjnad neither recovered the government loss nor took any action against accused / private person who had stolen the government material by breaking the lock of power house / store on 03.02.11 as reported by the Chowkidars of workshop. The loss was neither reported to the higher authorities nor FIR lodged against the culprits.

This resulted in loss to government by theft of government material for worth Rs 550,000 due to weak administrative and supervisory controls.

Audit pointed out the loss in August 2012. The department replied that an inquiry Committee was constituted under the supervision of Sub Divisional Officer, Panjnad Headworks Sub Division, to probe into the matter. The inquiry was still under process. After finalization of inquiry & in light of the decision, the necessary steps would be taken against the delinquents.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter was under inquiry. The Committee directed the department to finalize the

enquiry within 30 days. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of rent.

(DP. 281)

4.4.2.9 Chief Engineer, Irrigation Development Zone, Lahore office record revealed that Mr. Muhammad Iqbal Sub Engineer handed over the charge of machine to Mr. Muhammad Akhtar, Sub Engineer but the Machine No. 24-RE was not handed over to him. The machine was theft/stolen. The Inquiry Officer did not finalize his inquiry reports.

This resulted in loss of Rs 477,000 due to weak monitoring and supervisory controls.

Audit pointed out the loss in January 2012. The department replied that the Authority did not agree with the report of Inquiry Officer as responsibility of loss was not fixed / determined. As such new inquiry under PEEDA Act-2006 was ordered which was under process with the Inquiry Officer. The inquiry would be finalized by the Authority on receipt of inquiry report and loss would be recovered accordingly. The reply was not accepted because the inquiry proceeding were still in process.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that inquiry was already under process. The Committee directed the department to finalize the inquiry within 30 days. No progress was reported till finalization of this report.

The matter needs to be investigated and action taken against the officers responsible besides effecting recovery of loss.

(**DP. 28)**

4.4.2.10 The Executive Engineer, Tubewell Operation Division, Khanpur did not recover the amount of loss to the government due to negligence of tubwell operators of tubewell Nos. KP 14, KP 16, KP 24 and KP 28. Due to their negligence transformer, electric motors and L.T Cables were stolen by some unknown persons.

This resulted in loss of Rs 430,000 to the government by theft of tubewell equipment due to weak administrative control.

Audit pointed out the loss / non-recovery in August 2012. The department admitted the recovery and replied that efforts were being made to make recovery from the concerned officials.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter was under inquiry. The Committee directed that inquiry be finalized as soon as possible. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of loss.

(**DP. 230)**

4.4.2.11 The Executive Engineer, Panjnad Headworks Division, Panjnad, neither recovered the government loss nor took any action against accused persons who had stolen the government trees at LMB RD No. 14-15/L and RMB RD No. 70500.

This resulted in loss to government by theft of government trees for Rs 389,000 due to weak administrative and supervisory controls.

Audit pointed out the loss in August 2012. The department replied that an inquiry committee was constituted under the supervision of Sub Divisional Officer, Panjnad Headworks Sub-Division, to probe into the matter. The inquiry was still under process. The department reply was not tenable because a considerable period had since been lapsed and theft of government trees was happening on continuous basis in the jurisdiction of Panjnad Headworks Panjnad.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter was under inquiry. The Committee directed that inquiry be finalized as soon as possible. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of loss.

(**DP. 294)**

4.4.2.12 The Executive Engineer, Panjnad Headworks Division, Panjnad neither recovered the government loss nor took any action against accused

persons who had stolen the 1300 ft copper wire from government colony area.

This resulted in loss to government by theft of government copper wire for Rs 208,000 due to weak administrative / supervisory controls.

Audit pointed out the loss in August 2012. The department replied that an inquiry committee was constituted under the supervision of Sub Divisional Officer, Panjnad Headworks Sub Division to probe into the matter. The inquiry was still under process. After finalization of inquiry & in light of the decision, the necessary steps would be taken against the delinquents. The department gave interim reply.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter was under inquiry. The Committee directed the department that inquiry be finalized as soon as possible. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the loss.

(DP. 333)

4.4.3 Undue financial aid due to non-obtaining of performance / additional performance security- Rs 491.152 million

According to clause 07 of contract agreement, the contractor shall provide performance security @ 5% of accepted cost within 15 days of acceptance letter and as per notification issued by the F.D vide No RD (TECH) F.D 1-25/83 (VI) (P) dated 06.04.2005, if contractor quotes his rates below 5% the estimated cost additional performance security at the percentage equivalent to the percentage on which tender is accepted shall be obtained from the contractor(s).

4.4.3.1 The Executive Engineer Chakbandi Division Lahore, accepted tender of a work amounting to Rs 388.235 million against estimated cost of Rs 652.809 million but did not obtain performance and additional performance security.

This resulted in non-obtaining of performance / additional performance security amounting to Rs 283.985 million due to weak financial controls.

Audit pointed out the issue in October 2012. The department replied that additional performance security had also been taken from the Government contractor in the shape of Bank Guarantee which has expired. Reminder has been issued to contractor to deposit the amount in cash or provide the Bank Guarantee from any Scheduled Bank. The reply was not accepted as additional performance security was to be revalidated before expiry date. Moreover, amount deducted on account of performance security was not got verified.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Committee directed to recoup the reduced amount of Rs 376.762 million in the shape of performance bond from any Scheduled Bank within 30 days. But no progress was reported by the department till finalization of this report.

Matter needs to be investigated besides effecting recovery of performance / additional performance security.

(DP. 522)

4.4.3.2 The Executive Engineer, Development Division No.VI, Fateh Jang awarded three works "Construction of Shahbazpur dam, Sadrial Dam, and Tajabara Dam" to contractors ranging from 13.90% to 33.29% below the Technical Sanctioned Estimate but 5% performance securities of Rs 15.628 million and additional performance security amounting to Rs 63.165 million respectively (total Rs 78.793 million) was not obtained from contractors as per contract clauses.

Weak financial and supervisory control(s) resulted in undue financial benefit to the contractors for Rs 78.793 million.

Audit pointed out this lapse during February 2012. The department replied that the projects were awarded to contractors and got executed by Small Dams Division, Islamabad and later on transferred to this division. The reply was evasive as all the works were still incomplete due to execution problems. The department extended the undue financial benefit by not adhering to the contract clauses.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter had already been under inquiry. The Committee directed to complete the inquiry within 60 days.

No compliance of Committee's directive was reported till finalization of this report.

The matter needs to be investigated for fixing responsibility against the officials responsible besides immediate obtaining of valid performance guarantee.

(DP. 64)

4.4.3.3 Examination of acceptance letter of Rehabilitation of Lower Jhelum Canal System RD 49+852 to 196+830 disclosed that the work was allotted at a cost of Rs 891million during December 2005 but department did not obtain performance guarantee in the shape of bank's guarantee or in cash @ 5% of the contract cost as warranted by the Finance Department Notification dated 6th April 2005. It was observed that contractor did not furnish performance guarantee but the department allotted another work to the same contractor.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 44.550 million to the contractor against the public interest.

Audit pointed out the unjustified financial benefit to the contractor in March 2012. The department intimated that the detailed reply would be furnished after consultation of record. The reply being evasive was not agreed because all the record was available with the department and audit observation was discussed in detail with the department but no satisfactory justification was given.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter had been referred to higher authorities for conducting inquiries and fixing responsibility. The Committee directed to complete inquiry within 15 days. No compliance of the Committee's directive was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the officer(s) concerned for payment besides recovery thereof.

(DP. 158)

4.4.3.4 Examination of acceptance letter of Rehabilitation of Shah Pur Branch Canal System RD 0+000 to 261+500 disclosed that work was allotted at a cost of Rs 826.144 million during September 2007 but did not

obtain performance security in the shape of bank guarantee or in cash @ 5% of the contract cost as warranted by the Finance Department notification dated 6th April 2005.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 41.307 million (826.144 x 5%) to the contractor.

Audit pointed out the irregularity in March 2012. The department replied that detailed reply would be furnished after consultation of record. The reply, being evasive, was not accepted because all complete record was available with the department and audit observation was discussed in detail with the department but no satisfactory justification was given.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department replied that performance security had been recovered from the contractor through IGI insurance company. The Committee did not agree with the departmental view point and directed to get the bank guarantee from scheduled bank and get it verified from Audit within 30 days. No compliance of the Committee's direction was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the officers concerned besides effecting recovery.

(DP. 494)

4.4.3.5 The Executive Engineer, Ahmed Pur Canal Division, Ahmed Pur awarded work to a contractor at 18.18 % below estimated cost put to tender but performance security in the shape of bank guarantee or in cash was not provided by the contractor.

This resulted in undue financial benefit to the contractor for Rs 19,560,724 million due to weak supervisory and financial controls.

Audit pointed out the issue in September 2012. The department replied that the contractor submitted their rate for the said work at 18.18 % below. The project consisted of 2 No ponds. Work on 1st pond started after issuance of acceptance, and performance security of 1st pond was taken from the contractor, but the work on 2nd pond was not started as the proposed site was water logged due to heavy rains during 2010. The site on 2nd pond was shifted to new sanctioned site, so the work started after completion of 1st pond. The performance security of 1st pond was available

in this division since 2010. The reply furnished by the department was not accepted as additional performance security was not obtained and the contractor was unduly benefited.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department reiterated its original stance. The Committee directed that if performance security is valid to date then it may be produced to Audit for verification within 07 days. No compliance of Committee's direction was reported till finalization of this report.

The irregularity needs to be regularized / condoned besides effecting recovery/receipt of additional performance security.

(DP. 410)

4.4.3.6 The Executive Engineer, Layyah Canal Irrigation Division, Layyah awarded work "Extension & Strengthening of Layyah City Flood Protection Bund RD 0+000 to 24+600" to a contractor with agreement amount of Rs 61.501 million against estimated cost of Rs 72.355 million i.e. 15% below the estimated cost but did not obtain performance security in the shape of bank guarantee for Rs 10.854 million.

Weak financial and supervisory controls resulted in undue financial benefit to contractor for Rs 10.854 million.

Audit pointed out irregularity in October 2012. The department did not reply despite issuance of reminders.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department contended that bank guarantee of the same amount has been taken from the contractor. The Committee directed the department to get the record verified by Audit within 30 days. No compliance of Committee's direction was reported till finalization of this report.

Audit recommends that performance security be obtained besides initiating disciplinary action against the person responsible.

(DP. 360)

4.4.3.7 The Executive Engineer, Development Division-IV, Faisalabad allotted a work "Rehabilitation of Jhang Branch Upper RD-184+612 to

211+852 (Package-iv)" to a contractor with agreement amount of Rs 125,152,635 which was 6.75% below the Technical Sanction Estimate amount of Rs 134,216,287. The bid was more than 5% below but the department did not obtain additional performance security.

Weak internal and financial controls resulted in undue financial benefit of Rs 9.064 million to the contractor due to non-obtaining of additional performance security.

Audit pointed out the irregularity in October 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that bank guarantee from Silk Bank was obtained. The Committee disagreed with the department reply and directed to provide bank guarantee from a Scheduled Bank. No compliance of Committee's direction was reported till finalization of this report.

Additional performance security needs to be obtained besides fixing responsibility against the person(s) at fault.

(DP. 396)

4.4.3.8 The Executive Engineer, Layyah Canal Division, Layyah awarded the work "Lining of Heat Disty RD 174+000 to 217+800 Tail" to a contractor with an agreement amount of Rs 75,782,825 to be completed upto 30.06.2013. The department had deducted the total performance security from the contractor through different bills for Rs 750,000 (150,000 + 300,000 + 300,000) instead of obtaining the performance security @ 5% of agreement cost i.e. Rs 3,789,141 (75,782,825 @ 5%).

This resulted in undue financial benefit of Rs 3,039,141 (3,789,141 - 750,000) to the contractor due to weak financial / administrative control.

Audit pointed out the undue benefit in October 2012. The department did not reply the observation.

The matter was discussed in SDAC meeting held on 31.12.2012. Audit informed the Committee that no record was produced for verification. The Committee took a serious view and directed to take action against responsible(s) for non-production of record and also

directed to produce record within 7 days. No compliance was reported till finalization of this report.

Audit recommends that performance security be obtained at the earliest besides initiating disciplinary action against the person responsible.

(DP. 359)

4.4.4 Loss due to non-auction of trees/machinery/material etc - Rs 92.691 million

As per Para No. 4.40 of Public Works Department Code, the surplus stores should be auctioned on book value nearer to market rates after getting sanction of survey report from the competent authority.

4.4.4.1 The Executive Engineer, Panjnad Headworks Division, Panjnad did not make the auction of 10 lots of trees which remained un-auctioned during auction held on 14.09.11. Due to non-auction, these trees were deteriorating & losing their value day by day.

Non-auction of trees resulted in loss of Rs 17,126,982 due to weak administrative and supervisory controls and chances of theft trees were also increasing.

Audit pointed out the loss in August 2012. The department replied that the auction of dead & fallen trees was carried out properly on 14.09.2011 but the auction process remained incomplete due to lesser rates quoted by the contractors / auctioneer. Now, another notice had been got published wherein the auction date was fixed 08.10.2012. The reply was not tenable because department did not make any arrangements for auction despite lapse of considerable period of 12 months due to which government had to sustain loss to the stated extent.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that auction was under process. The Committee directed to complete the process within 60 days. No compliance of DAC directives was reported till finalization of this report.

Audit recommends an early auction and fixing of responsibility upon persons responsible.

(DP. 335)

4.4.4.2 The Executive Engineer, Layyah Canal Division, Layyah did not auction dead and fallen trees Lot No. 1 to 8 in respect of Shisham and Sufaida trees valuing Rs 16,000,000.

This resulted in loss of Rs 16.000 million to the department due to weak financial control.

Audit pointed out the loss in October 2012. The department did not reply the observation.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that auction of surplus/un-serviceable material was in process. The Committee directed to complete the auction process within 90 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends for early auction.

(DP. 358)

4.4.4.3 The Executive Engineer, Machinery Division, Lahore did not auction un-serviceable machinery and old material lying idle and losing value with the passage of time.

Weak supervisory and financial controls resulted in non-auction of unserviceable material worth Rs 12.732 million.

Audit pointed out the non-auction in October 2012. The department replied that the survey report has been approved by the competent authority and reserve price was fixed by the Reserve Price Fixing Committee. After receipt of the approval from the authority, the process would be completed. The reply furnished by the department was not accepted as the material in question was deteriorating day by day and losing its value.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that auction of surplus/un-serviceable material was in process. The Committee directed to complete the process within 90 days.

Audit recommends for early auction and its verification by Audit.

(DP. 519)

4.4.4.4 Executive Engineer, Tubewell Operation Division, Khanpur did not auction various store items lying idle in workshop / store for more than 10 years.

This non-auction resulted in loss of Rs 10,930,384 due to weak administrative and supervisory controls.

Audit pointed out the loss in August 2012. The department replied that auction would be made soon. The reply was not tenable because the department did not auction various items lying idle in store / workshop for more than 10 years.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter of auction was under process. The Committee directed that auction process be completed within 90 days. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends for early auction and its verification by Audit.

(DP. 228)

4.4.4.5 The Executive Engineer, Excavator Division, Faisalabad did not auction 16 high value unserviceable machines for want of survey reports and sanction of competent authority.

This resulted in non-disposal of un-serviceable machinery of Rs 10.364 million due to weak supervisory and financial controls.

Audit pointed out the non-auction of un-serviceable machinery in July, 2012. The department replied that the survey reports of machinery at Sr. No. 1,2,4,5 and 6 were under process for sanction. As regards balance, 11 machines were put for auction but less offer than the reserved price were received. The reply was not acceptable because there was abnormal delay in disposal of the unserviceable machines, which was likely to result in further wear & tear and pilferage of the parts of the machine with the passage of time.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department contended that the requisite machines were put to auction but could not be auctioned due to less bid offered by the

contractors. The Committee directed the department to get the machines auctioned at an early date.

Matter needs to be expedited besides fixing responsibility for delay.

(DP. 542)

4.4.4.6 The Executive Engineer, Kirana Division, Sargodha did not auction thousands of dead and fallen trees lying in the premises of Kirana Division since many years.

As a result of non-auction of trees government revenue of Rs 7.329 million could not be realized due to weak supervisory controls.

Audit pointed out the non-auction in August, 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Department explained that Auction of surplus / unserviceable material was in process. The Committee pended the para till finalization of auction process.

Matter may be investigated and responsibility fixed against the concerned officers besides early auction of trees.

(DP. 382)

4.4.4.7 The Executive Engineer, UJC Division, Jhelum did not auction the huge quantity of dead & fallen trees despite lapse of one year.

This resulted in non-auction of dead and fallen trees worth Rs 4,536,353 due to weak supervisory and internal control.

Audit pointed out the loss in September 2012. The department replied that an auction had already been held during October 2011 but fruitful results were not achieved and fresh process for re-auction was underway. The reply of the department was not tenable because the department did not make any arrangements for auction despite lapse of considerable period of twelve months.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department intimated that auction was in process. The Committee pended the para for early auction.

Matter needs to be investigated and responsibility fixed against the officers besides early auction of trees.

(DP. 537)

4.4.4.8 The Executive Engineer, Bhalwal Irrigation Workshop Division, Bhalwal did not auction scrap lying with the division since long which was deteriorating its value with the passage of time.

Weak supervisory and financial controls resulted in non-auction of scrap material worth Rs 4.190 million.

Audit pointed out the non-auction in October 2012. The department replied that the matter regarding auction of material was under process. On completion of auction process, the scrap material would be auctioned promptly. The reply furnished by the department was not accepted as no progress towards auction was reported so far.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department informed the Committee that auction was in process. The Committee pended the para for early auction.

Audit recommends early auction of the scrap.

(DP. 518)

4.4.4.9 The record of Mailsi Canal Circle, Multan revealed that the unserviceable material worth Rs 3,096,681 was lying un-auctioned for many years in both the divisions under the control of Mailsi Canal Circle but no action was initiated by the circle.

This process resulted in non-auction of unserviceable material for Rs 3,096,681 due to weak administrative control.

Audit pointed out the matter in January 2012. The department replied that some scrap material has been auctioned while the rest was

lying un-auctioned. The reply was not agreed as the produced record was not supporting the reply.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department replied that items valuing Rs 494,829 were put to auction and highest bid was received for Rs 992,200 which was accepted. It was also contended that number of items were counted for by audit twice. The fact was verified & accepted by Audit. The Committee reduced the amount of para to Rs 535,850 with the direction that balance items be auctioned without further loss of time.

Audit recommends that the material be auctioned without loss of time.

(**DP. 337)**

4.4.4.10 The Executive Engineer, UCC Division Marala, Sialkot did not auction thousands of dead and fallen trees fruits trees, unserviceable vehicles, T&P and stock items lying under the supervision of the division since many years.

This resulted in non-auction of Rs 3,091,699 due to weak supervisory and financial controls.

Audit pointed out the non-auction in August 2012. The department replied that the case was under process for approval.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Department explained that auction of surplus / unserviceable material was in process. The Committee pended the para till finalization of auction process.

Matter needs to be investigated and responsibility fixed against the concerned officers besides early auction.

(DP. 557)

4.4.4.11 The Executive Engineer, Bhalwal Irrigation Division, Bhalwal did not auction six (06) un-serviceable vehicles and old material lying idle and deteriorating its value with the passage of time.

Weak supervisory and financial controls resulted in non-auction of unserviceable material worth Rs 1,850,000.

Audit pointed out the non-auction in October 2012. The department replied that the survey reports of the said auction vehicles have already been submitted to the Auction Committee for issuing of condemnation certificates. After receipt of the said certificates and completion of auction process, the un-serviceable vehicles would be auctioned promptly. The reply furnished by the department was not accepted as the material in question was deteriorating day by day and was losing its value.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that auction of surplus/un-serviceable material was in process. The Committee pended the para till finalization of auction process.

Audit recommends that the material be auctioned without wastage of time.

(DP. 515)

4.4.4.12 Audit Scrutiny of the accounts record maintained by the Superintending Engineer, Lower Bari Doab Canal Circle, Sahiwal disclosed that 4842.50 shisham trees were approved for auction of Civil Rest House Talamba by the Circle Office vide letter dated 4.6.2011. The reserve price fixed by the Divisional Forest Officer Chichawatni was Rs 210 per shisham unit. Audit observed that a period of 9 months had been expired but auction was not arranged/ made by the Divisional Officer LBDC, Khanewal nor any direction was issued for the auction by the SE, LBDC Circle, Sahiwal.

Weak supervisory control and non-adherence to the codal procedure resulted in non-auction of wood valuing Rs 1,067,771.

Audit pointed out the loss in April 2012. The department replied that 09 different lots of dead & fallen trees of Mian Channu Sub Division of Khanewal Division LBDC were approved vide letter No.5031 dated 4.6.2011. Executive Engineer, Khanewal Division was directed to put the lots for open auction on 21.9.2011. No bidder quoted rate for dead & fallen trees for lot of Talamba Canal Rest House. Rates of other lots were received and approved by the competent authority. As the timber was available with the department and fresh auction process was underway, hence, there was no loss to the Government. The reply was not tenable because no documentary evidence in support of reply was produced for

verification. A period of nine months had expired but the approved lot was not auctioned which caused loss to the Govt.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department replied that auction was under process. The Committee directed to complete the auction within 30 days. No compliance of Committee's direction was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the person(s) at fault besides auction of approved lot as early as possible and amount realized be deposited into Govt. Head of account.

(DP. 339)

4.4.4.13 The Executive Engineer, Small Dam Division, Jhelum did not auction the unserviceable vehicles which were shown as off road in the divisional record since long.

This resulted in non-auction of unserviceable vehicles due to weak supervisory and financial controls amounting to Rs 0.375.

Audit pointed out the non-auction in September, 2012. The department replied that the auction process would be completed shortly. The reply of the department was not tenable because the auction was required since long but no efforts were made by the department.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Department explained that auction of surplus / unserviceable material was in process. The Committee pended the para till finalization of auction process.

Matter needs to be investigated and responsibility fixed against the concerned officers besides early auction of unserviceable vehicles.

(DP. 553)

4.4.5 Non-recovery/adjustment of amount placed in suspense head - Rs 83.139 million

As per rule 5.7 of Departmental Financial Rules, "Misc. P.W. Advance" is a temporary Head of account which should be cleared either

by payment or recovery in cash or by adjustment during the same financial year.

4.4.5.1 The Executive Engineer, D.G Khan Canal Division, D.G Khan did not recover/adjust Rs 56.018 million placed in Misc. P.W. Advance lying outstanding since long as recoverable from different officials and contractors.

This resulted in non-recovery/adjustment of Rs 56.018 million indicating weak supervisory and financial controls.

Audit pointed out the non-recovery/adjustment in August 2012. The department replied that the amount outstanding against Division/Department/individual officers/officials was being listed for approaching them through letters for depositing the amount outstanding against them. The reply was not satisfactory because no concrete efforts appeared to have been made to clear the same. Further, payments were made without provision of funds and were placed in the suspense head as recoverable from different individuals/bodies.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department stated that efforts were being made to clear the outstanding amounts. The Committee directed for early adjustment. The Committee's directives were not complied with till finalization of this report.

Matter needs to be investigated and responsibility fixed against the concerned officers besides effecting requisite recovery/adjustment.

(DP. 262)

4.4.5.2 The Executive Engineer, Store & Workshop Division Muzaffargarh closed the financial year 2010-11 with heavy balance of Rs 12,809,412 in Form-32 "Schedule of Miscellaneous P.W. Advance" under sub-head "Losses and retrenchment" whereas it should be minimized after clearance.

This resulted in non-clearance of closing balance of Rs 12.809 million.

Audit pointed out the irregularity in February 2012. The department replied that the heavy balance would be reduced in the

subsequent months accordingly. The reply was not agreed because the balance should not be heavy at the end of a financial year.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department replied that due to creation of Flood Monitoring Circle, Multan Store and Workshop Division Muzzafargarh became the successor division of two closed division(s) TOD Muzzafargarh and TOD Kot Adu. The transfer of record of both divisions was under process. The Committee took serious notice of heavy balances and directed to reduce balances immediately along with initiating disciplinary action against responsible. No compliance of Committee's directive was reported till finalization of this report.

The matter needs to be investigated and heavy balance be reduced along with initiating disciplinary action against the concerned.

(DP. 252)

4.4.5.3 The Executive Engineer, Jampur Construction Division, D.G Khan did not recover/adjust Rs 9.316 million placed in Misc. P.W. advances recoverable from different officials / officers.

This resulted in non-recovery/adjustment of Rs 9.316 million which indicated weak supervisory and financial controls.

Audit pointed out non-recovery/adjustment in July 2012. The department did not reply.

During the SDAC meeting held on 25.10.2012, the department intimated that original record had been damaged due to hill torrents flood in 2012. The Committee disagreed with view point of the department and directed to produce relevant record for verification to Audit. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery/adjustment besides fixing responsibility against the concerned officials.

(DP. 276)

4.4.5.4 The accounts record relating to Executive Engineer, Discharge Division, Lahore revealed that the department granted advances to the various officials for conducting various works. These advances should

have been cleared as early as possible but the P.W. Advance register for year 2010-11 depicted the balance amounting to Rs 3.7 million lying outstanding.

This resulted in non-clearance of long outstanding advance amounting to Rs 3.7 million due to weak financial controls.

Audit pointed out the non-recovery in February 2012. The department replied that the efforts were being made to recover/adjust the outstanding balance of P.W. Misc. Advances. The reply of the department was not agreed because an appropriate action of the department was still awaited.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee showed its displeasure and directed that administrative department should intervene in the matter and ensure early adjustment of the advances. No compliance of Committee's directive was reported till finalization of this report.

The matter needs to be investigated and P.W. Advances be adjusted under verification by Audit.

(DP. 35)

4.4.5.5 The Executive Engineer, Ahmed Pur Canal Division, Ahmed Pur did not recover / adjust amount of Rs 1.296 million lying recoverable / adjustable in Miscellaneous P.W. advances since long.

This resulted in non-adjustment of out-turn amounting to Rs 1,295,788 due to weak financial and supervisory control.

Audit pointed out the non-adjustment in September 2012. The department replied that the amount was lying in Misc. PW since 1948 on account of different payments, made through suspense. Since the suspense head has been abolished, their adjustment was pending for want of debiting suspense grant. However, the efforts were being made to clear the amount in the Misc. P.W advance. The reply was not satisfactory because no concrete efforts appeared to have been made to clear the same. Further, payments were made without provision of funds and were placed in the suspense head as recoverable from different individuals/bodies.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee showed its displeasure and directed that administrative department should intervene in the matter and ensure early adjustment of the advances. No compliance of Committee's directive was reported till finalization of this report.

Matter needs to be investigated and responsibility also be fixed against the concerned officers besides effecting requisite recovery/adjustment.

(DP. 414)

4.4.6 Irregular release of interest bearing securities - Rs 58.329 million

As per clause 50 (a) of the contract agreement, the amount retained as security deposit shall not be refunded to the contractor before expiry of 6 months in the case of original work valuing Rs 5 million, and 12 months or even more as may be determined by the Engineer incharge, with the prior approval of the Chief Engineer.

4.4.6.1 Examination of the accounts record of Executive Engineer, Upper Jhelum Canal Development Division, Mandi Baha-ud-Din disclosed that Executive Engineer, Upper Jhelum Canal Development Division released the interest bearing securities of the work "Rehabilitation of Lower Jhelum Canal RD 49+852 - 196+830 (Tail)" awarded to M/s Ch. Engineers Associates Govt. contractor before the expiry of twelve (12) months. The interest bearing securities were released by the Bank on the request of the Executive Engineer but the work was still in progress.

Weak supervisory and financial controls resulted in irregular release of security deposit for Rs 35,721,250.

Audit pointed out the irregularity in March 2012. The department replied that the responsible Executive Engineer has already been punished by the Secretary Irrigation Department Punjab, Lahore. Further, contractor had given undertaking for depositing the amount of security from his payment of work done. The recovery would be made from next coming bill of the contractor. The reply was not tenable because the security was to be retained upto completion of work and Govt. interest could not be put on risk. Further, two works were in running condition and both were

executed by M/s. Chaudhary Engineering Associate. The last bills of both works "Rehabilitation of Lower Jhelum Canal RD 49+852 to 196+830 (tail)" and "Rehabilitation of Shah Pur Canal System RD-0+000 to 261+500" were paid during June 2010. Payments of Rs 1,800,125 and Rs 6,543,884 were made for rehabilitation of Lower Jhelum Canal and Shah Pur Canal System respectively but the outstanding recovery was not adjusted / made by the Executive Engineer in-charge from these bills.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department reiterated its previous stance. The Committee disagreed and directed to recoup security deposit and produce record to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the persons who released the pre-mature security and the recovery be made instead of waiting of release of fund from the Finance Department.

(DP. 118)

4.4.6.2 Examination of the accounts record of Superintendent Engineer, Development Circle, Sargodha disclosed that Executive Engineer, Lower Jhelum Canal Development Division, Sargodha released the interest bearing securities of the works "Rehabilitation of Southern Branch RD 53+000 to 104+300" and "Rehabilitation of Northern Branch Canal System RD 00+000 to 352+145" amounting to Rs 6.110 million and Rs 8.184 million, respectively. The interest bearing securities were released by the Askari Bank Sargodha on the written request of the Executive Engineer dated 30.09.2009 while both the works were still in progress. Moreover, Superintending Engineer, Development Circle, Sargodha in capacity of being supervisory and administrative controller did not take any action.

Weak supervisory and financial controls resulted in irregular release of security deposit Rs 14,294,053.

Audit pointed out the irregularity in March, 2012. The department replied that matter regarding release of security was already reported to the higher authority and inquiry was under process. The decision of the competent authority would be shown to the Audit as and when received. Reply was not tenable because the premature release of security was against the spirit of agreement clause.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter was already under process with the enquiry officer. The Committee directed to complete inquiry within 60 days. No compliance of Committee's direction was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the person(s) who released the pre-mature security besides effecting the recovery of interest bearing security along with interest released to the contractor.

(DP. 206)

4.4.6.3 The Executive Engineer, Development Division No.VI, Fateh Jang released 50% security deposits of the works "Construction of Shahbaz pur dam, Sadrial Dam, and Tajabara Dam" while the works were in progress which were later on abandoned. The premature release of security deposits for Rs 7.61 million resulted in undue benefit to the contractors at the risk of government interest.

Weak internal and financial control resulted in undue financial benefit to the contractors for Rs 7.61 million.

Audit pointed out the premature release of security deposit during February 2012. The department replied that this division had not released any security deposit to any contractor. The reply was not agreed as premature release of securities was not only non-adherence to contract clause but also department had suffered loss as the works were abandoned due to poor execution.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter was already under process with the enquiry officer. The Committee directed to complete inquiry within 60 days. No compliance of Committee's direction was reported till finalization of this report.

The matter needs to be investigated for fixing responsibility against the officials responsible besides immediate obtaining of valid performance guarantee.

(DP. 65)

4.4.6.4 The Executive Engineer, Upper Gogera Division, Sheikhupura allotted a work "Rehabilitation of irrigation channels in the area of farmers organizations" to a contractor for Rs 34,669,245. The work started on 07.04.2010 was to be completed till 24.06.2010 but it was still incomplete. The security deposit for Rs 704,163 was released to the contractor on 12th May, 2012 by the department.

Weak financial control resulted in undue financial benefit to the contractor due to irregular/premature release of security deposit for Rs 704,163.

Audit pointed out matter in November 2012. The department did not reply despite repeated correspondence.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department replied that the security was released as per rules. The Committee did not agree with the departmental view point and directed the department to get the record verified by Audit in 30 days. No compliance of Committee's direction was reported till finalization of this report.

Responsibility for irregularity needs to be fixed.

(DP. 384)

4.4.7 Loss to the government due to allowing unnecessary carriage - Rs 51.697 million

As per specification No.16.5 (Specifications for Execution of works 1967 Volume-I Part-II), carriage/distance shall be measured by the nearest practicable route.

4.4.7.1 The Executive Engineer, Thal Development Division, Mianwali allotted three works relating to Jinnah Barrage to three contractors for carriage of stone. From Sikhanwali quarry, Sargodha, to site of work / lead of 206 and 207 km was paid. Stone was also available at a distance of 121 and 78 km from Chashma Kotla quarry and Musa Khel quarry respectively. Allowing unnecessary extra lead resulted in loss of Rs 35.500 million to the govt.

Weak financial and supervisory control resulted in loss of Rs 35.500 million to the govt.

Audit pointed out the loss in February 2012. The department replied that stone from Sikhanwali quarry Sargodha was used for the work on barrages, flow of river passes through flumed sections due to high density of stone and there was direct and jack hammer load of water on the allied components of barrage. The reply was not agreed because for other works stone of Chashma quarry was also used. Moreover, Secretary Irrigation Department vide his letter No. SO (OP)(I&P)18-26/98 dated 23.09.2000 has levied an embargo to procure stone other than Sikhanwali quarry, Sargodha.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that stone was purchased from Sikhanwali quarry under direction of Chief Engineer vide letter No. 17143-64/201/44/08 dated 10.09.2009. The Committee disagreed with the departmental reply and directed that probe the matter by C.E concerned and report be submitted within 15 days. No compliance of the Committee's directive was reported till finalization of this report.

The loss needs to be recovered besides fixing responsibility against the officer(s) concerned.

(DP. 166)

4.4.7.2 The Superintending Engineer, Thal Canal Circle, Mianwali approved carriage of stone from Sikhanwali quarry to site of work lead 206 km for the work "Recoup Reserve Stock of Stone from Sikhanwali quarry to Jinnah Barrage" and "Recoup Reserve Stock of Stone from Sikhanwali quarry to Jinnah Barrage" @ Rs 2,802.57 % cft and Rs 3,414.14 % cft respectively. The nearest approved quarry from site of work was Musa Khel which was 78 km only. The provision of carriage for 206 km lead from Sikhanwali quarry resulted in loss to Government. Due to allowing excessive lead in the estimate, government sustained a loss of Rs 14.343 million.

Weak administrative and financial control resulted in loss of Rs 14,343,000 to the govt.

Audit pointed out the loss in February 2012. The department replied that the stone from Sikhanwali quarry had been used for the work due to high density of stone. The reply was not convincing as for other works executed at the Barrage, stone was carted either from the Chashma or Musa Khel quarry. Moreover, Secretary I&P Department vide letter

No.SO(OP)(I&P)18-26/98 dated 23.09.2000 has levied an embargo to procure stone other than Sikhanwali quarry.

The matter was also discussed in SDAC meeting held on 20.12.2012. Audit was of the view that Chasma Quarry and Mosa Khel Quarry were the nearest to the site of work hence, stone was to be carted from these quarries instead of Sikhanwali. The Committee directed to probe the matter and submit report within 30 days. No compliance of committee's directive was reported till finalization of this report.

The loss needs to be recovered besides fixing responsibility against person(s) at fault.

(DP. 216)

4.4.7.3 Audit scrutiny of the accounts record disclosed that the Superintendent Engineer, Lower Bari Doab Canal Circle, Sahiwal sanctioned technical estimate for protecting village Dad Baloch, Karam Baloch and Shahmad Baloch against river erosion during flood 2010 for Rs 25.936 million vide No.2490/597-MAC dated 16.4.2011 with carriage of stone lead 190 km from Sikhanwali quarry to the site @ Rs 2,733.30 per % cft based on MRS for first quarter 2011. Audit observed that the lead from Sikhanwali quarry to Noor shah comes to 159 km as approved / provided by the Executive Engineer, Provincial Highway Division, Sahiwal in estimates, Noor shah to the site of work (Dad Baloch was 11 km) i.e. total length 170 km which was to be provided in the technical sanction estimate.

Weak technical and supervisory controls resulted in loss of Rs 1,506,485.

Audit pointed out the loss in April 2012. The department replied that in the estimate carriage of stone from Sikhanwali quarry to site of work with lead of 190 km was sanctioned/ provided on the basis of lead diagram supplied by the Executive Engineer, Sahiwal Division which was verified by Sub Division Officer, Sahiwal as well as Executive Engineer. This required recording of certificates by both the officers regarding its correctness. The lead of 170 km calculated by the Audit was not correct. The reply was not tenable because the Highways Department was the owner of road and as per their measurement the distance from Sikhanwali to Faisalabad was 71 km but Balloki Headworks Balloki was measured and included as 90 km i.e. extra provision of 19 km in the technical sanction estimate.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department replied that in the estimate carriage of stone from Sikhanwali quarry to site of work with lead 190 km was sanctioned/ provided on the basis of lead diagram. The Committee pended the para for vetting the lead diagram from highway department. No compliance of Committee's directive was reported till finalization of this repot.

The matter needs to be investigated and responsibility fixed against person(s) at fault besides recovery of extra lead from the contractor or from the responsible.

(DP. 205)

4.4.7.4 The Executive Engineer, Panjnad Headworks Division, Panjnad in the execution of work "Replenishing apron of Divided wall U/S Panjnad H/works" allotted to the contractor M/s Verp Shah and paid lead for carriage of stone from Sakhi Sarwar quarry to site of work via Karamdad Qureshi, Muzaffargarh, Alipur 212 km @ 2,903.93 per 100 cft. The payable lead came to 175 km from Sakhi Sarwar to site of work via karamdad Qureshi, Jattoi, Permit, Alipur and rate payable was worked out to Rs 2,535.68 per 100 cft as per MRS 1st quarter 2011.

This resulted in overpayment of Rs 437,296 (2,903.93 – 2535.68 = Rs 368.25% cft x 118,750 cft) due to weak financial and technical controls.

Audit pointed out the overpayment in August 2012. The department replied that a letter for necessary recovery had been issued to the contractor as well as the sister Divisions of Irrigation, Bahawalpur Zone, Bahawalpur. On receipt of the response from contractor or any sister division the record would be got verified accordingly. The department admitted the observation.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department admitted the recovery pointed out by Audit. The Committee directed to effect recovery within 60 days. No compliance of DAC directives was reported till finalization of this report.

Matter needs to be investigated besides effecting recovery.

(**DP. 292)**

4.4.7.5 The Executive Engineer, Panjnad Headworks Division, Panjnad, in the execution of work "Providing & Laying shingle on top of bund between RD 35+300 to 47+000 RMB" allotted to the contractor M/s Haji

Abdul Malik paid lead for carriage of stone from Sakhi Sarwar quarry to site of work via Karamdad Qureshi, Muzaffargarh, Alipur 201 km @ Rs 2,868.18 per 100 cft. The payable lead comes to 160 km from Sakhi Sarwar to site of work via Karamdad Qureshi, Jattoi, Permit, Alipur and the rate payable worked out to Rs 2,283.12 per 100 cft as per MRS 1st quarter 2011.

This resulted in overpayment of Rs 410,712 due to weak financial and technical controls.

Audit pointed out the overpayment in August 2012. The department replied that a letter for necessary recovery had been issued to the contractor as well as the sister Divisions of Irrigation, Bahawalpur Zone, Bahawalpur. On receipt of the response from the contractor or sister division the record would be got verified accordingly. The department admitted the audit observation.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department admitted the recovery pointed out by audit. The Committee directed to effect recovery within 60 days. No compliance of DAC directives was reported till finalization of this report.

Audit stresses early recovery from person(s) concerned.

(**DP. 293)**

4.4.8 Unjustified payment without administrative approval / technical sanction estimate - Rs 42.151 million

According to Para No. 2 (ii) of the Government of the Punjab, Finance Department letter No FD(FR)II-2/89 dated 27th March, 1990 during the execution of the work, the specification and quantities of different items approved in the technical sanction estimate shall not be changed without the prior approval of the authority who issued it. Such authority will record reasons for the change, if any.

Secretary Irrigation Department constituted a Committee to investigate site problems at Taja Bara Dam, Shahbazpur Dam & Sadarial Dam. After site visit the Committee submitted interim inspection report in March 2010. Findings of reports pointed out various irregularities committed at site which are highlighted in the succeeding paragraphs.

4.4.8.1 The record available in the office of Executive Engineer, Development Division No.Vl, Fateh Jang revealed that an item of work "Earthwork in ordinary soil for embankment lead up to 100 cft 85% compaction extra lead 400 M" was paid Rs 8,228,754 for 3,252,470 cft @ Rs 2,530 ‰ cft without any justification and approval of the competent authority. This issue was investigated at site and the committee concluded that the payment was made to the contractors through bogus bills.

Weak supervisory and financial control resulted in unjustified payment of Rs 8.22 million.

Audit pointed out the bogus payment in February 2012. The department replied that the para was framed on the basis of the report of the Committee which was under discussion / finalization. The reply was not accepted because the report was not finalized as yet. Moreover, the site was physically inspected by the committee comprising of Superintending Engineer Neli Bar Circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer, Development Division No. VI Fateh Jang and Project Manager ADP. The consultant and committee declared excess payment of Rs 8.22 million as bogus.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied the case was subjudice. The Committee directed to pend the para till decision by the court.

The matter needs to be investigated for fixing responsibility against the officials responsible besides effecting recovery. The court case may be pursued vigorously.

(DP. 56)

4.4.8.2 The record available in the office of the Executive Engineer, Development Division No.VI, Fateh Jang disclosed that provision in the Technical Sanction Estimate of Reinforcement Cement Concrete pipe for 18" dia was 1600 rft and 30" dia 9415 rft while the payment for 6,120 rft dia 18" and 4100 rft 30" dia PRCC pipe was made to contractor without approval from the competent authority. Payment for PRCC pipe instead of RCC pipe was made to give undue benefit to the contractor because PRCC pipe is a non-schedule item. Due to excessive measurement and change of specification, an amount of Rs 6.643 million was paid without approval of the competent authority.

Weak technical and financial controls resulted in excess payment for Rs 6.643 million.

Audit pointed out the excess payment in February 2012. The department replied that the para was framed on the basis of the report of the Committee which was not finalized. Reply was not tenable as excess payment was highlighted by the committee comprising of highly technical members on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied the case was subjudice. The Committee directed to pend the para till decision by the court.

The matter needs to be investigated for fixing responsibility against the officials responsible besides effecting recovery. The court case may be pursued vigorously.

(**DP. 61)**

4.4.8.3 The record available in the office of the Executive Engineer, Development Division No.Vl, Fateh Jang disclosed that items of work "stone or spawl filling on slopes" and "stone pitching on top" were paid to the contractor with carriage lead of 50 km but it was not carried out from approved source rather inferior local quality of stone excavated from spillway area was used in stone pitching work. Moreover, thickness of stone was measured at four different points i.e. 12", 17", 14", and 8" respectively against the approved design thickness of 24".

Weak internal control resulted in bogus payment of Rs 5.427 million.

Audit pointed out the excess payment during February 2012. The department replied that the para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not agreed as excess payment was highlighted by the Committee comprising of highly technical members on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied the case was subjudice. The Committee directed to pend the para till decision by the court.

The matter needs to be investigated for fixing responsibility against the officials responsible besides effecting recovery. The court case may be pursued vigorously.

(DP. 63)

4.4.8.4 The record available in office of the Executive Engineer, Development Division No.V1, Fateh Jang disclosed that an item of work "Excavation in medium rock in spillway and in irrigation channel" was paid beyond approved technical sanction estimate.

Weak technical and financial control resulted in excess payment to contractor for Rs 5.39 million.

Audit pointed out the excess payment during February 2012. The department replied that the para was framed on the basis of report of the committee which was under discussion/finalization. The reply was not agreed as excess payment was highlighted by the committee comprising of highly technical members on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department replied the case was subjudice. The Committee directed to pend the para till decision by the court.

The matter needs to be investigated besides fixing responsibility against the officials. The court case may be pursued vigorously.

(DP. 279)

4.4.8.5 The record available in office of the Executive Engineer, Development Division No.V1, Fateh Jang disclosed that the item "Random fill 5 km lead" as approved in the estimate was changed as 01 km but the payment was made for the lead of 5 km lead instead of actual lead i.e. 01 km.

Weak technical and financial control resulted in excess payment to contractor of Rs 4.590 million.

Audit pointed out the excess payment during February 2012. The department replied that the Para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not acceptable as excess payment was highlighted by Committee comprising of highly technical members on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter was under trial in honorable court of law. The Committee pended the para till decision by the court.

Matter needs to be investigated for fixing responsibility against the officials responsible besides effecting recovery of loss.

(DP. 278)

4.4.8.6 The record available in the office of Executive Engineer, Development Division No.Vl, Fateh Jang disclosed that an item of work borrow area was changed and earth for making embankment was brought from 04 km near Bukhwal village instead of approved borrow area near Sadrial village at 12 km distance. The rate of 12 km was unnecessarily provided in estimate and was paid accordingly instead of actual lead for 4 km.

Weak internal and financial control resulted in overpayment to contractor Rs 3.525 million.

Audit pointed out the excess payment during February 2012. The department replied that the para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not agreed as excess payment was highlighted by Committee comprising of highly technical members on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 25.10.2012. The matter was subjudice. Hence, the para was kept pending till the decision by the court.

The matter needs to be investigated for fixing responsibility besides effecting recovery.

(**DP. 62)**

4.4.8.7 The record available in the office of Executive Engineer, Development Division No.V1, Fateh Jang disclosed that an item of work "Earthwork in ordinary soil for embankment compacted 95 to 100% with 5 km lead" was provided @ Rs 3720 ‰ cft, whereas it was brought from 1 km lead admissible @ Rs 2,830.60 ‰ cft. It was executed for 3,877,327 cft and paid at the rate for 5 km instead of 1 km.

Weak supervisory and financial controls resulted in excess payment for Rs 2,405,494.

Audit pointed out the excess payment in February 2012. The department replied that the para was framed on the basis of the report of the Committee which was under discussion/finalization. The reply was not agreed as the site was physically inspected by the committee comprising of Superintending Engineer Neli Bar circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer, Development Division No.V1, Fateh Jang and Project Manager ADP. The consultant and Committee declared excess/ bogus payment of Rs 2.405 million.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter was under trial in honorable court of law. The Committee pended the para till decision by the court.

The matter needs to be investigated for fixing responsibility against the official(s) responsible besides effecting recovery.

(**DP. 191)**

4.4.8.8 The record available in the office of Executive Engineer, Development Division No.Vl, Fateh Jang disclosed that an item "Carriage of 100 cft all material like stone, aggregate carriage of 46 km" was paid for 199,206 cft @ Rs 627 % cft for Rs 1,249,022. The Committee observed that all the stone was brought from 4 km distance admissible @ Rs 149.39% cft. It was also observed that stone pitching was executed in average thickness for 19" (18"+18"+20"/3) against paid thickness for 24". Hence excessive lead for 42 km and excessive thickness for 5 was paid for.

Weak technical and financial control resulted in excess payment of Rs 1.312 million.

Audit pointed out the excess payment during February 2012. The department replied that the para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not tenable as site was physically inspected by the committee comprising of Superintending Engineer Neli Bar circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer Development

Division No.VI Fateh Jang and Project Manager ADP. The consultant and committee declared it excess payment of Rs 1,311,918.

The matter was also discussed in SDAC meeting held on 25.10.2012. The matter was subjudice in the court. Hence the para was kept pending till the decision by the court.

The matter needs to be investigated for fixing responsibility against the officials responsible and recovery effected. The court case may be pursued vigorously.

(**DP. 60)**

4.4.8.9 The record available in the office of the Executive Engineer, Development Division No.V1, Fateh Jang disclosed that an item of work "Earthwork excavation extra lead 1000' including dressing and leveling" was paid for 3,198,386 cft @ Rs 400 ‰ cft for Rs 12,79,354 whereas at site no such extra lead was observed.

Weak technical and financial control resulted in un-justified/bogus payment for Rs 1.279 million.

Audit pointed out the un-justified payment during February 2012. The department replied that the para was framed on the basis of report of the committee which was under finalization. The reply was not tenable as site was physically visited by the committee consisting of Superintending Engineer Neli Bar Circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, and Executive Engineer Development Division No. V1 Fateh Jang and Project Manager ADP Consultant and committee declared it excess/ bogus payment of Rs 1.279 million.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter is under trial in honorable court of law. The Committee pended the para till decision by the court.

Audit recommends getting the matter investigated for fixing responsibility besides effecting recovery.

(**DP. 282)**

4.4.8.10 The record available in office of the Executive Engineer, Development Division No.V1, Fateh Jang disclosed that an item of work "excavation in medium hard rock lead 100 ft, soft rock lead 500 ft and

excavation in shingle or gravel formation and rock lead 100 ft" was paid beyond the provision of approved technical estimate.

This resulted in overpayment of Rs 1.24 million to the contractor due to weak supervisory control.

Audit pointed out the excess payment during February 2012. The department replied that the para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not tenable as committee comprising of highly technical members declared it overpayment on the basis of physical verification.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated the Committee that matter was subjudice. The Committee pended the para till decision by the court.

The matter needs to be investigated for fixing responsibility against the officials responsible besides effecting recovery.

(DP. 316)

4.4.8.11 The record available in the office of Executive Engineer, Development Division No.VI, Fateh Jang disclosed that the items of work "P/L stone or spawl filling on slope" and "Carriage of 100 cft all material like stone, aggregate spawl" were paid for 74,702 cft @ Rs 710.15 % cft and 627 % cft for Rs 530,494 and Rs 468,382 respectively. During site visit, the said committee observed that spawl was not laid under the stone pitching. Thus, payment made for Rs 998,382 on account of unexecuted items was unjustified.

Weak technical and financial control resulted in unjustified payment for Rs 998,382.

Audit pointed out the bogus payment during February 2012. The department replied that the para was framed on the basis of report of the Committee which was under discussion/finalization. The reply was not tenable as site was physically inspected by the committee comprising of Superintending Engineer Neli Bar circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer Development Division No.VI Fateh Jang and Project Manager ADP. The consultant and Committee declared excess payment of Rs 998,382 as unjustified.

The matter was also discussed in SDAC meeting held on 25.10.2012 during which it was intimated that the matter was subjudice. Hence the para was kept pending till the decision by the court.

Audit recommends getting the matter investigated for fixing responsibility besides effecting recovery.

(**DP. 59)**

4.4.8.12 The record available in the office of Executive Engineer, Development Division No.Vl, Fateh Jang disclosed that an item of work "Bailing out water by pumps" was paid for 5,150,250 cft @ Rs 160.85 for Rs 828,418. The Committee observed that steep slope of Nullah existed at dam site so there was no question of pumping water in the lake before construction of coffer dam. The payment made on this account for Rs 828,428 was unjustified/excess.

Weak technical and financial control resulted in unjustified/excess payment for Rs 828,418.

Audit pointed out the unjustified payment during February 2012. The department replied that the para was framed on the basis of report of the committee which was under discussion/finalization. The reply was not tenable as site was physically visited by the committee consisting of Superintending Engineer Neli Bar Circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer Development Division No.VI Fateh Jang and Project Manager ADP. The consultant and committee declared it excess payment of Rs 828,418.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter was subjudice. Hence, the Committee kept the para pending till the decision by the court.

The matter needs to be investigated and recovery be effected besides fixing responsibility against the responsible officials. The court case may be pursued vigorously.

(DP. 57)

4.4.8.13 The record available in the office of Executive Engineer Development Division No.VI, Fateh Jang disclosed that an item “Excavation in medium hard rock, requiring occasional blasting” was paid for 73,410 cft @ Rs 400 ‰ cft to the tune of Rs 294,480 under head

"Construction of Coffer Dam". The site of coffer dam was inspected by the committee and observed that there were no hard strata available at site. So payment for the said item was unjustified.

Weak technical and financial controls resulted in unjustified and bogus payment of Rs 294,480.

Audit pointed out the unjustified payment in February 2012. The department replied that the para was framed on the basis of report of the committee which was under discussion/finalization. The reply was not tenable as site was physically inspected by the committee comprising of Superintending Engineer Neli Bar circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer Development Division No.VI, Fateh Jang and Project Manager ADP. The consultant and the Committee declared the excess payment of Rs 294,480 as bogus.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter was subjudice. Hence, the Committee kept the para pending till the decision by the court.

The matter needs to be investigated and recovery be effected besides fixing responsibility against the officials responsible. The court case be pursued vigorously.

(DP. 55)

4.4.9 Loss to Government due to non-ejectment of unauthorized occupants of government residences and non-recovery of house rent - Rs 20.356million

As per rule 2.33 of Punjab Financial Rules 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, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant subordinate to him.

4.4.9.1 The Executive Engineer, Tubewell Operation Division (TOD), Khanpur neither ejected the unauthorized occupants from government residences situated in TOD, Khanpur sub division colony at Ahmadpur / Allahabad nor recovered any house rent from them who had illegally occupied those residences for the last 07 years.

Non-ejectment of unauthorized occupants of government residences and non-recovery of house rent resulted in loss to government for Rs 9,324,000 due to weak administrative and supervisory and financial controls.

Audit pointed out the loss / non-recovery in August 2012. The department replied that efforts were being made to vacate the Allahabad WAPDA SCARP Colony from the unauthorized persons. The department admitted that Allahabad WAPDA SCARP Colony was under the possession of unauthorized occupants and notices had been issued to them by the department.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that matter was under inquiry. The Committee directed that enquiry be finalized and residences be got vacated from illegal occupants as soon as possible and government dues be recovered. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery and ejectment of unauthorized occupants.

(**DP. 229)**

4.4.9.2 The Executive Engineer, Tubewell Operation Division, Khanpur neither ejected the unauthorized occupants of government residences situated in TOD, Khanpur colony in Khanpur city nor recovered any house rent from them who had illegally occupied these residences for the last 10 years.

Non-ejectment of unauthorized occupants of government residences and non-recovery of house rent resulted in loss to government for Rs 4,266,000 due to weak administrative / supervisory and financial controls.

Audit pointed out the loss / non-recovery in August 2012. The department replied that the WAPDA left the control of colony without proper handing it over to Irrigation Department. Now the WAPDA was asked to make recovery from the officials as per prescribed rate. Notices were being served to unauthorized occupant, including WAPDA SCARP employees. The reply was not tenable because WAPDA SCARP Project

had been completed and since then colony was under the control of XEN, Tubewell Operation Division, Khan Pur and notices had also been issued to the un-authorized occupants by the department.

The matter was also discussed in SDAC meeting held on 20.12.2012. The department intimated that effort are being made to get vacated Government Accommodations from illegal occupants. The Committee directed that recovery of rent be made from concerned. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery of house rent and ejectment of unauthorized occupants.

(DP. 227)

4.4.9.3 The record scrutiny of Drainage Division, Mandi Baha-ud-Din disclosed that two sets of canal rest house TOD colony Mandi Baha-ud-Din were occupied by the police department w.e.f 21.07.2005. Executive Engineer neither recovered the rent nor the police vacated the rest house inspite of the billing as per rule.

This resulted in non-recovery of rent for Rs 2,632,520 due to weak supervisory and financial controls.

Audit pointed out the non-recovery in March 2012. The department replied that concerned sub divisional officer has been directed to pursue the case and submit report. No further progress was communicated.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee directed that C.E concerned should intervene into the matter and resolve the issue within 30 days. The Committee directed for early recovery from the concerned quarters besides fixing responsibility against the responsible(s). No compliance of the Committee's direction was reported till finalization of this report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP. 155)

4.4.9.4 The record scrutiny of Chief Engineer, Irrigation Zone, Multan for the year 2007-08 to 2010-11 disclosed that two rest houses at Mailsi and Lali Pur were occupied by the police department. Chief Engineer had written to regional police officer for rent but no response was received.

This resulted in non-recovery of rent for Rs 1,673,160.

Audit pointed out the non-recovery in February 2011. The department replied that letter had been written to Regional Police Officer for recovery but the same was not yet received. The reply was not agreed because no progress was reported till finalization of the report.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department replied that efforts were being made to recover the said amount. No compliance of Committee's directive was reported till finalization of this report.

The Audit recommends early recovery of rent.

(DP. 197)

4.4.9.5 Record of the Drainage Division, Mandi Baha-ud-Din disclosed that officers/officials of other departments were residing illegally in the canal colony Mandi Baha-ud-Din. The deductions of house rent allowance and 5% repair and maintenance charges for the year 2010-11 was not on record.

This resulted in loss to the government for Rs 611,040.

Audit pointed out the matter in March 2012. The department replied that concerned sub divisional officer has been directed to pursue the case and report, the reply was not agreed to because the department did not take care of mis-use of the government residences and did not take timely action.

The Para was discussed in SDAC meeting held on 31.12.2012. The department replied that recovery has since been made from occupants. The Committee pended the para for detailed verification within 07 days but no record was produced by the department till finalization of this report.

Audit recommends that the case be taken up at higher level for recovery of government dues.

(DP. 493)

4.4.9.6 The Executive Engineer, D.G Khan Canal Division, D.G Khan did not recover rent @ Rs. 50,000 per month (for 8 months) from the contractor working on construction of Medical College at D.G Khan using residence of Sub Divisional Officer as his camp office and storage for his construction material.

This resulted in non-recovery of rent Rs 400,000 from the contractor due to weak financial and supervisory controls.

Audit pointed out the non-recovery in July 2012. The department replied that letter for recovery of rent had been written to the concerned division of Building Department. The reply was not tenable because no recovery was made so far.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department intimated that matter of recovery was under process with concerned division. The Committee pended the para for recovery. No progress towards recovery was reported by the department till finalization of this report.

Matter needs to be investigated besides effecting recovery

(DP. 290)

4.4.9.7 Audit scrutiny of the accounts record of the Superintendent Engineer LJC Circle, Sargodha disclosed that Yakhuwala canal rest house Chiniot was illegally occupied by the police since 26.02.2011 to date. The department did not recover the rent of two rooms @ Rs 500 per room per day from the unauthorized occupants of police department. Serious efforts were required to vacate the unauthorized occupation of rest house from the police.

Weak administrative control resulted in non-vacation of rest house and non-recovery of Rs 375,000.

Audit pointed out the non-recovery in March 2012. The department replied that the recovery of rent for occupation of Yakuwala Rest House would be made after reconciliation of final charges on this account. Reply was not tenable as no concrete efforts were made to recover the government dues and for vacation of rest house.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee directed to move the case to Administrative

Department for early vacation and recovery. No compliance of Committee's directive was reported till finalization of this report.

The matter needs to be investigated, responsibility fixed against the person(s) at fault besides recovery.

(DP. 132)

4.4.9.8 The Executive Engineer, Store & Workshop Division, Sheikhupura, allotted the government accommodation/residence vide letter No.403-4, dated 18.2.1999 of SDO Residence (Grade-17 Residence) to Sub-Engineer Mr. Muhammad Shafique. The department did not deduct the house rent allowance and 5% house rent charges from the allottee as evident from the Salary Slip.

Weak supervisory and managerial controls resulted in non-recovery of house rent allowance and 5% house rent charges of Rs 341,550.

Audit pointed out the non-recovery in November 2012. The Department did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders. This shows slackness towards obligations, because the management did not show any interest towards timely response/reply to the audit observation.

The para was discussed in SDAC meeting held on 31.12.2012. The Committee directed for recovery but no progress towards recovery was shown by the department till finalization of this report.

Audit recommends recovery of the due amount from the responsible.

(DP. 486)

4.4.9.9 The Executive Engineer, Drainage Division, Mandi Baha-ud-Din did not recover the effluent charges @ Rs 11,000 per cusec per year from the different agencies for the financial year 2010-11 against the disposal of sewerage into the drains.

This resulted in non-recovery of effluent charges of Rs 286,000 due to weak administrative and supervisory controls.

Audit pointed out the non-recovery in March 2012. The department replied that concerned Sub-Divisional Officer has been directed to contact the concerned agencies for recovery. No further progress was communicated yet.

The matter was also discussed in SDAC meeting held on 20.12.2012. The Committee pended the para for recovery within 30 days. The department intimated the recovery will be made as soon as possible. No progress towards recovery was reported till finalization of this report.

Audit recommends early recovery of rent.

(DP. 275)

4.4.9.10 The Executive Engineer, Store & Workshop Division, Sheikhupura on 11-08-2011 but Government accommodation / Residence at Civil Quarters Tufail Shaheed Road, Sheikhupura, was not vacated by the officer. The Department neither recovered the 60% Penal Rent nor any effort was made to vacate the Residence, in violation of Rules ibid.

Weak supervisory and managerial controls resulted in non-recovery of 60% penal rent for Rs 263,412.

Audit pointed out the non-recovery in November, 2012. The Department did not furnish any reply even after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was discussed in SDAC meeting held on 31.12.2012. The Committee directed for recovery but no progress towards recovery was reported by the department till the finalization of this report.

Audit recommends the recovery of the due amount from the responsible.

(DP. 488)

4.4.9.11 The Executive Engineer, Panjnad Headworks Division, Panjnad did not recover the house rent allowance from different government employees who were residing illegally in Canal Colony, Panjnad Headworks Panjnad for the last six years.

Non-recovery of house rent resulted in loss to government to the extent of Rs 182,604 due to weak administrative / supervisory and financial controls.

Audit pointed out the loss in August 2012. The department replied that an inquiry committee was constituted under the supervision of Sub Divisional Officer, Panjnad Headworks Sub Division, to probe into the matter. The inquiry was still under process. After finalization of inquiry & in light of the decision, the necessary steps would be taken against the concerned but no progress had been reported.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department stated that matter was under inquiry. The Committee directed to complete inquiry within 30 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery of loss from the concerned officials.

(DP. 334)

4.4.10 Loss due to execution of below specification work, less recovery/ negligence etc. - Rs 19.512 million

As per Rule 2.33 of Punjab Financial Rules Vol-I, every government servant is personally held responsible for the loss sustained by the Govt. due to his negligence.

4.4.10.1 Audit scrutiny of 26th running bill pertaining to Rehabilitation of Lower Jhelum Canal RD 49+852 to 196+830 (tail) disclosed that the Executive Engineer, Upper Jhelum Canal Development Division, Mandi Baha-ud-Din made payment for work done upto the extent of Rs 727.457 million against the agreed cost of Rs 891.000 million upto June 2010. The Superintending Engineer, Jhelum Canal Circle, Sargodha constituted a Committee to verify the work done and damaged work. The Committee examined the accounts record as well as work done at site and reported that the work amounting to Rs 16,400,554 was not according to specification and was damaged at site. Audit observed that Executive Engineer, Upper Jhelum Canal Development Division, Mandi Baha-ud-Din neither got rectified the damaged work nor recovered the cost of damaged work.

Weak supervisory and financial controls resulted in loss of Rs 16,400,554.

Audit pointed out the loss in March 2012. The department replied that the detailed reply would be furnished after consultation of record. The reply being evasive was not agreed because complete record was available with the department and audit observation was discussed in detail with the department but no satisfactory justification was given.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department neither attended the meeting nor produced any record for verification. The Committee directed to effect recovery and take action against responsible(s). No compliance of the Committee's directive was reported till finalization of this report.

The matter needs to be investigated and responsibility fixed against the officers concerned for payment besides effecting recovery.

(DP. 120)

4.4.10.2 The Executive Engineer, Khushab Canal Division, Khushab did not make recovery on account of supply of water on revised rates issued by the Section Officer (Revenue), Government of Punjab, Irrigation Department's Notification No. SO(REV)2-19/2000 dated 26.01.2000 @ 10% increase on the existing water rates prescribed through previous Notification No. SO(Rev) I&P 2-19/86-72 dated 19.05.1996 w.e.f. kharif 1999.

This resulted in loss of Rs 2,900,982 due to weak supervisory and financial controls due to supply of water on the previous rate.

Audit pointed out the loss in November, 2012. The department replied that the notification dated 26.01.2000 related to rate for bulk supply for filling of tank for industry and Railways. This could not be applied on the Soda Ash Plant (Olympia Chemical Ltd.). The reply of the department was not tenable as there was no distinction in the notification dated 26.01.2000 that it would apply only on filling of tank.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that recovery was made as per order of Secretary Irrigation Department. Audit intimated that as per order of Secretary Irrigation dated 26.01.2000 recovery became due. The

Committee accepted view point of Audit and directed to recover the amount from concerned. No compliance of Committee's direction was reported till finalization of this report.

Recovery needs to be effected and responsibility fixed against the concerned officers for the lapse.

(DP. 563)

4.4.10.3 The record of Executive Engineer, Store & Workshop Division, Sheikhupura disclosed that the Fitter (Mr. Arif Arshad) retired on 05.02.2010 and withdrew the salary after the retirement w.e.f. 5.2.2010 uptill 28.2.2011 as evident from service book and Executive Engineer letter No.201, dated 29.4.2011. No government servant can draw salary after the date of superannuation / retirement.

Weak supervisory and financial controls resulted in loss of Rs 210,000.

Audit pointed out the irregularity in November 2012. The department did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department admitted recovery from the gratuity/pension of the official. The Committee directed to effect recovery besides action against the Executive Engineer and Divisional Accounts Officer. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends inquiry of the matter and fixing the responsibility against the concerned officers/officials besides effecting recovery.

(DP. 484)

4.4.11 Unjustified/bogus payment due to unnecessary change of site and design of spillway - Rs 13.972 million

According to instruction No.7 printed on overleaf of the Measurement Book, all payments for works or supplies are based on the quantities recorded in the MB. It is incumbent upon the person taking the measurements to record the quantities clearly and accurately. Further, in

terms of Para 4.5(5) of B&R Department Code "every officer making or ordering payment on behalf of Govt. should satisfy himself that work has been actually done in accordance with the bill submitted for the payment".

4.4.11.1 The record available in the office of Executive Engineer, Development Division No.VI, Fateh Jang disclosed that rocks at the downstream of original site of spillway appeared to be very hard and sound and there was no chance of washing out the dam. In the original design sufficient provisions were made to check the washing out downstream site of dam. By changing the design and site of the spillway, bogus payment for Rs 13.765 million was made.

Weak technical and financial control resulted in bogus payment for Rs 13.765 million to the contractor.

Audit pointed out the bogus payment during February 2012. The department replied that the para was framed on the basis of report of the committee which was under discussion/finalization. The reply was not tenable as site was physically inspected by the committee comprising of Superintending Engineer Neli Bar Circle, Sahiwal, Executive Engineer, Small Dams Division Islamabad, Executive Engineer Development Division No.VI Fateh Jang and Project Manager ADP. The consultant and committee declared it unjustified / bogus payment of Rs 13.765 million.

The matter was also discussed in SDAC meeting held on 25.10.2012. It was intimated that matter was subjudice in the court of law. The para was kept pending by the Committee till the decision of the court.

The matter needs to be investigated for fixing responsibility besides effecting recovery.

(**DP. 58)**

4.4.11.2 Scrutiny of record of P.M.O of PISIP revealed that the item of work cement concrete lining using washed, screened and spaded stone in bed ratio 1:2:4 and slope 1:2 was executed but the quantity of filling of expansion joints was not recovered.

Weak supervisory and financial controls resulted in non-recovery of Rs 207,436.

Audit pointed out the non-recovery in February 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that out of Rs 207,436 an amount of Rs 18,800 had been recovered which was verified by Audit. The Committee directed that balance amount of Rs 198,808 may be recovered within 30 days positively. No compliance of Committee's directive was reported till finalization of this report.

The matter needs to be investigated for fixing responsibility besides ensuring recovery.

(DP. 47)

4.4.12 Overpayment due to allowing final payment at inadmissible percentage - Rs 9.537 million

According to Para (V) of Finance Department Notification No.RO(Tech)FD-1-2/83-VI dated 29th March 2005, the final cost of tender/payment shall be the same percentage above/below the amount of revised sanction estimate as it was at the time of approval of the tender, so as to pre-empt excess payment.

4.4.12.1 The Executive Engineer, Fordwah Canal division, Bhawal Nagar made payment to a contractor at 9.97 % above estimate cost put to tender instead of admissible percentage at 4.33 % quoted by the contractor.

This resulted in overpayment of Rs 5.943 million to the contractor due to weak financial controls.

Audit pointed out the overpayment in September 2012. The department replied that difference in quantities was due to site requirement and the payment was made as per estimate sanctioned by the competent authority. The reply furnished by department was not accepted because the department could not maintain the original percentage quoted by the contractor.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department replied that payment has been made as per provision of the estimate. The Committee directed the department to produce the record for verification to Audit within 30 days. No

compliance of Committee's directives was reported till finalization of this report.

Recovery needs to be made from the concerned.

(DP. 465)

4.4.12.2 The Executive Engineer, UJC Division, Gujrat made payment to a contractor @ 5.3% below estimated cost put to tender instead of admissible percentage of 15.09% below.

This resulted in overpayment of Rs 3,593,828 due to weak supervisory and financial controls.

Audit pointed out the overpayment in September 2012. The department replied that no excess was paid in the final bill. The reply of the department was not tenable as the payment was being made @ 5.32% below estimated cost instead of 15.09% originally quoted by the contractor.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Department explained that payment made to contractor was well within permissible limit. The Committee did not agree with departmental view point and directed to produce the record to Audit for verification but no record was produced upto finalization of this report.

Recovery needs to be effected besides fixing responsibility against the officers concerned for negligence.

(DP. 533)

4.4.13 Overpayment due to execution of excess quantities carrying higher rates - Rs 4.984 million

As per central clause 47-A if a contractor quotes disproportionate rates in his tenders, which deviate from the rates provided in the technical sanction estimate, the payment of the item whose rates are lower will be made at the rates depicted in the estimate on the execution of such item the balance payment shall be withheld till completion of the project.

4.4.13.1 The Executive Engineer, Kot Adu Canal Division, Kot Adu did not make the recovery from the contractor for the item which was not executed at all. This was the only item due to which the total cost of his

tender was reduced from 5.94% to 4.49% above technical sanction estimate.

Non-execution of item resulted in non-recovery of Rs 4,150,000 due to weak technical and financial controls.

Audit pointed out the non-recovery in October 2012. The department replied that the whole component of the project was not executed uptill now due to non-availability of funds which would be completed on release of budget accordingly. Reply of the department was not tenable because funds of Rs 95.00 million were released during 2011-12 out of which funds to the tune of Rs 87.70 million were lapsed. Moreover, by reducing the rate of said item from Rs 950 to Rs 120 the contractor came within the permissible limit of 4.5% above technical sanction estimate and due to non-execution of said item has actually arisen above 4.5%.

The para was discussed in SDAC meeting held on 31.12.2012. The Committee pended the para for detailed verification within 02 days but no progress towards verification of record was reported by the department till finalization of the report.

Audit recommends for early recovery.

(DP. 502)

4.4.13.2 The Executive Engineer, Chakbandi Division, Lahore made payment on account of such items of works for which the contractor quoted higher rates instead of rates provided in the estimate against the government interest. Moreover, the Divisional Office got executed excess quantities of certain items of work which were carrying more than double rates as compared to the estimated rates.

This resulted in overpayment of Rs 671, 440 to the contractor due to weak financial and technical controls.

Audit pointed out the issue in October 2012. The department replied that the calculated amount is Rs 782,960 which would be withheld from the contractor's bill. The reply was not accepted as the amount in question was not withheld till now to safeguard government interest.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Committee directed for recovery but no progress towards recovery was reported by the department till finalization of the report.

Matter needs to be investigated besides withholding the amount to safeguard government interest.

(DP. 462)

4.4.13.3 The Executive Engineer, LBDC Division, Khanewal during the execution of work "strengthening banks of 3R/10R Minor RD 0-35500 Tail", left the items of work for which the contractor quoted lesser rates but the department did not make any recovery for non-execution of these items.

Non-execution of items having lower rates resulted in non-recovery of Rs 163,172 due to weak technical control.

Audit pointed out the non-recovery in November 2011. The department replied that the contractor was paid for the quantity executed at site. The quantity of work which was not required at site was neither executed at site and nor paid to contractor. The reply was not tenable because the contractor quoted 25.20% below rates for these items but did not fully execute. Recovery to the extent of less execution of items should be made.

The para was discussed in SDAC meeting held on 31.12.2012. The department replied that payment was made to contractor as per work executed by him. The Committee disagreed with the departmental reply and directed to prepare financial statement on final payment. The Committee also directed to get the record verified from Audit within 30 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery besides initiating disciplinary action against responsible(s).

(DP. 06)

4.4.14 Overpayment due to non-utilization of available earth - Rs 3.908 million

As per para 11.1of 17.1 (a) of specification for execution of works 1967, if cutting and filing are being done simultaneously, all suitable

material obtained from excavation shall be used in filling.

4.4.14.1 The Executive Engineer, UJC Division, Gujrat measured and paid the item earth work excavation borrow pit from outside source but the available earth obtained from item irrigation channel was not utilized on the work.

This resulted in overpayment of Rs 2,049,093 due to weak technical and financial controls.

Audit pointed out the overpayment in September 2012. The department replied that the position would be traced out at the finalization of the scheme. The reply of the department was not tenable. In the presence of available earth obtained from irrigation channels there was no necessity to borrow the earth form outside. Recovery as pointed out by the Audit be effected.

The matter was also discussed in SDAC meeting held on 31.12.2012. The Department intimated the Committee that actual position will be checked at the time of finalization of work. The Committee disagreed with departments view point and directed to recover the amount and produce record to Audit for verification within 15 days. No compliance of Committee's directive was made upto finalization of this report.

Recovery needs to be made and responsibility also be fixed against the officers concerned for negligence.

(DP. 532)

4.4.14.2 The Executive Engineer, Kirana Division, Sargodha measured and paid the item earth work excavation borrow pit from outside source but the available earth obtained from irrigation channel was not utilized on the same works.

This resulted in overpayment of Rs 0.987 million due to weak technical and financial controls.

Audit pointed out the overpayment in August 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that in AP No. 13(ii) adjusted of earth has been made while in Para No. 11 (ii) a quantity of 41,944 cft earth has been adjusted and balance quantity of 301,584 cft will be adjusted in next bills. The Committee reduced the para from Rs 0.987 to Rs 0.302 million with the direction to effect the balance recovery within 15 days. No compliance of SDAC directive was made till finalization of this report.

Recovery needs to be made and responsibility fixed against the officers concerned for negligence.

(DP. 381)

4.4.14.3 The Executive Engineer, Bahawalpur Canal Division, Bahawalpur paid the item "Earth work B/pit excavation in ordinary soil lead upto 1 mile etc for quantity of 6,355,645 cft @ 1701.16‰ cft costing Rs 10,811,969 instead of utilizing the available earth obtained as a result of excavation mentioned above.

Non-utilization of available earth resulted in overpayment of Rs 457,750 to the contractor due to weak technical control.

Audit pointed out overpayment in August 2011. The department replied that the relevant record would be thrashed out and recovery, if any, would be made from the contractor. The reply was not tenable because the department deliberately avoided to submit the reply despite the record was available with the department.

The matter was also discussed in SDAC meeting held on 14.12.2012. The department admitted recovery of Rs 126,577. The Committee reduced the para from Rs 457,750 to Rs 126,577 and directed the department to get the amount recovered within 30 days. No compliance of Committee's directives was reported till finalization of this report.

Audit recommends early recovery.

(DP. 18)

4.4.14.4 The Executive Engineer, Layyah Canal Division, Layyah measured and paid an item of work "Borrow pit excavation lead upto 500 ft" for 613,813.4 ‰ cft @ Rs 2,191.05 ‰ cft for Rs 1,344,896 but did

not utilize the available 189,050 cft earth obtained from item "Earth work excavation in irrigation channels drains etc"(Prism Channel).

Weak technical and supervisory control resulted in overpayment of Rs 414,220 (189,050.7 cft x 2,191.05 ‰ cft) to the contractor due to non-utilization of available earth.

Audit pointed out overpayment in October 2012. The department did not reply.

The Para was discussed in SDAC meeting held on 31.12.2012. The department explained that the work of filling of earth on banks was in progress. Deduction would be made on completion of earth work. The para was pended by the Committee for detailed verification and recovery but no progress was reported till finalization of this report.

Audit recommends early recovery from the concerned.

(DP. 511)

4.4.15 Loss due to incorrect provision of income tax in technical sanction estimate - Rs 3.469 million

As per clause-22.3 of contract documents, the contractor shall be responsible for the payment of income tax/super tax and other government or local taxes arising of the contract which shall not be reimbursed to him by the government and the rates and prices stated in the bid schedule shall deem to cover all such taxes. Further, as per Finance Department letter No. RO(Tech)FD-3/2006 dated 24.1.2007, the provision of 6% income tax is not allowed in the rate analysis for standardized and non-standardized items.

Scrutiny of revised technical sanction estimate vide No.2288/228-G/2 dated 27.6.2007 for manufacturing of pitching stone and spawl at Sikhanwali quarry for the period 1.7.2006 to 30.6.2007 and approved analysis of rates disclosed that 6% income tax was included in the approved rate of Rs 275 per % cft by the Superintending Engineer, LJC Circle, Sargodha. Audit observed the rate of Rs 258 per % cft was to be provided after deducting the income tax instead of Rs 275 per % cft.

Weak technical control resulted in loss of Rs 3,468,701.

Audit pointed out the irregularity in March 2012. The department replied that the contractor was responsible for the payment of Income Tax etc. and he paid the Income Tax for the executed work. The reply was not tenable because according to clause 22.3 of contract agreement and Finance department letter dated 24.01.2007, contractor was responsible for payment of income tax. In the instant case, 6% income tax was added in the analysis of rate at Rs 275 per % cft which indicated that income tax had been paid and the same was recovered at the time of payment to contractor.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee directed to recover 6% income tax or reduce rate within 60 days. No compliance of Committee's directive was reported till finalization of this report.

Matter needs to be investigated and responsibility fixed against person(s) responsible for loss besides recovery.

(DP. 129)

4.4.16 Irregular payment of price variation -Rs 3.451 million

As per Finance Department notification No RO (tech) FD 1-10-92/90 dated 02.04.1992 price variation is to be met out from the provisions of contingences in the estimate and if the amount exceeds the provision of contingences, revised estimate is required to be sanctioned.

4.4.16.1 The Executive Engineer, Chakbandi Division, Lahore made payment Rs 626,221 and Rs 1,991,483 on account of price variation of Diesel and Labor in contravention of Finance Department's instructions.

This resulted in an overpayment of Rs 2,617,704 to a contractor due to weak financial controls.

Audit pointed out the overpayment in October 2012. The department replied that the payment on account of price variation was made in the light of instructions issued by the Finance Department. The matter was being investigated. The recovery, if any would be made from the bill of the contractor in hand. The reply furnished by the department was not tenable because no price variation was admissible on diesel and labor on the agreements executed prior to March 2010.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department explained that recovery would be made from next bill of contractor. The Committee pended the para for recovery within 30 days.

Matter needs to be investigated besides effecting recovery.

(DP. 476)

4.4.16.2 The Executive Engineer, Khanwah Canal Division, Depalpur awarded the work in April 2009. The cement rate was decreased from Rs 345 per bag to Rs 244 per bag during execution of work. The recovery of price de-escalation was not effected for period from November 2009 to January 2010.

This resulted in non-recovery of Rs 733,486 due to weak financial control.

Audit pointed out the non-recovery during March 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 25.10.2012. The Committee directed to effect the recovery and get it verified from Audit within 15 days. No compliance of Committee directive was reported till finalization of this report.

Audit recommends to finalize the accounts and effect the recovery under verification by Audit.

(DP. 73)

4.4.17 Shortage of material amounting to - Rs 3.368 million

As per Rule 6.28 and 6.33 of Departmental Financial Rules read with Rule 15-16 of PFR Vol-I half yearly and yearly stock returns should be prepared to keep the stock value consistent with reserve limit of stock. Physical verification should also be conducted by Divisional Officer once a year.

The Sub-Divisional Officer, after physical verification of store reported to the Superintending Engineer, Machinery Circle, Lahore regarding shortage of material (different items) amounting to Rs 3,368,269 against a store keeper of Excavator Sub-Division, Sheikhupura. On this

report the store keeper was suspended. The inquiry officer could not finalize the inquiry despite lapse of considerable period whereas the store keeper was reinstated after suspension without finalizing the inquiry. Reinstatement without finalizing of the inquiry of shortage of material amounting to Rs 3.368 million was not justified.

This resulted in shortage of material costing Rs 3.368 million due to weak supervisory control.

Audit pointed out the shortage of material in January 2012. The department replied that efforts were being made to finalize the inquiry vigorously. The reply was not tenable because the accused was reinstated without finalizing the inquiry.

The matter was also discussed in SDAC meeting held on 25.10.2012. The department replied that matter had already been under process with the enquiry officer. The Committee directed to complete inquiry within 60 days. No compliance was reported till finalization of this report.

The matter needs to be probed and disciplinary action initiated against the officials responsible besides effecting recovery of material.

(DP. 84)

4.4.18 Overpayment due to execution of inadmissible items of work - Rs 2.945 million

According to F.D 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 earth work

The Executive Engineer, LCC (W) Division, Jhang made separate rate of earth work excavation in irrigation channels drain etc. to design section grades and profiles, excavated material disposed off and undressed within 50 ft in ordinary soil and formation dressing and preparation sub grades in bed and slope. The provision and execution of 2nd item was not justified.

This resulted in overpayment of Rs 2,945,137 due to weak accounting and financial controls.

Audit pointed out the overpayment in September 2012. The department did not reply the audit observation.

The para was discussed in SDAC meeting held on 31.12.2012. The Department replied that irrigation channel and formation dressing are both separate items. The Committee disagreed with department's view point and directed to recover the amount from contractor and produce record to Audit for verification within 07 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends for early recovery from the contractor.

(DP. 565)

4.4.19 Overpayment due to payment of shrinkage - Rs 1.723 million

As per provision of Market Rate System under chapter "Earthwork" the 6% and 10% shrinkage was required to be deducted as settlement allowance under the work was done by machine and by manually respectively.

4.4.19.1 The Executive Engineer, UJC Division, Jhelum did not deduct the shrinkage allowance from the quantity of earth brought from outside borrow pit while the mode of measurement was bank measurement.

This resulted in overpayment of Rs 1,137,213 due to weak supervisory and financial controls.

Audit pointed out the overpayment in September 2012. The department in response produced undertaking of contractor on his letter pad dated 12.01.2012 which was not accepted because as per criteria shrinkage allowance was to be decided at the time of agreement between department and contractor where as contractor gave his undertaking on 12.01.2012 while work was measured on 27.12.2011. This shows that this act was an afterthought to avoid recovery. Further, department admitted the recovery and promised to effect the same in next running bill of contractor. Audit stressed to deduct shrinkage @ 10% from contractor.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department intimated that necessary recovery of

shrinkage would be made from contractor. No progress was reported till finalization of this report.

Audit recommends for early recovery from the contractor.

(DP. 536)

4.4.19.2 The Executive Engineer, Kirana Division, Sargodha did not deduct the shrinkage from the quantity of earth work brought from outside borrow pit while the mode of measurement was bank measurement.

This resulted in overpayment of Rs 0.415 million due to weak supervisory and financial control.

Audit pointed out the overpayment in August 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 31.12.2012. The department admitted during verification of record that bank measurements had been recorded but due shrinkage @ 3% to 6% had not been deducted. The Committee was directed to deduct the same through recovery and get it verified from Audit within 03 days but no progress towards recovery was reported by the department till finalization of the report.

Matter needs to be investigated and responsibility fixed besides effecting recovery.

(DP. 548)

4.4.19.3 The Executive Engineer, Kala Bagh Headworks Division, Daud Khel did not deduct 10% shrinkage from the quantity of earth brought from outside borrowpit.

This resulted in excess payment of Rs 170,625 due to weak supervisory and financial controls.

Audit pointed out the overpayment in November 2012. The department did not reply.

The matter was also discussed in SDAC meeting held on 31.12.2012. During meeting department intimated that recovery of

shrinkage @ 3% will be made from contractor. No progress was reported till finalization of this report.

Recovery needs to be effected besides fixing responsibility against the officers concerned for negligence.

(DP. 526)

4.4.20 Excess payment due to application of incorrect conversion factor - Rs 1.253 million

As per Finance Department's letter No. Rates/69/799/268/60 dated 30.6.1969, the excess quantity of loose stone 110 cft, 120 cft and 135 cft should be allowed for 100 cft to complete the dumping and pitching respectively.

The Executive Engineer, Development Division-VI, Fateh Jang Attock made payment for carriage of stone in excess of the admissible quantity of stone after applying approved factors.

This resulted in excess payment of Rs 1,559,193 due to weak supervisory and financial controls.

Audit pointed out the excess payment in October 2012. The department did not reply.

The para was discussed in SDAC meeting held on 31.12.2012. The Department replied that 2 Para Nos. 5 & 8 of AIR relates to Small Dams Division, Islamabad and in Para No. 12 of AIR it was stated that some old stone masonry was dismantled and stone available from dismantling was reused in masonry work. The Committee disagreed with the department's view point and directed to recover the amount of carriage paid in excess. In case of Para Nos. 5 & 8 Committee directed to shift these paras against Small Dams Division, Islamabad. No progress towards recovery was intimated by the department till the finalization of this report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 524)

CHAPTER – 5

DAANISH SCHOOLS & CENTERS OF EXCELLENCE AUTHORITY

5.1 Introduction of Department

The Daanish Schools and Centers of Excellence Authority was established under an Act, called "The Punjab Daanish Schools and Centers of Excellence Authority Act 2010". The purpose of the Act was to make provisions for the establishment and efficient management of the Daanish Schools and Centers of Excellence in the Punjab with a view to provide quality elementary, secondary and higher secondary education to under privileged segments of the society. Directorate General Audit Works (Provincial), Lahore conducted the audit to evaluate the financial performance, achievements of the project objectives and the desired benefits as envisaged in the Act 2010. This report is based on project audit of "Construction of Buildings of Daanish Schools & Center of Excellence Authority in various Districts of the Punjab" covering the financial years 2009 to 2011-12.

The projects were funded under Grant No.PC21015-Education. Budget of Rs 5,397.53 million was allocated by Government of the Punjab againt which an expenditure of Rs 5,270.03 million was incurred by the Managing Director/Chief Executive Officer Danish Schools & Center of Excellence Authority, Lahore.

Audit methodology included data collection, examination/analysis of record, discussions with engineering staff of Consultants, surveys and interviews. Site visits were also conducted to have a physical view of the buildings.

Authority has not yet framed its rules/procedure. Accounting system has not been got approved from the Auditor-General of Pakistan.

No system of accounting and internal control in Authority existed. Payments to contractors were made without application of pre-audit

checks. Cheques to contractors were issued by the DCOs/Chairman of Board of Governor of respective schools/center of excellence of the concerned districts on the recommendation of the supervisory consultants.

As no rules/procedure of Authority exists, the rules / procedures laid down in Punjab Government codes and instructions were applicable. However, Punjab Government rules and procedures were not fully implemented.

During audit certain observations indicated lapses in financial management, procurement and contract management, construction and works etc.

5.2 Comments on Budget & Accounts (Variance Analysis)

The Punjab Danish School and Centre of Excellence Authority is corporate body established under Act V of 2010. Sources of income of the Authority are grants from Provincial and Federal Governments, donations, charity and other obligatory funds besides its own sources including income from agricultural land and fee from self finance students. As per budget for the year 2009-10, 2010-11 and 2011-12, the Government of the Punjab has allocated Rs 3,000 million budget under grant PC 22036 (Development) for each year but no funds were released (as budget book for the year 2010-11, 2011-12 and 2012-13 depicted no revised budget in the same years). But record of the Authority produced during the audit revealed that Government of the Punjab has released the funds under grant PC 21015-Education (Non-Development). The detail of budget and expenditure for three years is as under:

(Rupees in million)

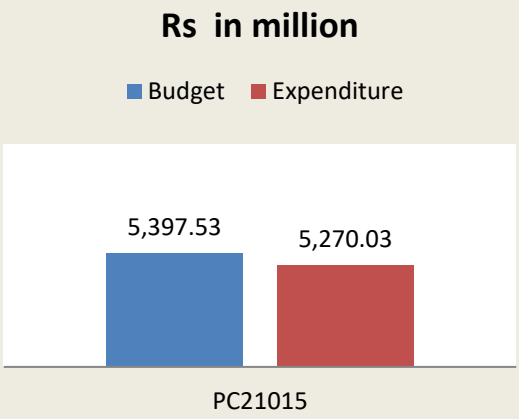
Nature of Budget Allocation	Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant				
PC21015	**5,397.53**	**5,270.03**	**(127.50)**	**(2.36)**

Source: Budget Book (FY-2009-10, 2010-11, 2011-12)

Non-Development Grant

Grant No PC21015

In the non-development grant PC21015-Education, budget was not fully utilized. The expenditure incurred was Rs 5,270.03 million against the budget of Rs 5,397.53 million. Thus, there was a saving of 2.36%.



As per section 12 of the Act all the grants, loans, donations and other income are part of the Authority's fund and was not lapsable to the government.

5.3 AUDIT PARAS

5.3.1 Irregular award of work to the contractor without administrative approval and detailed technical sanction estimate - Rs 4,354.564 million

As per Para 2.26(2), 2.7, 2.12, 2.61, 2.82(1) and 2.86 of the Buildings and Roads Department Code read with Government of the Punjab, Finance Department letter No. FD(D-II)10(3)90 dated June 1991, no work shall be commenced unless administrative approval by competent authority is given and detailed design and estimates have been sanctioned, allotment of funds made and orders for its commencement are issued by competent authority. Further, as per para 11 of the Punjab Procurement Rules, 2009, all procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall only initiate procurements once administrative approval and technical sanction estimate of the competent authorities concerned has been accorded.

5.3.1.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan got executed the work "Construction of Daanish School for Boys & Girls, Rahim Yar Khan". The approval of revised estimate vide letter No.GM(E)/ 08/11/1654, dated 17.8.2011 revealed that the total project cost was Rs 805,598,194 for establishment of Daanish School for Boys and Girls at Rahim Yar Khan. The Government of the Punjab, Finance Department letter No. UO No.SO (Schools)8-60/2008, dated 26.1.2010 revealed that during the financial year 2009-10 an amount of Rs 3,000 million was allocated in the Budget for Daanish School Authority out of which Rs 75 million were released to Daanish School Boys & Girls R.Y Khan and the expenditure was debited under Grant No.PC21015-Education, which proved that project was funded by the Provincial Government, therefore, the prior approval of PDWP forum was required before execution of the project.

Non-approval by PDWP resulted in irregular execution of the project for Rs 805,598,194 in violation of rules ibid.

Audit pointed out the irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.59)

5.3.1.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, D.G Khan" in March 2011 for Rs 460.823 million @ 7.5% above the estimated cost. The work was got executed without accord of administrative approval and sanction of detail technical estimate in violation of rules ibid.

The weak supervisory and financial controls resulted in irregular execution of work for Rs 601.495 million.

Audit pointed out irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period in spite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.64)

5.3.1.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rajanpur awarded the work "Construction of Daanish School for Boys & Girls District Rajanpur" @ 12.50% above the estimated rates in May 2011 for Rs 508.416 million without accord of administrative approval and sanction of detail technical estimate in violation of rules ibid.

The weak supervisory and financial controls resulted in irregular execution of work for Rs 508.416 million.

Audit pointed out irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.52)

5.3.1.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, DG Khan" in March 2011 for Rs 460.823 million @ 7.5% above the estimated cost. The approved cost in the estimate was Rs 428.672 million. The funds were released by the Government of the Punjab, Finance Department for this project and the expenditure was debited under Grant No.PC21015-Education, which proved that project was funded by the Provincial Government, therefore, the prior approval of PDWP forum was required while executing the project.

Weak managerial and supervisory controls resulted in irregular execution of the project for Rs 428.672 million due to violation of rules ibid.

Audit pointed out irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period in spite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No

compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.47)

5.3.1.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded and executed the work "Construction of Daanish School for Girls, Rahim Yar Khan" without accord of administrative approval and technical sanction of detail estimate in violation of rules ibid.

Weak supervisory and financial controls resulted in irregular execution of work for Rs 426.021million.

Audit pointed out irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.133)

5.3.1.6 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the work "Construction of Daanish School for Boys & Girls Harnoli Mianwali" to different contractors during January 2011.

The works were got executed without accord of administrative approval and technical sanction of detail estimate in violation of rules ibid.

This resulted in irregular execution of work for Rs 352,340,000.

Audit pointed out irregularity in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.138)

5.3.1.7 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Jand District Attock, awarded the work **"**Construction of Daanish School for Boys at Jand District Attock" to the contractor M/s S. Builders during July 2011. The work was got executed without accord of administrative approval and sanction of detailed estimate in violation of rules ibid.

Weak supervisory and financial controls resulted in irregular award of work for Rs 302,731,000.

Audit pointed out irregularity in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.172)

5.3.1.8 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, District Muzaffar Garh awarded the work "Construction of Center of Excellence for Boys, Muzaffar Garh" to a contractor during June 2011 for Rs 242.042 million. The work was got executed without accord of administrative approval and sanction of detailed technical estimate in violation of rules ibid.

The weak supervisory and financial controls resulted in irregular execution of work for Rs 242,042,353.

Audit pointed out irregularity in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period and inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.130)

5.3.1.9 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District Rajanpur awarded the work "Construction of Daanish School for Girls, Rajanpur" @ 14 % above the estimated cost in May 2011 for Rs 256.514 million. The approved cost in the estimate was Rs 225.011 million for establishment of Daanish School for Girls at Rajanpur. The funds were released by the Government of the Punjab, Finance Department for this project and the expenditure was debited under Grant No.PC21015-Education, which proved that project was funded by the Provincial Government. Therefore, the prior approval of PDWP forum was required before execution of the project.

Weak managerial and supervisory controls resulted in irregular execution of the project for Rs 225.011 million due to violation of rules ibid.

Audit pointed out irregularity in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.50)

5.3.1.10 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar, awarded the work "Construction of Daanish School for Girls Section (all Packages), Chishtian Bahawalnagar" to different construction companies during December 2009 with 15% above premium. The work was got executed without accord of administrative approval and sanction of detailed technical estimate in violation of rules ibid.

Weak supervisory and financial controls resulted in irregular execution of work for Rs 220.785 million.

Audit pointed out irregularity in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.35)

5.3.1.11 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, Faisalabad awarded the work "Construction of Center of Excellence for Boys, Jaranwala District Faisalabad" to the contractor M/s Nishan Engineers Pvt Ltd during October 2011 for Rs 98.893 million. The work was got executed without accord of administrative approval and technical sanction of detailed estimate in violation of rules ibid.

Weak supervisory and financial controls resulted in irregular execution of work for Rs 99 million.

Audit pointed out irregularity in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.1)

5.3.1.12 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Sialkot, awarded the work "Construction of Center of Excellence at Government Pilot Secondary School for Boys, Sialkot" to the contractor M/s NLC with 10.50% premium over the Engineer's Estimate during June 2011. The work was got executed without accord of administrative approval and sanction of detail technical estimate in violation of rules ibid.

Weak supervisory and financial controls resulted in irregular execution of work for Rs 70,477,355.

Audit pointed out irregularity in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.67)

5.3.1.13 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, Hafizabad awarded the work "Construction of Center of Excellence at Government Girls High School No.1 (Sub-Campus) District Hafizabad" during April 2011 of Rs 69,502,974. The work was got executed without accord of administrative approval and technical sanction of the estimate in violation of rules ibid.

This resulted in irregular execution of work for Rs 69,502,974.

Audit pointed out irregularity in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.84)

5.3.1.14 The Principal, Punjab Daanish Schools for Boys, Chishtian District Bahwalnagar awarded the works regarding provision of Uniforms, Gadda, Razai, Pillows etc for Daanish Schools (Boys) Chishtian, District Bahawalnagar to the different contractor without open advertisement on the PPRA's website and in print media for fair competition and

transparency in violation of Public Procurement and Financial Rules. The works were got executed amounting to Rs 2,472,717 during the year 2011-12 without sanction of detailed estimate and approval of the competent authority.

Weak supervisory and financial controls resulted in irregular award of work and payment for Rs 2,472,717.

Audit pointed out irregularity in September 2012. Principal replied that the all purchases mentioned in para were purchased/procured by PDS-CEA, Lahore. The relevant documents are available with Daanish Schools and centers of excellence Authority. The reply was not tenable because said procurement was made by the Principal without fair competition.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department to regularize the matter. The Committee directed to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends the approval of PDWP and regularization of expenditure from the Finance Department.

(DP.39)

5.3.2 Extra expenditure/payment due to acceptance of tender at higher rates - Rs 246.638 million

As per para 1(ii) and 3 of Finance Department letter No.RO (TECH) FD-2-3/85 Vol-IV dated 7th January 1992, acceptance of tenders shall be subject to the condition that the rates quoted and/or amount tendered are such that, total cost of the project will not exceed the amount for which technical sanction has been accorded by more than 4.5%.

5.3.2.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work, "Construction of Daanish School for Boys and Girls (Package-I&VI), Bahawalnagar" to different contractors during December 2009 at 15% above the estimated cost. The tenders were to be accepted within permissible limit of 4.5% above the estimated cost as per rules ibid.

This resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 61,316,579.

Audit pointed out extra payment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.95)

5.3.2.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Boys, Rahim Yar Khan" @ 14.90 % above the estimated rates, where as the tender was to be accepted within permissible limit of 4.5% above the estimated rates.

Weak managerial and financial controls resulted in extra expenditure/payment for Rs 51.272 million due to acceptance of tender beyond permissible limit.

Audit pointed out extra expenditure in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.131)

5.3.2.3 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Punjab Daanish School for Boys at Jand District Attock (Package-6)" to the contractor during July 2011, with time limit of 6 months. The tender was accepted at higher rate ranging from 13.5 to 29.3% above the estimated cost against permissible limit of 4.5% above the estimated rates as per rules ibid.

Weak financial controls resulted in extra expenditure for Rs 49,155,690.

Audit pointed out extra expenditure in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.167)

5.3.2.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Girls, (Hostel No.1&2) Package-II Bahawalpur" awarded to M/s Ch. Muhammad Ali during December 2009 at 12.99% above the estimated cost. The tender was to be accepted within permissible limit of 4.5% above the estimated cost as per rules ibid.

Weak managerial and financial controls resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 45,732,047.

Audit pointed out extra expenditure in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.155)

5.3.2.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rajanpur awarded the work "Construction of Daanish School for Girls, Rajanpur" @ 14 % above the estimated rates in May 2011 for Rs 256.514 million. The tender was to be accepted within permissible limit of 4.5% above the estimated cost as per rules ibid.

Weak managerial and financial controls resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 18,069,440.

Audit pointed out extra expenditure in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.53)

5.3.2.6 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, DG Khan" in March 2011 for Rs 460.823 million at 7.5% above the estimated cost. The tender was to be accepted within permissible limit of 4.5% above the estimated rates as per rules ibid.

Weak managerial and financial controls resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 9,787,506

Audit pointed out extra expenditure in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.63)

5.3.2.7 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the work "Construction of Daanish School for Boys & Girls Harnoli Mianwali" to different contractors with 12% above the estimated cost. Whereas, the tender was to be accepted within permissible limit of 4.5% above the estimated cost as per rules ibid.

Weak financial control resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 9,647,830.

Audit pointed out extra expenditure in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.147)

5.3.2.8 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Sialkot, awarded the work "Construction of Center of Excellence at Government Pilot Secondary School for Boys, Sialkot" to the contractor M/s NLC with 10.50% premium over the Engineer's Estimate during June 2011. The tender was to be accepted within permissible limit of 4.5% above the estimated cost as per rules ibid.

Weak managerial and financial controls resulted in extra expenditure/payment to the contractor due to acceptance of tender beyond permissible limit for Rs 1,657,500.

Audit pointed out extra expenditure in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that after the audit objection a Summary for Chief Minister has been routed through the Finance Department for regularization of the matter. The Committee directed the Authority to expedite the matter. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends for regularization of extra expenditure from Finance Department along with fixing the responsibility against the person's who violated the financial rules.

(DP.70)

5.3.3 Non-recovery of risk & cost and forfeiture of security deposit and performance security - Rs 121.800 million

Clause 60 and 61 of contract agreement are complementary to each other and are to be operated simultaneously. Revision of contract (rescinding of the contract) is subject to a certificate that action under clause 3(c) now clause 61(a) of agreement was not possible as there are no dues of the firm or any of its partner in the department for effecting recovery (i.e. risk and cost) and has been removed from the approved list of the department in accordance with the conditions laid down in enlistment letter as per Law and Parliamentary Affairs Department Letters No.DP-15(119)/2001/ 400/392/C dated 25th October, 2001 and No.FD (D-11) 3(5)81 volume-II dated 6th February, 1990.

5.3.3.1 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Daanish School for Boys & Girls at Jand District Attock (Package-III)" to the contractor M/s Shaheen Construction Company for Rs 69.445 million during December 2010. The contractor executed the work upto Rs 40.423 million and failed to complete the remaining work. The contract was rescinded under clause 60 on 11.2.2012 by the DCO Attock without invoking clause 61 as per rule ibid, for completion of balance work on the risk and cost of defaulting contractor. Later on the contract was awarded to another contractor on 16.1.2012 for Rs 77.810 million without risk & cost of original contractor under Clause 61. The contractor was also not removed from the approved list of the department as per provision of enlistment letter.

Weak managerial and financial control resulted in non-recovery of Rs 101,527,500 due to non-forfeiture of security, performance security and recovery of risk & cost from contractors.

Audit pointed out non-recovery in October 2012. The DCO / Chairman (BOG) did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that the security of the contractor was already forfeited and in one case the work was awarded at risk & cost. Further, estimate was revised & new administrative approval was sought and work was awarded to the subsequent contractor. Audit rebutted that Clause 61

was also required to be invoked alongwith forfeiture of performance bond. The Committee took serious notice and directed the Authority to effect the recovery from defaulter. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) who did not operate both clauses simultaneously.

(DP.168)

5.3.3.2 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Daanish School for Boys & Girls at Jand District Attock (Package-IV)" to the contractor M/s Shaheen Construction Company for Rs 40.441 million during December, 2010. The contractor executed the work for Rs 25.183 million and failed to complete the work. The contract was rescinded under clause 60 on 11.2.2012 by the DCO Attock without invoking clause 61 as rule ibid. for completion of balance work on risk and cost of defaulting contractor. Later on the contract for remaining work was awarded to another contractor on 16.1.2012 for Rs 45.330 million without risk & cost of original contractor M/s Shaheen Construction Company under Clause 61. The contractor was also not removed from the approved list of the department as per provision of enlistment letter.

Weak managerial and financial controls resulted in non-recovery of Rs 20,273,304 due to non-forfeiture of security and recovery of risk & cost from contractor.

Audit pointed out non-recovery in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority explained that the security of the contractor was already forfeited and in one case the work was awarded at risk & cost. Further, estimate was revised & new administrative approval was sought and work was awarded to the subsequent contractor. Audit rebutted that Clause 61 was also required to be invoked alongwith forfeiture of performance security. The Committee took serious notice and directed the Authority to effect the recovery from defaulter. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) who did not operate both clauses simultaneously.

(DP.170)

5.3.4 Loss due to sanction of incorrect rates of non-MRS item - Rs 51.449 million

As per sanction of the Managing Director / Chief Executive Officer, Punjab Daanish Schools and Centers of Excellence Authority Lahore, the rates of different non-MRS items of work for various Districts were reduced later on and were required to be paid accordingly.

5.3.4.1 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December 2009 without approval of rates of non-MRS items in BOQ. The Authority provided and paid a non-standardized item "Providing and laying kerb stone of pre-cast 12″x12″x6″ in Cement Sand Mortar 1:4 etc" at higher rates of Rs 300 per rft in BOQ. The contract was awarded 15% above the cost put to tender. Later on ex-post facto approval was given by the Managing Director/Chief Executive Officers for lower rates in October 2011 for the item of kerb stone etc.

Calling of tender with higher rates at BOQ resulted in loss of Rs 12,549,569 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.90)

5.3.4.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December 2009 without approval of rates of non-MRS items in BOQ. The Authority provided a non-standardized item "Supplying and grubbing grass roots in Lawn etc." at higher rates Rs 10 per sft in BOQ. The contract was awarded at 15% above the cost put to tender. Later on ex-post facto approval was given by the MD/CEO at lower rates in October 2011 for the item of grass which was not implemented.

Calling of tender with higher rates at BOQ resulted in loss of Rs 10,837,895 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.91)

5.3.4.3 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December, 2009 without approval of rates of non-MRS items in BOQ. The Authority provided a non-standardized item "Supplying and spreading sweet earth etc" at higher rates @ Rs 20 per sft in BOQ. The contract was awarded at 15% above the cost put to tender. Later on ex-post facto approval was given by the Chief Executive Officer in October 2011 for the item of sweet earth which was not implemented.

Calling of tender at higher rates at BOQ resulted in loss of Rs 8,698,272 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.92)

5.3.4.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Boys, Bahawalpur (Package-III)" during December, 2009, without approval of rates of non-MRS items in BOQ. The Authority provided a non-standardized item "Spreading of sweet soil in garden for development of parks etc" at higher rates Rs 20 per cft in BOQ and contract was awarded @ 12% and 8.95% above cost put to tender. Later on ex-post facto approval was given by the Managing Director/CEO with lower rates in December 2011 for item of sweet soil which was not implemented.

Calling of tenders with higher rates at BOQ resulted in loss of Rs 6.975 million due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.110)

5.3.4.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Boys, Bahawalpur (Package-III)" during December, 2009 without approval of rates of non-MRS items in BOQ. The Authority provided a non-standardized item "Providing and laying kerb stone of pre-cast 14″x12″x6″ in Cement Sand Mortar 1:4 etc" at higher rates of Rs 210 per sft in BOQ. The contract was awarded at 12% above the cost put to tender. Later on ex-post facto sanction was given by the Chief Executive Officer at lower rates in December 2011 which was not implemented.

Tender with higher rates in BOQ resulted in loss of Rs 4,905,844 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.8)

5.3.4.6 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Girls, Bahawalpur" during December, 2009 without approval of rates of MRS items in BOQ/TS Estimate provided a non-standardized item "Providing and laying Hexagonal Interlocking PC Pavers/Tuff tile etc" at higher rates Rs 100 per sft in BOQ and contract was awarded @ 8.95% above the cost put to tender. Later on ex-post facto approval was given by the Managing Director/Chief Executive Officer, Daanish Schools & Centers of Excellence Authority at lower rates in December 2011 which was not implemented.

Tender with higher rates in BOQ and payment resulted in loss of Rs 3,461,910 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP. 15)

5.3.4.7 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Boys, Bahawalpur (Package-III)" during December, 2009 without any approval of rates of non MRS items in Technical Sanction Estimate. The Authority provided a non-standardized item "Providing and laying Hexagonal Interlocking PC Pavers/Tuff tile etc" at higher rates of Rs 80 per sft in BOQ and contract was awarded @ 12% above cost put to tender. Later on ex-post facto sanction was given by the Managing Director/CEO at lower rates in December 2011 which was not implemented.

Tender with higher rates in BOQ resulted in loss of Rs 2,575,427 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.19)

5.3.4.8 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December, 2009 without approval of rates in BOQ with analysis of non-MRS items. The Authority provided a non-standardized item "Spreading cow dung manure and mixing the same etc" at higher rates Rs 25 per sft in BOQ. The contract was awarded at 15% above the cost put to tenders. Later on ex-post facto approval was given by the Managing Director/Chief Executive Officer at lower rate in October 2011 for the item spreading cow drug manner which was not implemented.

Calling of tender with higher rates at BOQ resulted in loss of Rs 1,444,899 due to weak managerial and technical controls.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in SDAC meeting held on 28.12.2012. The Authority admitted that adjustment would be made in next running bill. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.89)

5.3.5 Loss due to application of incorrect rates of non-MRS item - Rs 30.037 million

As per Finance Department's Input/Material Rates, for the item**s** Special brick**s** and Pozo, the rate was inclusive of all carriage at site of each District. Further, according to Finance Department's Notification No.RO (TECH) FD.2-3/2004 dated 2.08.2004, rate analysis and specifications standardized by Finance Department shall be the basis for market rate of an item. However, these can be modified, replaced and added to with the approval of the Finance Department.

5.3.5.1 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Bahawalnagar, awarded the work "Construction of Daanish School for Boys Section (Package-I), Chishtian Bahawalnagar" during December 2009 for Rs 116.651 million. The Authority approved a non-standardized item "Pacca brick work 1st class Pattoki bricks in super structure in cement sand mortar (1:3) etc" with incorrect input rate and made payment at rate Rs 158.25 per cft instead of actual rate Rs 115 per cft by adding extra lead from Pattoki to Chishtian for special bricks and Pozzo, 20% contractor profit on carriage of schedule item.

Weak managerial and technical controls resulted in a loss of Rs 12,285,490.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that Special Bricks and Pozzo were not available at concerned District and were carted from Pattoki. Carriage of Special Bricks/Pozzo from Pattoki to Bahawalnagar was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.24)

5.3.5.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Girls, (Hostel No.1&2) Package-II Bahawalpur" during December 2009 at 12.99% above premium. The authority approved and paid carriage on pacca bricks from Pattoki to Hasilpur for Rs 3379.36 per thousand whereas the carriage was inclusive in the rates of input/material/ special brick work of District Bahawalpur.

Weak supervisory, technical and financial controls resulted in overpayment of Rs 8,848,757.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that special bricks and pozzo were not available at concerned District and were carted from Pattoki. Carriage of special bricks/pozzo from Pattoki to Bahawalpur was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.152)

5.3.5.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Boys and Girls, Rahim Yar Khan" during December 2009 for Rs 224.793 and Rs 201.208 million respectively. Rate analysis of Rs 312.05 per cft of non-standardized item "Face work with special bricks at ground floor in cement pozzo mortar 1:3 etc" revealed that input rates i.e. carriage for material like bricks and pozzo. Further higher rates/quantity for cement, labour and pozzo were also applied. As per input rate, admissible actual rate worked out to Rs 145 per cft by Audit. The excessive rates for Rs 167 per cft was allowed and paid to the contractor.

Weak technical and financial controls resulted in loss of Rs 2,953,770 to the contractor.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that Special Bricks and Pozzo were not available at concerned District and were carted from Pattoki. Carriage of Special Bricks/Pozzo from Pattoki to Rahim Yar Khan was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.56)

5.3.5.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Boys & Girls, Rahim Yar Khan" during December 2009 for Rs 224.793 million and Rs 201.228 million respectively. The Authority approved and paid rate of Rs 119.72 per cft instead of admissible rate Rs 103.27 per cft of a non-standardized item "Composite special brick work in ground floor in cement pozzo mortar (1:3) etc" with incorrect input rate for cement grey, extra carriage for pozzo, additional labour by including 1 additional mason and 20 % contractor profit/overhead charges in the analysis. The excessive rates for Rs 16.46 per cft was allowed and paid accordingly.

Weak supervisory and financial controls resulted in loss of Rs 2,373,314 to the contractor.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that Special Bricks and Pozzo were not available at concerned District and were carted from Pattoki. Carriage of Special Bricks/Pozzo from Pattoki to Rahim Yar Khan was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the

site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.125)

5.3.5.5 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Boys, Rahim Yar Khan" during December, 2009 for Rs 224.793 million. The Authority approved and paid rate Rs 98.87 per sft of non-standardized item "Perforated pacca brick walling 4½ inch thick in cement pozzo mortar 1:3 etc" by including extra carriage from Lahore to Rahim Yar Khan, incorrect input rates of cement, and 20% contractor profit/overhead charges in the analysis instead of admissible rate of Rs 68.63 per sft. The excessive rates Rs 30.24 per sft was paid accordingly.

Weak supervisory and financial controls resulted in loss of Rs 984,413 to the contractor.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that special bricks and pozzo were not available at concerned District and were carted from Pattoki. Carriage of Special Bricks/Pozzo from Pattoki to Rahim Yar Khan was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.124)

5.3.5.6 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December, 2009 with 15% premium. The Authority approved and paid a non-standardized item "Pacca Brick work (Super face brick) in cement sand mortar in super structure upto 20 feet height (1:3) etc" at higher rates Rs 225.50 per cft instead of admissible rate Rs 194 per cft by adopting extra lead from Pattoki to Chishtian on item special brick and pozzo, 20% overhead and contractor profit of MRS item.

Weak managerial and technical controls resulted in a loss of Rs 562,897.

Audit pointed the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that special bricks and pozzo were not available at concerned District and were carted from Pattoki. Carriage of Special Bricks/Pozzo from Pattoki to Bahawalnagar was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.34)

5.3.5.7 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Sialkot, awarded the work "Construction of Center of Excellence at Government Pilot Secondary School for Boys, Sialkot" with 10.50% premium over the Engineer's Estimate during June 2011. The Consultant M/s ACE (Arts) Pvt. Ltd. prepared a non-schedule item "P/F fair face brick work etc" in BOQ at higher rates Rs 140 per sft instead of admissible rate Rs 103 per sft by inclusion of extra lead from Lahore to Sialkot District.

Weak supervisory and technical controls resulted in loss of Rs 540,990.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that special bricks and pozzo were not available at concerned District and were carted from Lahore. Carriage of special bricks/pozzo from Lahore to Sialkot was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.75)

5.3.5.8 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Girls, Rahim Yar Khan" during December, 2009 for Rs 201.228 million. The Authority approved and paid rate Rs 204.13 per cft of a non-standardized item "Composite special face work in ground floor in cement pozzo mortar 1:3 etc instead of admissible rate Rs 138.98 per cft" by including extra carriage from Lahore to Rahim Yar Khan, incorrect input rates of cement, and 20 % contractor profit/overhead charges in the analysis. The excessive rates for Rs 65.15 per cft was allowed and paid accordingly.

Weak supervisory and financial controls resulted in loss of Rs 248,763.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that Special Bricks and Pozzo were not available at concerned District and were carted from Pattoki. Carriage of special bricks/pozzo from Pattoki to Rahim Yar Khan was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.126)

5.3.5.9 The District Coordination Officer/Chairman (Board of Governors), Daanish Schools (Boys & Girls) Bahawalnagar, awarded the work "Construction of Daanish School for Boys and Girls Chishtian Bahawalnagar" during December 2009 with 15% premium. The Authority approved and paid a non-standardized item "Perforated pacca brick work (Pattoki) 4 ½ inch in cement sand mortar (1:3) etc" at higher rates Rs 75 per cft instead of rate Rs 63.46 per cft by adding extra lead from Pattoki to Chishtian on special brick and pozzo, 20% contractor profit on carriage of schedule item.

Weak managerial and technical controls resulted in a loss of Rs 153,850**.**

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority informed the Committee that Special Bricks and Pozzo were not available at concerned District and were carted from Pattoki. Carriage of special bricks/pozzo from Pattoki to Bahawalnagar was rightly allowed to the contractor. Audit was of the view that Input rates of special bricks/pozzo notified by Finance Department for concerned District applied by Authority was inclusive of carriage upto the site of work. The Committee directed the Authority to recover the loss or seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.44)

5.3.6 Loss due to application of incorrect rate of non-MRS item of fair face brick work - Rs 17.474 million

As per Finance Department's Template, the item of Fair face Brick work comes to Rs 88 per sft based on MRS/Input rates based on 4th quarter 2011, District Attock.

The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Daanish school at Jand for District Attock (Package-5)" to the contractor during July 2011 at 12% above the estimated cost. The Consultant prepared the rate Rs 130 per sft for non-MRS item of "providing & fixing fair face brick work etc" at higher side instead of admissible rate Rs 83 per sft and payment was made accordingly by the DCO, Attock.

Weak supervisory and technical controls resulted in loss of Rs 17,473,600.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the rate was prepared in original BOQ/engineering estimate by the Design Consultant and approved by the Authority. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts. Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanction estimate in the light of para 2.50 of B&R Code rules. The Committee directed that the Authority/Design Consultant may justify the preparation of said non-MRS items on

incorrect/higher rate analysis against the rules and to obtain condonation from Finance Department or the recovery be made to the stated extent. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.163)

5.3.7 Overpayment due to less deduction of rebate than agreement – Rs 16.857 million

As per Acceptance letter No. DCO/DMO/ATK/PDS/2011/1426, dated 26.7.2011, rebate @ 10% below and further rebate @ 29.085% on all Schedule and Non-Schedule items based on MRS 2nd Quarter, 2011 were to be deducted from contractor's payments. Further, as per para 31(1) of Punjab Procurement Rules, 2009, no bidder shall be allowed to alter or modify his bid after the bids have been opened.

The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Daanish School for Boys at Jand District Attock" to the contractor during July 2011, with time limit of 6 months. The Authority deducted the rebate 10% and further rebate 13.554 % instead of 10% and further rebate @ 29.085% as agreed by the Contractor. In this way rebate of 15.531% was less deducted.

Weak supervisory and financial controls resulted in overpayment due to less reduction of rebate of Rs 16,857,492.

Audit pointed out overpayment in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rebate was allowed as per corrigendum issued by DCO later on and the contractor reduced the rate of Cable from Rs 25,000 per rft to Rs 250 per rft. Audit verified the record and it was found that item of cable was not got executed at all upto final bill on which basis the rebate was reduced. The Committee took very serious notice about this loss and irregularity and directed the GM

Engineering PDS&CE Authority Lahore to investigate the matter and submit fact finding report at the earliest. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.128)

5.3.8 Loss due to sanction of incorrect rate of non-MRS item of steel grade-60 - Rs 16.764 million

The Finance Department's Template for item No. 9(b) under chapter – 6 (Concrete) was to be followed by taking quarter wise input rates for concerned District while sanction of item of work "Fabrication of mild steel etc grade 60". As per prescribed standard conversion factor for conversion of Cubic Weight (cwt) into kilograme was 1/50.80.

5.3.8.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls District Attock, awarded the work "Construction of Punjab Daanish School for Boys at Jand District Attock" to the contractor during July 2011. The Consultant sanctioned/approved a non-schedule item in BOQ or Engineer's Estimate of "Steel deformed bar Grade-60 etc" at higher rates @ Rs 110 per kg instead of admissible rate @ Rs 98 per kg and payment was made accordingly by the DCO, Attock.

Weak supervisory and technical controls resulted in loss of Rs 3,938,400.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for

relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.161)

5.3.8.2 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, Faisalabad awarded the work "Construction of Center of Excellence for Boys, Jaranwala District Faisalabad" to the contractor during October 2011 for Rs 98.893 million.

The Authority sanctioned a non-MRS item "Steel deformed bar Grade-60 etc" at higher rate of Rs 107 per kg instead of admissible rate Rs 99 per kg and payment was made accordingly. Therefore, excess rate of Rs 8 per kg was paid to the contractor.

Weak supervisory and technical controls resulted in loss of Rs 2,622,016.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each

item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.13)

5.3.8.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, D.G Khan" in March 2011 for Rs 460.823 million. The Authority approved analysis of non-standardized item rate "Supply and Fabrication of mild steel of RCC, deformed bar Grade-60 etc" @ Rs 93 per kg against admissible rate of 91.24 per kg due to application of incorrect factor of 0.02 (1/50) instead of 0.01968 (1/50.80) for conversion of cubic weight into kg.

Weak technical and financial controls resulted in the loss of Rs 2,492,140.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated;

hence the rate was divided by conversion factor of 50.0 instead of 50.80 while converting from CWT into KGs on the basis of market rates. Audit contended that the Finance Department's template for item 9(b) under Chapter-6 (Concrete) was required to be followed for preparation of non-MRS item steel. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting CWT into kgs. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and if required, recovery may be affected from the responsible. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.102)

5.3.8.4 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence District Muzaffargarh awarded the work "Construction of Center of Excellence for Boys, Muzaffargarh" to the contractor M/s NAFCON Construction during June 2011 for Rs 101.495 million. The Authority approved Rs 93 per kg rate for item "Supply and Fabrication of mild steel deformed bar Grade-60 etc" by incorrect application of conversion factor for 0.02(1/50) from Cubic Weight to Kilogram for calculation of M.S. bar weight instead of admissible factor 0.01968 (1/50.80 % correct rate worked out to Rs 91 per Kg. The excessive rate for Rs 2 per kg was paid to the contractor.

Weak technical and financial controls resulted in the approval of incorrect rates for M.S. bars and loss of Rs 1,739,342.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated; hence the rate was divided by conversion factor of 50.0 instead of 50.80 while converting from CWT into KGs on the basis of market rates. Audit contended that the Finance Department's template for item 9(b) under Chapter-6 (Concrete) was required to be followed for preparation of non-MRS item steel. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by

50.80 while converting CWT into Kgs. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and if required, recovery may be affected from the responsible. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.62)

5.3.8.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District Rajanpur awarded the work "Construction of Daanish School for Girls, at Fazilpur" @ 14 % above the estimated rates in May 2011 for Rs 256.514 million with time limit of 9 months. The Authority approved analysis of non-standardized item rate "Supply and fabrication of mild steel of RCC, deformed bar Grade-60 etc" @ Rs 93 per kg against admissible rate of 90.27 per kg due to application of incorrect factor of 0.02 (1/50) instead of 0.01968 (1/50.80) for conversion of cubic weight into kg. Besides, extra labour of black Smith and Coolies unskilled 0.31 No. instead of admissible No. of 0.25 each was paid.

Weak technical and financial controls resulted in the loss of Rs 1,554,938.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated

on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.117)

5.3.8.6 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the various works to the different contractors during January 2012. The Consultant prepared rate analysis of a non-schedule item in BOQ or Engineer's Estimate of "Steel deformed bar grade-60 etc" at higher rates @ Rs 111 per kg instead of admissible rate @ Rs 105 per kg and payment was made accordingly by the DCO, Attock. Therefore, excess rate for Rs 6 per kg was paid to the contractor.

Weak supervisory and technical controls resulted in overpayment of Rs 1,534,644.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for

relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divvied by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.164)

5.3.8.7 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Daanish School for Boys & Girls Harnoli Mianwali" to different contractors. The Authority approved analysis of non-standardized item rate "Supply and Fabrication of mild steel of RCC, deformed bar Grade-60 etc" @ Rs 93 per kg against admissible rate of 91.45 per kg due to application of incorrect factor of 0.02 (1/50) instead of 0.01968 (1/50.80) for conversion of cubic weight into kg.

Weak technical controls resulted in the loss of Rs 1,214,111.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of 50.80 while converting from CWT into KGs on the basis of market rates. Audit contended that the Finance Department's template for item 9(b) under Chapter-6 (Concrete) was required to be followed for preparation of Non-MRS item steel. Further, as per Finance Department's template calculation

of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting CWT into Kgs. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and if required, recovery may be effected from the responsible. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.134)

5.3.8.8 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, Hafizabad awarded the work "Construction of Center of Excellence at Government Girls High School No.1 (Sub-Campus) District Hafizabad" during April 2011 for Rs 9502,974 with time limit of 9 months. The Consultant M/s ACE prepared the rate of a non-MRS item "Steel deformed bar grade-60" in BOQ as Rs 99 per kg instead of admissible rate @ Rs 93 per kg. The excess rate for Rs 6 per kg along with 5% premium was paid to the contractor.

Weak supervisory and technical controls resulted in the loss of Rs 701,663.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were

responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.78)

5.3.8.9 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Sialkot, awarded the work "Construction of Center of Excellence at Government Pilot Secondary School for Boys, Sialkot" with 10.50% premium over the engineer's estimate during June 2011.The Design Consultant prepared a non schedule item "Steel deformed bar Grade-60 etc" in BOQ at higher rates Rs 99 per kg instead of admissible rate Rs 93 per kg and payment was made at excess rate for Rs 6 per kg along with 10.50% premium.

Weak supervisory and technical controls resulted in the loss of Rs 452,787.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate

was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.76)

5.3.8.10 The District Coordination Officer/Chairman (Board of Governors) and Project Director/Principal, Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Science Block at Daanish School for Boys Bahawalnagar" during February 2012. The Authority sanctioned a non-schedule item "Steel deformed bar Grade-60 etc" at higher rates Rs 112 per kg instead of admissible rate Rs 105.60 per kg and payment was made accordingly. The excess rate for Rs 6.40 per kg was paid to the contractor.

Weak supervisory and technical controls resulted in overpayment of Rs 405,184.

Audit pointed out the loss in September 2012. The Principal replied that recovery against non-MRS "Steel deformed bar Grad 60" would be deducted from next running bill. But no recovery was made and get it verified from Audit.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design

Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.94)

5.3.8.11 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Science Block at Daanish School for Boys Bahawalpur" during February 2012. The Authority sanctioned a non-schedule item "Steel deformed bar Grade-60 etc" at higher rates Rs 112 per kg instead of admissible rate Rs106 per kg as per 4th quarter 2011 for district Bahawalpur and payment was made accordingly. The excess rate for Rs 6 per kg was paid to the contractor.

Weak supervisory and technical controls resulted in loss of Rs 109,399.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate for 50 kg was calculated, hence the rate was divided by conversion factor of 50.0 instead of factor 50.80 used to convert cubic weight into kilograms. Rates of material and labour were market based. The contractor quoted his rates against each

item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by taking higher market rates instead of taking it from Finance Department's notified Input Rates for relevant Quarter/Districts as per Finance Department's template for item 9(b) under Chapter-6 (Concrete). Rates allowed more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of Para 2.50 of B&R Code rules. Further, as per Finance Department's template calculation of steel rate of 50 kg was made but the rate was required to be divided by 50.80 while converting cubic weight into kilograms. The Committee directed the Authority to seek clarification from Finance Department regarding conversion factor and application of incorrect input rate and if required, recovery may be effected from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.16)

5.3.9 Loss due to inclusion of extra overheads in the rate analysis - Rs 13.596 million

As per Finance Department's Notification No.RO (TECH) FD.2-3/ 2004 dated 2.08.2004, 10% overhead charges may be added in addition to 10% contractor's profit already allowed in rate analysis standardized by the Finance Department for the purpose of estimation.

5.3.9.1 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls District Attock, awarded the work "Construction of Daanish School for Boys & Girls at Jand District Attock (Package-IV)" to the contractor for Rs 40.441 million during December 2010. The Consultant prepared rate analysis for different non-scheduled items of Civil work earthwork, backfilling with sand, fair face brick work etc. With inclusion of 6% income tax and 20% contractor profit/ overhead charges whereas 10% overheads and 10% contractor profit was admissible only as per Finance Department instructions.

Incorrect rate analysis resulted in a loss of Rs 12,989,600 due to negligence and weak technical and financial controls.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the rate was prepared in original BOQ/engineering estimate by the Design Consultant and approved by the Authority. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by inclusion of 6% income tax and 20% contractor profit and overhead charges instead of admissible 10% overheads and 10% contractor profit. Rates allowed more than Finance Department's instructions was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. The Committee directed that the Authority/Design Consultant may justify the preparation of said Non-MRS items on incorrect/higher rate analysis against the rules and to obtain condonation from Finance Department or the recovery made be affect to the stated extent. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.171)

5.3.9.2 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Harnoli, District Mianwali, and awarded two works "Construction of Daanish School for Boys & Girls Harnoli Mianwali" to the different contractors during January 2011**.** The Consultant sanctioned/approved an additional non-schedule item not provided in original BOQ or Engineer's Estimate of "Providing and fixing of kitchen etc" at higher rates Rs 3,124,617 per job/kitchen instead of admissible rate Rs 2,999,767 by inclusion of 25% overhead charges instead of 20% only and payment was made accordingly by the DCO, Mianwali to the contractor @ Rs 3,429,287 per job/kitchen.

Weak supervisory and financial controls resulted in loss of Rs 606,053 due to sanction of incorrect rates.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the rate was prepared in original BOQ/engineering estimate by the Design Consultant and approved by the Authority. The contractor quoted his rates against each item and work was awarded to the lowest contractor and payment was made to the contractor accordingly. Audit was of the view that Design Consultant prepared incorrect rate analysis by inclusion of 6% income tax and 20% contractor profit and overhead charges instead of admissible 10% overheads and 10% contractor profit. Rates allowed more than Finance Department's instructions was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well as Client/Administrative Department/Authority were responsible for preparation of correct technical sanctioned estimate in the light of para 2.50 of B&R Code rules. The Committee directed that the Authority/Design Consultant may justify the preparation of said Non-MRS items on incorrect/higher rate analysis against the rules and to obtain condonation from Finance Department or the recovery made be affect to the stated extent. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.178)

5.3.10 Overpayment due to allowing excess rate than quoted by the contractor in the bid schedule - Rs 11.351 million

As per General directions No. 28 read with 8(b) for the guidance of the tenderer of the Contract Agreement, the unit rates and prices entered in the bid schedule will be the rates at which the contractor will be paid and shall be deemed to include all costs of performing the work and in case tenders are called on item rate basis, the tenderer shall quote his own unit rate in the bid schedule on which he is willing to undertake each item of work. Further, as per para 31(1) of Punjab Procurement Rules, 2009, no

bidder shall be allowed to alter or modify his bid after the bids have been opened.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, D.G Khan" in October 2011 for Rs 140.672 million. The Authority paid the item of work "Providing and laying granular material used as filter layer in floors etc compaction 100% etc" @ Rs 3,800 per % cft instead of admissible rate as per BOQ of Rs 38 per % cft as quoted by the contractor in the bid schedule. The excess rate of Rs 3,762 % cft was allowed to the contractor.

Weak supervisory technical and financial controls resulted in overpayment due to allowing incorrect rates of Rs 11,351,337.

Audit pointed out overpayment in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the Bids of infrastructure works for Daanish schools were opened on 21-09-2011 which were evaluated by the consultants and awarded to lowest bidder. Referring to contractor's subsequent letter No.NAF/DAN/D.G.K/28 dated 17.10.2011 through which he informed that rate of item No. 1.6 of road network was inadvertently quoted as Rs 38 % cft instead of Rs. 3,800 % cft. The contractor offered an accumulated rebate @ 6.2% on his tendered rates for the subject project in lieu of correction of the said rate. According to decision of CEO PDSCEA GM(E), the consultants re-evaluated the tender and contractor's offer of rebate @ 6.2% was accepted as there was no financial effect on total tender price. Audit contended that it was post bid change and by inclusion of 6.20% rebate the due affect/loss comes to Rs 2,695,734, which was required to be recovered. The Committee directed the Authority to effect the recovery and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.100)

5.3.11 Overpayment due to non-reduction in item rate due to use of local sand - Rs 9.359 million

As per Specification No.20.4 read with remarks column against item No.6(b) under chapter-6 (Concrete), composite rate shall be reduced by Rs 12 per cft if local sand was used in the work. Further as per Finance Department's template for schedule item of RCC the rate of Harrow sand was included.

5.3.11.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December 2009 with 15% premium. The Authority paid a schedule item "Providing and laying RCC slab etc" at full rate without reduction in rate by Rs 7 per cft because in the absence of lab test reports from Building Research Station and documentary proof for using of Harrow sand the execution of item was doubtful.

Weak supervisory and financial controls resulted in overpayment due to non-reduction in rates of Rs 2,428,564**.**

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that sand from Sakhi Sarwar source was used in the RCC work which was basically coarse sand and conformed to MRS item No. 6 under Chapter No. 6 and concrete strength results fulfilled the design requirement of 3000 psi / 4000 psi compressive strength as mentioned in the respective items. Audit contended that in Finance Department's templates for item RCC under Chapter-6 (Concrete) clearly used the word of Harrow sand, therefore, the Sakhi Sarwar sand can not be considered as Harrow sand. The Committee directed the Authority to seek clarification from Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends early clarification from the Finance Department.

(DP.87)

5.3.11.2 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence District Muzaffargarh awarded the work "Construction of Center of Excellence for Boys, Muzaffargarh" to the contractor during June 2011 for Rs 101.495 million. The invoices of procurement of sand revealed that the Authority paid a scheduled item "Providing and laying RCC slab etc" at full rate without reducing the rate by Rs 12 per cft, on account of utilization of local sand. Because in the absence of lab test reports from Building Research Station and documentary proof for use of Harrow sand the execution of item was doubtful.

Weak supervisory and financial controls resulted in overpayment of Rs 2,384,990.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that sand from Sakhi Sarwar source was used in the RCC work which was basically coarse sand and conformed to MRS item No. 6 under Chapter No. 6 and concrete strength results fulfilled the design requirement of 3000 psi / 4000 psi compressive strength as mentioned in the respective items. Audit contended that in Finance Department's Templates for item RCC under Chapter-6 (Concrete) clearly used the word of Harrow sand, therefore, the Sakhi Sarwar sand can not be considered as Harrow sand. The Committee directed the Authority to seek clarification from Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends getting early clarification from the Finance Department.

(DP.31)

5.3.11.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Girls, (Hostel No.1&2) Package-II Bahawalpur" during December 2009 at 12.99% above premium. The Authority paid a scheduled item "Providing and laying RCC slab etc" at full rate but did not reduce the rate @ Rs 12 per cft due to utilization of local sand as per purchase vouchers dated 28.01.2010 and 20.03.2010 of Hasan Goods. No lab test reports from Building Research Station as documentary proof for use of Harrow sand in execution of works were on record.

Weak supervisory and financial controls resulted in overpayment of Rs 2,134,892.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that sand from Sakhi Sarwar source was used in the RCC work which was basically coarse sand and conformed to MRS item No. 6 under Chapter No. 6 and concrete strength results fulfilled the design requirement of 3000 psi / 4000 psi compressive strength as mentioned in the respective items. Audit contended that in Finance Department's templates for item RCC under Chapter-6 (Concrete) clearly used the word of Harrow sand, therefore, the Sakhi Sarwar sand can not be considered as Harrow sand. The Committee directed the Authority to seek clarification from Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends getting early clarification from the Finance Department.

(DP.148)

5.3.11.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District Rajanpur awarded the work "Construction of Daanish School for Girls, Rajanpur" @ 14 % above the estimated rates in May 2011 for Rs 256.514 million. The Authority sanctioned a scheduled item "Providing and laying RCC slab 1:2:4 etc" but did not reduce the rate @ Rs 12 per cft due to non-

utilization of harrow sand. In the absence of lab test reports from Building Research Station and documentary proof for use of Harrow sand, the execution of item was doubtful. Moreover, the invoices for procurement of sand revealed that the supplied sand was of local quality. The recovery on account of use of local sand was required to be effected from the payment.

Weak supervisory and financial controls resulted in overpayment of Rs 1,726,361 due to non-reduction in rate.

Audit pointed out overpayment in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that sand from Sakhi Sarwar source was used in the RCC work which was basically coarse sand and conformed to MRS item No. 6 under Chapter No. 6 and concrete strength results fulfilled the design requirement of 3000 psi / 4000 psi compressive strength as mentioned in the respective items. Audit contended that in Finance Department's templates for item RCC under Chapter-6 (Concrete) clearly used the word of Harrow sand, therefore, the Sakhi Sarwar sand can not be considered as Harrow sand. The Committee directed the Authority to seek clarification from Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends getting early clarification from the Finance Department.

(DP.116)

5.3.11.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, DG Khan" in March 2011 for Rs 460.823 million @ 7.5% above the estimated cost. The Authority sanctioned a schedule item "Providing and laying RCC slab etc" and paid at full rate without reduction in rate @ Rs 12 per cft due to using the local sand. Because in the absence of lab test reports from Building Research Station and documentary proof for use of Harrow sand, the execution of item was doubtful. Moreover, the invoices for procurement of sand revealed that the sand used was of local i.e. Sakhi Sarwar.

Weak supervisory and financial controls resulted in overpayment of Rs 684,409.

Audit pointed out overpayment in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that sand from Sakhi Sarwar source was used in the RCC work which was basically coarse sand and conformed to MRS item No. 6 under Chapter No. 6 and concrete strength results fulfilled the design requirement of 3000 psi / 4000 psi compressive strength as mentioned in the respective items. Audit contended that in Finance Department's templates for item RCC under Chapter-6 (Concrete) clearly used the word of Harrow sand, therefore, the Sakhi Sarwar sand can not be considered as Harrow sand. The Committee directed the Authority to seek clarification from Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends early clarification from the Finance Department.

(DP.72)

5.3.12 Excess payment due to sanction of scheduled items at higher rates than MRS rates - Rs 8.274 million

According to item No.10(iv) under Chapter-18 (Road & Road Structure) of Market Rate Schedule based on 3rd Quarter, 2009 for District Bahawalpur, the rate for an item of work "Providing & laying plant premixed bitumen carpet 2" inch thick for 4.50% density was provided @ Rs 4,801.80 per % sft.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Boys, Bahawalpur (Package-III)" during December 2009 at 12% above premium. The Authority got executed an item of work "Providing and Laying plant premixed bituminous carpeting including compaction 2 inch thick by using 4.50 % JMF etc" and made payment, with incorrect rates of Rs 6,500 per % sft

instead of admissible rate of Rs 4,801.80 per % sft provided in MRS . Thus excessive rate of Rs 1,698.20 per % cft was paid to the contractor.

Weak financial and technical controls resulted in overpayment of Rs 8,273,724.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the audit observations pertains to the running IPCs and accounts were yet to be finalized. It would be ensured that in the final payment the rate should be corrected accordingly and recovery would be made from the contractor. The Committee directed to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.108)

5.3.13 Loss due to inclusion of scaffolding and wastage charges in non-MRS rates - Rs 7.055 million

As per Clause 15 of Contract Agreement, the contractor shall supply at his own cost all material like supply of plant, ladders, scaffoldings etc. Further, the rates analysis of item Fair face brick work prepared by Design Consultant in District Attock was without scaffolding charges. Further, according to Finance Department's Notification No.RO (TECH) FD.2-3/2004 dated 2.08.2004, rate analysis and specifications standardized by Finance Department shall be the basis for market rate of an item. However, these can be modified, replaced and added with the approval of the Finance Department.

5.3.13.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, D.G Khan" in March 2011 for Rs 460.823 million @ 7.5% above the estimated cost. The Consultant prepared a non-standardized item "Providing and

fixing fair face brick 4.5″x3″x9″ in ratio 1:3 cement surkhi over ¾ inch CS base mortar ratio 1:4 on walls etc" with inclusion of extra scaffolding charges @ Rs 3 per sft, extra 5% as wastage, on higher rates of Rs 125 per sft instead of admissible rate of Rs 111 per sft.

Weak technical and financial controls resulted in loss of Rs 4,111,493.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that scaffolding was necessary due to height factor. Audit contended that as per agreement clause-15 it was the responsibility of contractor to arrange scaffoldings at his own cost. Further, in the rate analysis of District Attock and Finance Department's Template the scaffolding charges were not added. The Committee directed the Authority to seek clarification from Finance Department regarding the inclusion of scaffolding charges and if required, action against the responsible officers/officials be taken who added the extra charges in the BOQ contrary to the rules. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.22)

5.3.13.2 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the work "Construction of Punjab Daanish School for Boys & Girls Harnoli Mianwali" to different contractors during January 2011. The Consultant prepared the rate of non-standardized item "Providing and fixing fair face brick 4.5″x3″x9″ in ratio 1:3 cement surkhi over ¾ inch CS Base mortar ratio 1:4 on walls etc" with inclusion of extra scaffolding charges @ Rs 3 per sft and paid @ Rs 109 per sft instead of admissible rate of Rs 105.40 per sft.

Weak technical and financial controls resulted in loss of Rs 1,541,370.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that scaffolding was necessary due to height factor. Audit contended that as per agreement clause-15 it was the responsibility of contractor to arrange scaffoldings at his own cost. Further, in the rate analysis of District Attock and Finance Department's Template the scaffolding charges were not added. The Committee directed the Authority to seek clarification from Finance Department regarding the inclusion of scaffolding charges and if required, action against the responsible officers/officials be taken who added the extra charges in the BOQ contrary to the rules. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.141)

5.3.13.3 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence District Muzaffargarh awarded the work "Construction of Center of Excellence for Boys, Muzaffargarh" to the contractor M/s NAFCON Construction during June 2011 for Rs 101.495 million. The Consultant prepared a rate Rs 125 per sft of non-standardized item "Providing and fixing fair face brick 4.5″x3″x9″ in ratio 1:3 cement surkhi over ¾ inch CS base mortar ratio 1:4 on walls etc" with inclusion of extra scaffolding charges @ Rs 10 per sft amounting to Rs 1000 and extra 5% as wastage instead of admissible rate of Rs 109 per sft. The excess rate for Rs 16 per sft was sanction in the estimate and paid accordingly.

Weak technical and financial controls resulted in sanction of incorrect rate analysis and overpayment of Rs 1,029,792 to the contractor.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that scaffolding was necessary due to

height factor. Audit contended that as per agreement clause-15 it was the responsibility of contractor to arrange scaffoldings at his own cost. Further, in the rate analysis of District Attock and Finance Department's Template the scaffolding charges were not added. The Committee directed the Authority to seek clarification from Finance Department regarding the inclusion of scaffolding charges and if required, action against the responsible officers/officials be taken who added the extra charges in the BOQ contrary to the rules. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.120)

5.3.13.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District Rajanpur awarded the work "Construction of Daanish School for Girls, at Fazilpur" @ 14 % above the estimated cost in May 2011 to the contractor. The Authority approved and paid a non-standardized item "P/f fair face brick 4 ½ " x 3" x 9" in 1:3 cement surkhi over ¾ inch CS Base mortar 1:4 on walls etc" on higher rate Rs 130 per sft by inclusion of extra scaffolding charges @ Rs 10 per sft instead of inclusion only 10% sundries charges admissible @ Rs 122 per sft.

Weak technical and financial controls resulted in loss of Rs 373,345.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that scaffolding was necessary due to height factor. Audit contended that as per agreement clause-15 it was the responsibility of contractor to arrange scaffoldings at his own cost. Further, in the rate analysis of District Attock and Finance Department's Template the scaffolding charges were not added. The Committee directed the Authority to seek clarification from Finance Department regarding the inclusion of scaffolding charges and if required, action against the responsible officers/officials be taken who added the extra charges in the BOQ contrary to the rules. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.175)

5.3.14 Overpayment to the contractor due to allowing extra lead than actual – Rs 5.353 million

As per Specification No. 16.5 (Specifications for execution of works 1967 Volume-I, Part-II), carriage/distance shall be measured by the nearest practicable route.

5.3.14.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Boys, Bahawalpur (Package-III)" during December 2009 at 12% above premium. The Authority prepared rate of Rs 5,197.05 per % cft for sub-base course by adopting incorrect lead covering distance of 480 kilometer from site of work i.e. Hasilpur (Daanish School District, Bahawalpur) to Sakhi Sarwar quarry (D.G Khan) instead of the shortest/actual lead of 270 kilometer and admissible rate of Rs 4,796.95 per % cft. Thus excess rate of Rs 400.10 per % cft was paid to contractor.

Weak managerial and technical controls resulted in overpayment of Rs 2,179,740 due to adoption of incorrect lead.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that discrepancy of lead between BOQ and practical distance, may be referred to Design Consultant, who prepared the BOQ of the contract for tendering. Audit rebutted that carriage/distance shall be measured by the nearest practicable route in the light of specification and Finance Department instructions. The Committee directed to effect the recovery from the person(s) at fault. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.107)

5.3.14.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar awarded the work "Construction of Daanish School for Girls Section (Package-I), Bahawalnagar" during December, 2009 with 15% premium. The Authority prepared the estimate by adopting the incorrect lead covering distance of 480 kilometer from site of work i.e. Chishtian (Daanish School) to Sakhi Sarwar quarry (D.G Khan) instead of the shortest/actual lead of 302 kilometer for items of work "Providing & laying Sub-Base course etc" and "Providing & laying Base course etc" at higher rates @ Rs 5,197.05 and Rs 6,030.45 per % cft instead of admissible rate @ Rs 4,840.95 and Rs 5,674.35 per % cft respectively. The DO Roads, Bahawalnagar had sanctioned lead 302 km in the other works of road "Widening/Improvement of Road at chak No.9/Gajjiani, District Bahawalnagar.

Weak managerial and technical controls resulted in overpayment of Rs 1,423,506 due to adoption of incorrect lead.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that discrepancy of lead between BOQ and practical distance, may be referred to Design Consultant, who prepared the BOQ of the contract for tendering. Audit rebutted that carriage/distance shall be measured by the nearest practicable route in the light of specification and Finance Department instructions. The Committee directed to effect the recovery from the person(s) at fault. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.86)

5.3.14.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan got executed the work "Construction of Daanish School for Boys & Girls, Rahim Yar Khan". The Authority approved rate of standardized item "providing and laying Sub-base etc" with carriage at a distance of 530

kilometer from Sakhi Sarwar quarry @ Rs 5,297.05 per % cft instead of admissible rate of Rs 4,573 per % cft available at shortest distance of 200 kilometer at Rohri quarry.

Weak managerial and technical controls resulted in loss for Rs 1,373,935 due to approval of higher rates.

Audit pointed out overpayment in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that discrepancy of lead between BOQ and practical distance, may be referred to Design Consultant, who prepared the BOQ of the contract for tendering. Audit rebutted that carriage/distance shall be measured by the nearest practicable route in the light of specification and Finance Department instructions. The Committee directed to effect the recovery from the person(s) at fault. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.55)

5.3.14.4 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Punjab Daanish School for Boys & Girls Harnoli Mianwali" to different contractors during January 2011. The Authority approved a standardized item "Sub-base course under road etc" from the longest route @ Rs 39 per cft and paid accordingly instead of admissible rate @ Rs 31 per cft available at shortest distance of 57 kilometer from Musa Khel quarry (57 Km) to Daanish School near Nasir Wala Tehsil Harnoli, District Mianwali.

Weak supervisory and technical controls resulted in overpayment of Rs 375,900.

Audit pointed out overpayment in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that discrepancy of lead between BOQ and practical distance, may be referred to Design Consultant, who prepared the BOQ of the contract for tendering. Audit rebutted that carriage/distance shall be measured by the nearest practicable route in the light of specification and Finance Department instructions. The Committee directed to effect the recovery from the person(s) at fault. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.142)

5.3.15 Non-deposit of income tax/flood surcharge and penalty to Income Tax Department - Rs 5.316 million

According to rule 43 and 43(a) of income tax rules, read with section 161(b)(ib) of Income Tax Ordinance 2001, the payment of tax collected or deducted under section 160 of the Income Tax Ordinance 2002 was required to be paid on the same day of deduction to the income tax authorities for credit into government revenue and a person who fails to pay the deducted income tax to the income tax authorities shall be liable to pay additional tax @ 18% per annum from the date he failed to pay the tax to the FBR receipts. Further, as per sub-section (1) of Section 153 of Income Tax Ordinance 2001, read with Gazette of Pakistan Extra (Part-I) dated 15.03.2011 a surcharge shall be payable by every tax payer @ 15% of income tax payable under this Ordinance for the period from 15.03.2011 to 30.06.2011.

5.3.15.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar made payment to contractor on 10.5.2011 of value of work done for Rs 40,688,543 and deducted income tax @ 6% for Rs 2,441,316 and wrote cheques in the name of Taxation Officer, but did not send to the Income Tax Department for credit into government revenue on the same day. During field audit it was observed that these cheques remained un-attended in the cheque book, due to the negligence of the person(s) concerned, resultantly, the cheques expired at the close of the financial year on 30.06.2011. Further, after the lapse of more than 17 months, the

cheques remained outstanding for credit to FBR Account. Thus, due to the laxity of the concerned person the income tax could not be credited into Government Revenue after lapse of 17 months. So, the additional tax @ of 18% per annum for delayed period was required to be recovered from the person who failed to pay the deducted tax to the income tax authorities in time.

Weak supervisory and financial control resulted in non-recovery of Additional Tax for delayed payment of Tax deducted to the income tax authorities on due date Rs 585,915 and irregular retention of tax amount Rs 2,441,316.

The DCO Bahawalnagar replied that due to non availability of sufficient funds the income tax was not deposited. Now Principal has been directed to put up the case of Income Tax. The DCO admitted the irregularity. Audit was of the view that the works are not finalized, so the depositing of tax is the responsibility of the DCO and not of Principal.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that Income Tax @ 6% was not deposited in relevant heads due to non-availability of sufficient funds and would be deposited when funds would be received. The Committee directed that income tax amount may be deposited immediately along with recovery of penalty 18% from the person(s) at fault. No compliance of Committee's directives was reported till finalization of the report.

Audit stresses early recovery of the amount involved from the concerned official/officer and total amount of Income Tax plus additional tax be deposited to Income Tax Department along with disciplinary action as per rule.

(DP.153)

5.3.15.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Punjab Daanish School for Boys Harnoli Mianwali" to the contractor during January 2011. The Authority made payment to the contractor on 2.6.2011 for value of work for Rs 69,416,883 and deducted income tax amount @ 6% amounting to Rs 4,165,013 but did not deduct 15% flood surcharge from Contractor's payment in violation of rules ibid.

Weak supervisory and financial controls resulted in non-recovery of flood surcharge on income tax of Rs 624,752.

Audit pointed out non-recovery in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.143)

5.3.15.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawal Nagar made payment to contractor on 10.5.2011 for value of work of Rs 40,688,543 and deducted income tax @ 6% of Rs 2,441,316 but did not manage the deduction of 15% flood surcharge from Contractor M/s Shaheen Construction Company in violation of rules ibid.

Weak supervisory and financial controls resulted in non-recovery of flood surcharge on income tax of Rs 366,197.

Audit pointed out non-recovery in September 2012. The DCO replied that the present pending liabilities of contactor have to be cleared by this office when their last bill would be finalized by ACE Arts and PDS & CEA, Lahore. Security of this firm is available in our account and this will not be released to that firm till the recovery of flood surcharge on income tax of Rs 366,197. The Authority admitted in their reply that flood surcharge would be deducted and deposited into FBR account. No recovery was made.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.37)

5.3.15.4 The Principal, Punjab Daanish Schools (Girls) Chishtian District Bahawalnagar made payment to contractor on account of food charges but deducted income tax deducted @ 3.5% instead of admissible rate 6% due to service provided. The income tax @ 2.5% and surcharge on it was not deducted in violation of rules ibid.

The weak supervisory and financial controls resulted in less-recovery of income tax for Rs 160,603.

Audit pointed out the less recovery in October 2012. The DCO, replied that the concerned contractors were being approached to deposit the amount to income tax & flood surcharge. The progress towards recovery was not reported till finalization of the report.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.38)

5.3.16 Loss due to delayed auction of land - Rs 5.050 million

As per Supreme Court of Pakistan Orders dated 19.3.2010, the Court directed the Provincial Government to take immediate steps to take over the land and utilize the same 100 acre land donated by District Government to Daanish School, Rahim Yar Khan for resource generation.

The DCO/Chairman Board of Governors, Daanish Schools & Center of Excellence R.Y Khan, did not comply with the orders of Supreme Court of Pakistan and auctioned the land of Daanish School Farms after the lapse of more than one year on 02.07.2011, for Rs 15,150,000 during the year 2011-12. The Department/Government could have earned more revenue if the auction was held immediately after 19.3.2010.

Weak managerial and supervisory controls resulted in loss for Rs 5,050,000 to the government.

Audit pointed out loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that on 10th May, 2011 the Under Secretary (Schools), Govt. of the Punjab, School Education Department vide Notification No. SO(Schools)1-21/2010 received on 16th May, 2011 intimated the constitution of a committee to manage resource generation out of transferred land in favor of Daanish School, Rahim Yar Khan so the land was transferred in the name of Daanish Schools & Centers of Excellence Authority, Rahim Yar Khan in May 2011. In pursuance of the decisions taken by Resource Generation / Daanish School Frame committee, the land was offered for lease on open auction basis on 13.6.2011. The highest bidder absconded leaving his security deposit Rs 100,000 forfeited by the committee. Cheque of 25% of the annual lease agreement, was deposited by the bidder Muzaffar Ali in the form of a cheque which was subsequently dishonoured. Accordingly a criminal case FIR No. 530/11u/s 489-F PPC was registered against him in P/S "A" Division, Rahim Yar Khan. Subsequently this land was again offered for lease purposes on 02.7.2011 in the light of advertisement flashed in the newspapers. This time, auction proceeding fetched a rate of Rs 50,500 per acre offered by one Mr. Raja Mazhar Hussain. The auction proceedings were approved and lease agreement was signed with the highest bidder. After completion of all codal formalities and auction process, the land was auctioned on 02.7.2011. Audit rebutted that government/authority could earn more revenue if department was able to take over the possession of land and its auction on 19.03.2010 in the light of Supreme Court of Pakistan Orders. The Committee did not accept the contention of the Authority and directed to get the loss condoned from Finance Department caused due to late auction. No compliance of Committee's directives was reported till finalization of the report.

Audit stresses to fix the responsibility against the officer whose negligence resulted in the loss to Government.

(DP.123)

5.3.17 Loss due to allowing higher rate of item - Rs 3.948 million

As per MRS item No.6(a)(ii)(3) and item 4(1) under Chapter-6 (Concrete) and 7 (brick work) for District Bahawalpur and Mianwali the rate of item RCC 1:2:4 and pacca brick work in raft foundation were Rs 168.25 per cft. and Rs 86.67 respectively.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalnagar and Mianwali awarded the works "Construction of Daanish School for Boys and Girls Section, Bahawalnagar, Mianwali" to different Contractors during December 2009 with 15% premium. The Authority paid the item "RCC 1:2:4 @ Rs 218.35 per cft and pacca brick work (1:5) @ Rs 92.90 per cft instead of admissible rate @ Rs 168.25 per cft and Rs 86.67 per cft As per MRS item No. 6(a)(iii)(I) and 4(i) under chapter "6" (concrete) and 7 (brick work) for execution of work in foundation and plinth. The excess rates of Rs 50.50 per cft and Rs 6.23 per cft were paid to contractors.

Weak managerial and technical controls resulted in a loss of Rs 3,948,051.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted the recovery and promised to effect in next running bill. The Committee directed the Authority to recover the overpaid amount immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP. 36 & DP. 135)

5.3.18 Loss due to sanction of incorrect rates of non-MRS items – Rs 3.129 million

As per Finance Department's notification No. RO(Tech) FD.18-23/2004 dated 21.09.2004, the available input rates of material / labour / equipment shall be the same as placed by the finance department on its web site. Standardized analysis shall be used to work out the rate of an item as for as possible.

5.3.18.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan awarded the work "Construction of Daanish School for Boys, Rahim Yar Khan" to the contractor. Incorrect rate of Rs 248.96 per % cft instead of admissible rate of Rs 103.06 % cft plus 14.90% premium based on 4th Quarter, 2009 for District Rahim Yar Khan.

The weak financial and technical controls resulted in overpayment to the contractor of Rs 854,168.

Audit pointed out excess payment in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the audit had incorrectly applied rates of Chapter No. 1 instead of Chapter No. 3 for earth work excavation and embankment. The rate paid was according to Chapter No. 3 where earth excavation rate was given at Sr. No. 1 and subsequent carriage / transportation of earth work at item No. 17. Audit rebutted that the admissible rate of MRS Item No.1 of Chapter-1(Carriage) was inclusive of loading & unloading from conveyance and stacking. The Committee agreed with the view point of Audit and directed the Authority to effect the recovery immediately. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.57)

5.3.18.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded two works "Construction of Daanish School for Boys

& Girls Harnoli Mianwali" to different contractors during January 2011. The Consultant prepared analysis of additional non-schedule item "Providing and fixing wardrobes in hostel building made of Deodar wood boxes etc" at higher rates of Rs 573.20 per sft instead of admissible/actual rate of Rs 538.62 per sft by inclusion of extra wastage 25% instead of 15% wastage of wood provided in Finance Department's template of item No.25, Chapter-12 (Woodwork) and 25% overhead charges instead of 20% overhead charges only and payment was made accordingly by the DCO, Mianwali.

Weak supervisory and financial controls resulted in loss of Rs 721,630 due to sanction of incorrect rates.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that 25% wastage had been taken for very small pieces of deodar wood, sawn from logs, used for frame and lipping, whereas 10% wastage for boxes and shutters has been included in the rate analysis. Further, contractor's overhead and profit @ 25% was included in the rate analysis in accordance with the provisions of clause 41 of general conditions of contract. Audit rebutted that extra 5% overhead charges was to be allowed only on contracts above Rs 200 million. The Committee directed to seek clarification from Finance Department regarding change in standard agreement clause. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends an early condonation from the Finance Department.

(DP.179)

5.3.18.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Water Course at Daanish School for Boys & Girls, Bahawalpur" during December, 2010. The Authority approved a non-schedule item "Laying of complete water course lining with Pre-cost Parabolic Lining (PCPL) segment No.5 including supplying of segments, excavation, laying, jointing, backfilling etc" at higher rates Rs 1,590 per meter instead of actual rates Rs 1422 per meter, by taking incorrect

material rates of cement and sand i.e. Rs 345 per bag and Rs 13.30 per cft instead of actual rates of Rs 325 per bag and Rs 7.50 per cft respectively provided in Finance Department's website for 4th quarter, 2010, District Bahawalpur. The excess rate of Rs 168 per meter was allowed to the contractor.

Weak supervisory, technical and financial controls resulted in loss of Rs 662,562.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that PCPL segment used for construction of water course is a non-schedule item. Its rates are not available on the website. The PCPL segments are prepared in factory by the registered firms and are supplied at rates approved by District Rates Committee Bahawalpur. Govt. has constituted District Rates Committee under chairmanship of Executive District Officer (F&P) in each District for fixing the rates of all kind of watercourse construction material on the basis of prevailing market rates in pursuance of Director General Agriculture, Water Management, Punjab, Lahore letter No. 24694-764/DGA/OFWM dated 11.10.2004 and notification by the District Coordination Officer, Bahawalpur vide order No. EDO (F&P)/BWP/ 6-7/2004 dated 21-10-2004. Accordingly the rates for PCPL segments were also fixed/approved by the District Rates Committee, Bahawalpur in its meeting dated 05.11.2010 (copies of minutes attached). The cost estimates for construction of water course at Daanish Schools Hasilpur were prepared keeping in view the rates approved by the DRC. A Committee under the chairmanship of the District Coordination Officer, Bahawalpur approved the rates for construction of water course by using PCPL segments. The payment of construction of water course has been made on the rates approved by the tender committee. Audit rebutted that DRC was authorized to fixed rate of water course material for National Programme for Improvement of Water courses and rate was to be applied based on Finance Department's input rates for concerned quarter/district being project funded from Government of the Punjab, Finance Department. The Committee did not accept the contention of the Authority and directed to effect the recovery or regularize the matter from Finance

Department. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends an early recovery or condonation from the Finance Department.

(DP.109)

5.3.18.4 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence District Muzaffargarh awarded the work "Construction of Center of Excellence for Boys, Muzaffargarh" to the contractor M/s NAFCON Construction during June 2011 for Rs 101.495 million. The Authority approved non-standardized item "Supply of granular material etc 95% to 100% compaction etc" at rate Rs 26 per cft instead of admissible rate Rs 20 per cft by inclusion of rate for 3 hours instead of 0.75 hours for compaction of 100 cft area, water charges and compaction test. The excess rate for Rs 6 per cft was paid to the contractor.

Weak technical and financial controls resulted in loss of Rs 571,580 due to approval of incorrect non-BOQ rate.

Audit pointed out the loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that it was envisaged that the execution of this item shall be carried out in layer by layer sequence with each layer to be laid / spread in thickness not exceeding 8″ and whereof in view of bulking factor and voids which is 20% in the sand mass the thickness of each layer shall be reduced to 6″ after compaction efforts. Hence, 100 cft of sand viz-a-viz output of 6″ thick layer of sand pertains to an area of 200 sft worked upon. In order to spread and compact in layers inclusion of 03 working hours and the water charges were not on a higher side and were justified. Audit contended that as per Finance Department's template of Road & Road Structure, item of sub-base course, 0.75 hour for compactor was admissible. Moreover, there was no provision of water and compaction test charges. The Committee directed the Authority to seek clarification from Finance Department for deviation from Market Rate

System. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends an early recovery or condonation from the Finance Department.

(DP.25)

5.3.18.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Daanish School for Boys & Girls Harnoli Mianwali" to different contractors during January 2011. The Consultant prepared rate analysis of an additional non-schedule item "Providing and laying kerb stone etc" at higher rate of Rs 133.30 per rft by taking 126 Nos. kerb stone instead of admissible input rate @ Rs 67 per rft for 100 Nos. Kerb stones instead of admissible rate Rs 110 per rft and payment were made accordingly by the DCO, Mianwali.

Weak supervisory and financial controls resulted in loss of Rs 319,061 due to sanction of incorrect rate.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the rate for kerb stones prepared by Nespak and approved by the Authority was Rs 108 per rft. Provisional payment was made at Rs 133.30 and Rs 165 per rft and the same would be adjusted in the forthcoming payments. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP. 137)

5.3.19 Loss to the Authority due to incurring expenses on postponed inaugural ceremonies - Rs 2.729 million

As per para 4 of Government of the Punjab, Services and General Administration Department's Notification No. MD (PPRA) 1-1/2009, Dated Lahore, the 2nd October 2009, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

The Managing Director/CEO, Punjab Daanish Schools & Centers of Excellence Authority, Lahore approved and adjusted total expenditure regarding inauguration of Punjab Daanish School, Chishtian of Rs 5,648,855, vide voucher No. 827 dated 30.6.2011, out of which an amount of Rs 2,729,500 was incurred on postponed inauguration ceremonies. The payment of loss/compensation was caused due to postponement of inauguration ceremony arranged on 22.2.2011, 3.3.2011 and 21.3.2011. Moreover, no evidence was found in the file for holding or cancellation of Chief Minister's visit. Therefore, the huge expenditure on account of catering (food & tentage), transportation from Rahim Yar Khan to Bahawalnagar, sound system etc was incurred un-necessarily at public expense. Further, the objective of the Project or Schools was to provide quality education with boarding facilities to the students of underprivileged classes of the society, not incurring expenditure on such un-necessary items.

The weak supervisory and financial controls resulted in loss to the Authority of Rs 2,729,500.

Audit pointed out the loss in July 2012. The Authority replied that advance was given to DCO Bahawalnagar regarding preparation of inauguration ceremony of schools. The observation was sent to the DCO-Bahawalnagar for reply. The reply was not acceptable being irrelevant, because the grant of advance to Officers/Officials was not covered under any Financial Rules. Moreover, the funds were wasted on repeated postponements of ceremonies, which caused a huge loss to the Government.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that funds were released by the Finance Department with the approval of the CM Punjab. The Committee did not accept the contention of the Authority because the funds were to

be spent on education of poor children and directed to get condonation from Finance Department for the said loss. No compliance of Committee's directives was reported till finalization of the report.

Matter needs to be condoned from the Finance Department and responsibility be fixed against the concerned officers for negligence.

(DP.157)

5.3.20 Loss due to provision of rates more than MRS in BOQ - Rs 2.241 million

According to item No.5(i) under Chapter-3 (Earthwork) of Market Rate Schedule based on 2nd Quarter, 2011, District D.G Khan, the rate for an item of work "Earthwork in ordinary soil for embankment 95% to 100% etc" was provided @ Rs 3,197.60 per thousand cft.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Infrastructure work for Construction of Daanish School for Boys & Girls, D.G Khan" in October 2011 for Rs 140.672 million. The Authority got executed an item of work "Earthwork in ordinary soil for embankment 95% to 100% compaction etc" in the infrastructure work and paid @ Rs 9,706.40 per ‰ cft instead of scheduled rate of Rs 3,197.60 per thousand cft under item No. 5 (i) Chapter 3.

Weak supervisory, technical and financial controls resulted in loss due to allowing incorrect rates of Rs 2,240,686.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the bid pertained to item rate therefore could not be tied with the MRS rates. Audit contended that as per measurement sheets and BOQ the admissible rate comes to Rs 3,197.60 per ‰ cft. Moreover, the Design Consultant calculated the incorrect rates of Scheduled item. The Committee directed the Authority to effect the recovery from the responsible(s). No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.99)

5.3.21 Overpayment due to sanction of incorrect rate of non-MRS item of roof insulation – Rs 2.007 million

In the rate of BOQ item "Providing and laying roof insulation etc" the rate of jambolawn and thermopore sheet was included, which was not practicable. Further, as per quotation from Market and Diamond Foam Company the rate for 2 inch thick Jambolawn was Rs 60 per sft for District Hasilpur.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Bahawalpur awarded the work "Construction of Daanish School for Girls, (Hostel No.1&2) Package-II Bahawalpur" during December 2009 at 12.99% above premium. The Authority approved and paid a non-standardized item "Providing and laying roof insulation comprising of single layer of tiles 9″x4½″x1½″ with CSM 1:3, Jambolawn sheet 2 inch thickness with density 30 Kg/cum etc and thermopore sheet" at higher rates of Rs 125 per sft instead of admissible rate of Rs 111 per sft. Moreover, the component of thermopore sheet was not executed at site. The excess rate for Rs 14 per sft was paid to the contractor.

Weak supervisory, technical and financial controls resulted in overpayment due to sanction of incorrect rate analysis of non-MRS item of Rs 2,007,044.

Audit pointed out overpayment in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that discrepancy in BOQ item of roof insulation to use two similar materials thermopore (Expended Polystyrene) and Jambolawn (Extruded Polystyrene) at same time was not practical / advisable. Thermopore cannot be used when jambolawn was used, this was description mistake only. Audit rebutted that both the rates for thermopore sheet and jambolawn were included in BOQ by the Design Consultant. The Committee directed that Design Consultant may clarify

whether the rate analysis was prepared with thermopore sheet or not and get it verified from Audit the accuracy of rate analysis by taking jambolawn rate @ Rs 60 per sft. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.27)

5.3.22 Overpayment due to allowing higher rates – Rs 1.899 million

As per Rule 2.10 of Punjab Financial Rule, same vigilance should be exercised in respect of expenditure from public money as a man of ordinary prudence incurs expenditure from his own pocket.

5.3.22.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Punjab Daanish School for Boys Harnoli Mianwali" to the contractor during January 2011, with time limit of 9 months. The Authority allowed payment on account of execution of item "Pacca brick work in F&P 1:5 etc" at higher rates Rs 115 per cft instead of actual rate as per undertaking Rs 102 per cft. Therefore, due to allowing higher rate the excess rate of Rs 13 per cft was allowed to the contractor.

Weak supervisory and technical controls resulted in overpayment due to allowing higher rates of Rs 502,606.

Audit pointed out overpayment in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the para was sent to GM, CM Division, Nespak, Lahore who had informed that the said para was related to Design Consultant. In this regard this office had requested to Design Consultant, vide letter No. 52/DCO/DSS/DN dated 20.12.2012 to submit annotated reply. Audit rebutted that rate was to be paid as per undertaking/acceptance letter of the contractor. The Committee directed the Authority to effect the recovery and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.140)

5.3.22.2 The Principal, Punjab Daanish Schools (Boys & Girls), Hasilpur District Bahawalpur opened the tenders of Mess on 28.04.2012 and lowest rate Rs 117.90 per head/person was quoted by a contractor. Instead of award of work to lowest contractor's extension to old contractor was granted @ Rs 145 per head w.e.f. 01.05.2012 to 30.06.2012.

Weak managerial and supervisory controls resulted in excess payment for Rs 459,995 due to non-award of work on lowest rates.

Audit pointed out loss in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority during verification accepted the view point of Audit and promised to effect recovery from the contractor. The Committee directed to effect the recovery and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.17)

5.3.22.3 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rajanpur awarded the work "Construction of Daanish School Infrastructure work at Fazilpur" in December 2011 for Rs 134.900 million. The Authority got executed an item "Earthwork in ordinary soil for embankment 95% to 100% with lead 8 kilometer etc" @ Rs 7,513.90 per thousand cft in the infrastructure work. The rate of the item in the Engineer's Estimate prepared and sanctioned as Rs 7,513.90 per thousand cft instead of Rs 6,756 per thousand cft under schedule item.

Weak financial and technical controls resulted in loss of Rs 450,331.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the bid pertained to items rate therefore can not be linked with MRS rates. However, with reference to Consultant's estimate the rate taken was Rs 7,513.90 per thousand cft which was on lower side as compared to MRS and it should have been Rs 8,798.15 per ‰ cft. Audit rebutted that as per clause 3.5 of agreement with Consultant by PDS&CE Authority, Lahore, it was the responsibility of Consultant to check that rates and estimate were correct. The Committee took very serious notice and directed the consultant may justify the reason for preparation of incorrect rates and inflatory estimate. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.113)

5.3.22.4 The Managing Director/CEO, Punjab Daanish Schools & Centers of Excellence Authority, Lahore approved the adjustment on account of expenses on inauguration of Punjab Daanish School, Hasilpur District Bahawalpur for Rs 3,000,000, vide voucher No.760 dated 13.06.2011. The department paid the food rate Rs 442 per head to the same contractor M/s Creative Catering for food items during inauguration ceremony at Bahawalpur instead of rate @ Rs 200 per head. The contractor supplied the same food @ Rs 200 per head during inauguration of Daanish Schools at Rahim Yar Khan. No compaction was held for Bahawalpur ceremony to arrive at competitive rates. Thus, due to allowing excessive rate @ Rs 242 per head/person resulted in overpayment to the contractor.

The weak supervisory and financial controls resulted in overpayment to the contractor of Rs 290,400.

Audit pointed out the excess payment in July 2012. The Authority replied that advance was given to the DCO Bahawalpur regarding preparation of inauguration ceremony of school. The observation has been sent to the concerned for reply. The interim reply was given by the Authority. However, lowest rates could have been achieved, if open tendering process was adopted among the participants from Bahawalpur.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that there were two firms involved in these inauguration arrangements, M/S Classic Event Management and M/S Creative Catering. Initially they were hired for inauguration ceremony of Daanish School Rahim Yar Khan where the arrangements were par excellent and were liked by the VVIPs. Arrangements for the inauguration ceremony of Daanish School (Boys & Girls), Hasilpur was done by the same contractor of Rahim Yar Khan, as there was no considerable catering / tent service available in Bahawalpur. There was a high risk of mis-management, had the arrangements were awarded to the local contractors. All the Cooking Staff and material was arranged by the firms from Rahim Yar Khan. The labor and daily TA/DA charges of the Cooking Staff were included in the rates. Audit rebutted that District Bahawalpur was big city and department could save public money if food was arranged from local contractor with competitive rates. The Committee did not accept the contention of the Authority and directed that condonation of the loss may be obtained from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends getting an early condonation from the Finance Department.

(DP.103)

5.3.22.5 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Construction of Daanish School for Boys & Girls, DG Khan" in March 2011 for Rs 460.823 million. The Authority approved the schedule item of "Providing and laying damp proof course of cement concrete 1:2:4 etc" at higher rate Rs 2,893.30 per % sft instead of admissible rate Rs 2,584.35 per % sft as per MRS item No.33b(i) Chapter-6 (Concrete) based on 1st quarter, 2011 for District D.G Khan. Thus excess rate of Rs 308.95 per % sft was allowed to the contractor

Weak supervisory, technical and financial controls resulted in loss due to sanction of incorrect rate of MRS of Rs 195,319.

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority neither submitted any reply nor provided any working paper in defence. The Committee directed the Authority to get record verified from Audit or effect recovery within 15 days. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.119)

5.3.23 Loss due to application of incorrect rate of non-MRS item of pre-cast boundary wall – Rs 1.847 million

As per Finance Department's Notification No. RO (TECH) FD 2-3/2004 dated 02.08.2004, 10% overhead charges may be added in addition to 10% contractor's profit already allowed in rate analysis standardized by the Finance Department for the purpose of estimation.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the works "Construction of Punjab Daanish School for Boys & Girls Harnoli Mianwali" to different contractors during January 2011. The Consultant prepared the rate analysis of an additional non-schedule item "Pre-cast boundary wall etc" on higher rates @ Rs 1,359 per rft instead of admissible rate of Rs 1,116 per rft by application of incorrect schedule rates as well as input/material rates, and inclusion of 25% overhead charges instead of 20% overhead charges. Payment was made accordingly by the DCO, Mianwali.

Weak technical and financial controls resulted in loss of Rs 1,846,551 due to sanction of incorrect rates.

Audit pointed out the loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that rate was as per market rates and regarding application of 25% overhead & profit is concerned, it was provided in accordance with clause 41 of General Conditions of contract

for the subject project. Audit rebutted that the Authority changed the Standard Agreement without Finance Department's approval. The Committee directed the Authority to seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends early clarification from the Finance Department.

(DP.139)

5.3.24 Non-recovery of electricity bills and income tax from the contractors – Rs 1.688 million

As per Principal Daanish School (Boys) Hasilpur letter No. DS/0114/DSHSP dated 04.01.2012, electricity bills of Rs 931,007 were due from various contractors.

5.3.24.1 The Principal, Punjab Daanish Schools (Boys & Girls) Hasilpur District Bahawalpur did not recover the electricity bills from the contractors who used the electricity during construction of works. No efforts were made to recover the dues despite the lapse of more than 12 months.

Weak managerial and supervisory controls resulted in non-recovery of electricity bills from the contractors of Rs 931,007.

Audit pointed out non-recovery in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period despite repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted the recovery. The Committee directed to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.150)

5.3.24.2 DCO/Chairman Board of Governors, Daanish Schools & Center of Excellence R.Y. Khan auctioned Daanish School Farms on 02.07.2011, for value of Rs 15,150,000 during the year 2011-12 but did not recover Income Tax @ 5% from the successful bidder as per rules ibid.

Weak supervisory control resulted in non-recovery of income tax of Rs 757,500.

Audit pointed out non-recovery in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority admitted that the recovery 5% income tax for Rs 420,649 for which Mr. Raja Mazhar Hussain, Lessee/Bidder has been asked vide letter No. 1289 dated 12.10.2012 deposit the same. The Committee directed to recover the full amount of tax immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.154)

5.3.25 Undue grant of discount for crops wastage – Rs 1.683 million

As per tender notice published in press, no condition for case of wastage of crops in first lease year whatsoever was existed in the tender notice for auction of lease of land in village Kot Zulfiqar owned by the Daanish Schools, Rahim Yar Khan.

The DCO/Chairman Board of Governors, Daanish Schools & Center of Excellence R.Y Khan auctioned Daanish School Farms on 2.7.2011, for value of Rs 15,150,000 during the year 2011-12. The Authority recovered the first installment of Rs 3,365,194 instead of due installment of Rs 5,047,791, by giving 33% discount for wastage of crops. Condition provided in agreement was a post bid change and no such condition existed in tender notice printed in press. Moreover, no evidence was on record showing sanction of BOR, for wastage of crops on the leased land.

Grant of undue discount for wastage of crops resulted in loss of Rs 1.683 million

Audit pointed out the loss in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the Land Auction Sub Committee gave 33% rebate to the lessee for first year 2011-12 due to the fact that cultivation period was over at the time of auction and agreement was signed on 09.7.2011. Hence, Rs 3.365 million was deposited as lease money of first year 2011-12. Lease money for the second year i.e. 2012-13 worth Rs 5.047 million has been deposited. The Committee did not accept the contention of the Authority as it was a post bid change in contravention of PPRA Rules, 2009. The Committee further directed to provide proof of wastage of crops and directed to obtain the condonation from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends an early condonation from the Finance Department.

(DP. 7)

5.3.26 Less recovery of sale of tender fees - Rs 1.491 million

According to Notification No B-II(C&W)2-11/78(2005), dated 14.12.2005, the fee of tender documents will be charged at the prevalent rate of 0.05% of the cost of work. In other work of Districts, the DCOs recovered the tender fee @ 0.050% of the cost of work.

5.3.26.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan issued/sold tenders to different contractors for Construction of Daanish Schools and Center of Excellence at D.G Khan but received tender fee @ 0.025% instead of admissible tender fee @ 0.050%.

Weak technical and managerial controls resulted in less recovery of tender fee of Rs 635,200.

Audit pointed out less recovery in August 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. After detailed deliberation the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.96)

5.3.26.2 The District Coordination Officer/Chairman (Board of Governors), Daanish School for Boys & Girls Attock, issued various tenders to different contractors for construction of Daanish Schools for Girls & Boys Package-5 & 6 at Jand Attock but recovered tender fee @ 0.025% of tender/estimated cost instead of admissible tender fee @ 0.050% of the tendered/estimated cost. The Authority recovered lesser amount of sale of tender documents from the various contractors.

Weak technical and managerial controls resulted in less-recovery of cost of tender fee of Rs 357,228.

Audit pointed out less-recovery in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. During discussion the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and

get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.169)

5.3.26.3 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence for construction of Boys & Girls, District Muzaffargarh, issued various tenders to different contractors for construction of Center of Excellence for Boys & Girls at Muzaffargarh but tender fee was recovered @ 0.025% of instead of admissible tender fee @ 0.050% of the tendered/estimated cost.

Weak technical and managerial controls resulted in less-recovery of cost of tender fee of Rs 192,249.

Audit pointed out less-recovery in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. During discussion the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.30)

5.3.26.4 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence, Faisalabad, the EDO Education, Faisalabad issued various tenders to different contractors for construction of Center of Excellence for Boys at Jaranwala, District Faisalabad but recovered tender fee @ 0.025% of estimated cost instead of admissible tender fee @ 0.050% of the tendered/estimated cost. The Authority

recovered lesser amount on account of the cost of sale of tender documents from the various contractors.

Weak technical and managerial controls resulted in less-recovery of cost of tender fees of Rs 123,800.

Audit pointed out the less recovery in September 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. During discussion the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.10)

5.3.26.5 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Hafiz Abad, the EDO Finance & Planning, issued various tenders to different contractors for construction of Center of Excellence at Govt. Girls High School No.1 (Sub-campus), District Hafiz Abad but recovered tender fee @ 0.025% of tender/estimated cost instead of admissible tender fee @ 0.050% of the tendered/estimated cost. The Authority recovered lesser amount on account of the cost of sale of tender documents from the various contractors.

Weak technical and managerial controls resulted in less-recovery of cost of tender fees Rs 97,960.

Audit pointed out the less-recovery in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders. This shows slackness

towards constitutional obligations, because the management did not show any interest in timely response/reply to the audit observation.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. During discussion the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.79)

5.3.26.6 The District Coordination Officer/Chairman (Board of Governors), Center of Excellence Authority, Sialkot, the EDO Finance & Planning, Sialkot issued tenders to different contractors for construction of Center of Excellence at Pilot Secondary School for Boys and Lady Anderson Higher Secondary School for Girls District Sialkot but recovered tender fee @ 0.025% of tender/estimated cost instead of admissible tender fee @ 0.050% of the tendered/estimated cost. The Authority recovered lesser amount on account of the cost of sale of tender documents from the various contractors.

Weak and managerial controls resulted in less-recovery of cost of tender fee of Rs 85,121.

Audit pointed out less-recovery in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that tender fee was recovered as per directions of Design Consultant and Daanish Authority. Audit rebutted that tender fees were required to be recovered @ 0.050% as per rules like other Districts where DCOs recovered the tender fees at the prescribed rates. During discussion the Authority admitted the recovery. The Committee directed the Authority to effect the recovery immediately and

get it verified from Audit. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.77)

5.3.27 Loss due to inclusion of extra overheads in the rate analysis – Rs 1.048 million

As per Finance Department's Notification No.RO (TECH) FD.2-3/2004 dated 02.08.2004, 10% overhead charges may be added in addition to 10% contractor's profit already allowed in rate analysis standardized by the Finance Department for the purpose of estimation.

5.3.27.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish School for Boys & Girls Harnoli, District Mianwali, awarded the work "Construction of Punjab Daanish School for Boys & Girls Harnoli Mianwali" to the contractors during January 2011. The Consultant prepared rate analysis for non schedule items "PPR Pipe with dia ranging from 20 mm to 90 mm etc." with inclusion of 25 % contractor's profit and overhead charges instead of admissible 10% overheads and 10% contractor's profit in violation of the government instructions.

Incorrect rate analysis resulted in a loss of Rs 832,452 due to negligence and weak technical and financial controls.

Audit pointed out loss in October 2012. The DCO / Chairman did not furnish any reply after the lapse of considerable period inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that 25% premium for contractor's profit and overheads were inadvertent typographical error in BOQ. Further, the payment was made to the contractors on their quoted rates. Audit rebutted that upto the cost of Rs 200 million, 20% overhead charges were admissible. The Committee directed the Authority to seek clarification from Finance Department. No compliance of Committee's directives was reported till finalization of the report.

Recovery needs to be expedited besides fixing responsibility against the person(s) involved.

(DP.144)

5.3.27.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) District D.G Khan awarded the work "Infrastructure work for Construction of Daanish School for Boys & Girls, DG Khan" in October 2011 for Rs 140.672 million. The Authority approved analysis of non-standardized item "Providing/fixing kerb stone size 300mmx150mmx450mm etc" @ Rs 169 per rft with extra inclusion of overhead charges 20% on said MRS items PCC 1:2:4 and 1:4:8 and water charges. No extra cost for overhead profit/water charges was admissible as these were already included in MRS items.

Weak technical and financial controls caused approval of non-MRS rate at higher rate @ Rs 169 per rft instead of 146 per rft and resulted in loss of Rs 216,000**.**

Audit pointed out loss in August 2012. The DCO / Chairman did not furnish any reply even after the lapse of considerable period and inspite of repeated written and verbal reminders.

The para was also discussed in the SDAC meeting held on 28.12.2012. The Authority explained that the bid pertains to item rate, therefore, cannot be tied with MRS rates. Audit rebutted that MRS items of PCC 1:2:4 and 1:4:8 as per item No.5 of Chpater-6 (concrete) based on MRS 2nd quarter 2011 for District D.G Khan, includes 20% contractor's profit and overhead charges besides water charges. Allowing rates more than notified rate was a lapse on the part of the Authority. Further, tenders were evaluated on overall rate basis rather considering the rate for an individual item. Consultant as well Client/Administrative Department/ Authority were responsible for preparation of correct technical sanction estimate in the light of para 2.50 of B&R Code. The Committee did not accept the contention of the Authority and directed that Design Consultant may justify the reason for preparation of incorrect rate analysis and inflatory estimates. No compliance of Committee's directives was reported till finalization of the report.

Audit recommends an early recovery or clarification from the Finance Department.

(DP.129)

CHAPTER-6

LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT DEPARTMENT

6.1 Introduction of Department

Local Government and Community Development Department comprises attached departments of Directorate General Local Government and Community Development, Punjab Local Government Board, and Directorate General Katchi Abadis. 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 Tameer-e-Punjab Programme being sponsored by the provincial legislature. Director General Local Government and Community Development, through his field formations, execute the development schemes of Tameer-e-Punjab/Chief Minister Accelerated Programme, Community Uplift Programme and Punjab Development Programme which fall under the audit jurisdiction of Director General Audit Works (Provincial) Lahore. The primary responsibility of the department is to develop rural areas of the province of Punjab.

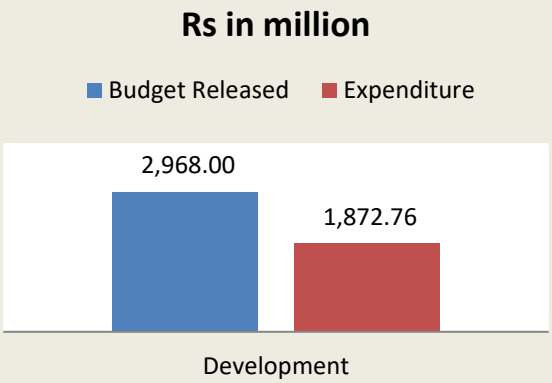
6.2 Comments on Budget & Accounts (Variance Analysis)

There was an allocation of Rs 3,000 million for the Directorate General Local Government and Community Development in the original budget. However, in revised budget Rs 2,968 million were allocated. The field formations could incur an expenditure of only Rs 1,872.76 million against the revised budgetary allocation of Rs 2,968 million resulting in saving of Rs 1,095.24 million (36.9%).

Nature of Grant	Original Budget	Budget Released	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Development Grant	**3,000.00**	**2,968.00**	**1,872.76**	**(1,095.24)**	**(36.90)**

Source: Budget Book and Progress report (FY 2010-11)

There was an allocation of Rs 3,000 million in the original budget. However, amount of Rs 2,968 million was released against which actual expenditure of Rs 1,872.76 million was incurred resulting in saving of 36.90%.



6.3 Brief comments on the status of compliance with PAC directives

The position of compliance with PAC directives over the years is tabulated as under:

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1993-94	01	-	01	-
2	1994-95	10	-	10	-
3	1995-96	05	-	05	-
4	1996-97	72	12	60	16.7
5	1997-98	214	-	214	-
6	1998-99	49	-	49	-
7	1999-00	72	15	57	20.8
8	2000-01	19	01	18	5.2
Total		**442**	**28**	**414**	**6.33%**
Defunct D.G Khan					
9	1996-97	01	-	01	-
10	1997-98	23	01	22	4.3
11	1999-2000	07	-	07	-
12	2000-01	09	-	09	-
Total		**40**	**01**	**39**	**2.5%**
Bahawalpur Development Authority					
13	1999-2000	03	-	03	-
SAR No 34					
14	2000-01	06	-	06	-

Source: PAC Digest and PAC Compliance Cell data base

As per para 16(25-26) of Punjab Budget Manual, Punjab Finance Department is responsible to watch compliance of PAC directives / actionable points. Over the years, there has been no regular monitoring mechanism to watch compliance of PAC directives both in the Finance Department and in the Administrative departments.

Although all the Principal Accounting Officers were reminded time and again through Demi Official letters but no positive response was

received in this regard. PAC was also requested by Audit to intervene and to undertake initiatives to institutionalize some review mechanism for prompt and effective compliance of PAC directives. Audit is pursuing the Principal Accounting Offices actively through Compliance Cell to expedite the compliance of PAC directives.

6.4 AUDIT PARAS

6.4.1 Non-recovery of flood surcharge on income tax - Rs 2.892 million

As per sub-section (1) of Section 153 of Income Tax Ordinance 2001, read with Gazette of Pakistan Extra (Part-I) dated 15.03.2011, a surcharge shall be payable by every tax payer @ 15% of income tax payable under this Ordinance for the period from 15.03.2011 to 30.06.2011

6.4.1.1 The Assistant Director, Local Government and Community Development, Bahawalpur being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Bahawalpur made payment of Rs 208,184,583 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 12,491,075 in respect of the works of Punjab Development Programme, and Development Packages under Roads Sector, Building & PHE etc. during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on income tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of flood surcharge on income tax to the tune of Rs 1,873,662.

Audit pointed out the non-recovery in April 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department explained that instructions regarding deduction of 15% flood surcharge on income tax were received late. Therefore, deduction could not be made from the payments / bills of the contractors. The Committee did not accept the contention of the Department and directed to effect the recovery within 20 days and get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected from contractor and got verified from Audit.

(DP. 24)

6.4.1.2 The Assistant Director Local Government and Community Development, Rahim Yar Khan being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Rahim Yar Khan made payment of Rs 16,868,167 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 1,012,090 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 151,815 flood surcharge on Income Tax.

Audit pointed out non-recovery in March 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department explained that recovery would be adjusted in the next running bills and securities of the contractors. The Committee directed the Department to effect the recovery within 20 days and get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified by Audit.

(DP. 15)

6.4.1.3 The Assistant Director, Local Government and Community Development, Jhelum being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Jhelum made payment of Rs 15,406,717 to the various contractors from the joint SDA operated by DCO/EDO (F&P) and deducted Rs 924,403 income tax @ 6% during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 138,660 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in May 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department neither submitted any reply nor provided working papers. The Committee directed the Department to effect recovery within 15 days. No compliance of Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 16)

6.4.1.4 The Assistant Director, Local Government and Community Development, Muzaffargarh being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Muzafargarh made payment of Rs 15,085,216 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 905,113 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 138,120 on account of flood surcharge on Income Tax.

Audit pointed out non-recovery in February 2012. The Department replied that the surcharge on income tax would be recovered & got verified from Audit. However, it has not been done so far.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department effected recovery of Rs 37,700 through challans and promised to effect the balance recovery. The recovered amount was verified by Audit. The Committee reduced the para to Rs 100,420 and directed to effect the balance recovery within 15 days. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 22)

6.4.1.5 The Assistant Director, Local Government and Community Development, Sialkot being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors.

The Executive District Officer (F&P) Sialkot made payment of Rs 15,085,217 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 905,113 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 135,767 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in April 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department neither submitted any reply nor provided working papers. The Committee directed the Department to effect recovery within 15 days. No compliance of Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified by Audit.

(DP. 36)

6.4.1.6 The Assistant Director Local Government and Community Development, Kasur being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Kasur made payment of Rs 12,254,450 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 735,267 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on income tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 110,290 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in February 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department neither submitted any reply nor provided working papers. The Committee directed the Department to effect

recovery within 15 days. No compliance of Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 20)

6.4.1.7 The Assistant Director Local Government and Community Development, D.G Khan being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) D.G Khan made payment of Rs 12,100,117 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 726,007 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 108,901 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in March 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department explained that instructions regarding deduction of 15% flood surcharge on income tax were received late. Therefore, deduction could not be made from the payments / bills of the contractors. The Committee did not accept the contention of the Department and directed to effect recovery within 20 days and get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 23)

6.4.1.8 The Assistant Director, Local Government and Community Development, Toba Tek Singh being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Toba Tek Singh made payment of Rs 11,167,883 to the contractors from the joint SDA operated

by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 670,073 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on income tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 101,511 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in April 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department explained that the Office of the EDO (F&P), Toba Tek Singh was not in a position to alter the pre-audited amount on the bills prepared by executing agencies and District Accounts Officer, Toba Tek Singh. The Committee did not accept the contention of the Department because being Drawing & Disbursing Officer was responsible to deduct the amount of taxes. The Committee directed to effect the recovery within 7 days and get it verified by Audit. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 39)

6.4.1.9 The Assistant Director, Local Government and Community Development, Okara being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Okara made payment of Rs 10,245,600 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% amounting to Rs 614,736 during the period 15.03.2011 to 30.06.2011 but did not deduct flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of Rs 92,203 on account of flood surcharge on Income Tax.

Audit pointed out the non-recovery in April 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department explained that the Executive District Officer

(F&P), Okara was not in a position to alter the pre-audited amount on the bills prepared by executing agencies and District Accounts Officer, Okara. The Committee did not accept the contention of the Department because being Drawing & Disbursing Officer, EDO (F&P) was responsible to deduct the amount of taxes. The Committee directed to effect the recovery within 7 days and get it verified by Audit. No compliance of the Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 27)

6.4.1.10 The Assistant Director, Local Government and Community Development, Bahawalnagar being a focal person, in the works of Punjab Development Programme (PDP) funded from Provincial Account-I could not manage the deduction of flood surcharge from various contractors. The Executive District Officer (F&P) Bahawalnagar made payment of Rs 8,783,733 to the contractors from the joint SDA operated by DCO/EDO (F&P) and deducted income tax @ 6% for Rs 527,024 during the period 15.03.2011 to 30.06.2011, but did not deduct the flood surcharge @ 15% on Income Tax as per rules ibid.

Weak supervisory and financial controls resulted in non-recovery of flood surcharge on income tax of Rs 79,064.

Audit pointed out non-recovery in April 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department neither submitted any reply nor provided working papers. The Committee directed the Department to effect recovery within 15 days. No compliance of Committee's directives was reported till finalization of this report.

Recovery needs to be effected and got verified from Audit.

(DP. 28)

6.4.2 Unjustified payment due to execution of work without job mix formula - Rs 1.815 million

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

The Executive Engineer, Local Government and Community Development, Rajanpur sanctioned in work "Construction of carpeting road Main bazaar Dajal, Jampur District Rajanpur" an item of work "Providing and Laying plant premixed bituminous carpeting including compaction 3 inch thick by using 6% JMF etc." without obtaining JMF from Road Research and Material Testing Institute Lahore, and made payment without lab test reports.

Weak supervisory and technical controls resulted in unjustified payment of Rs 1,815,187.

Audit pointed out the unjustified payment in March 2012. The Department did not reply.

The para was also discussed in the SDAC meeting held on 18.01.2013. The Department neither submitted any reply nor provided working papers. The Committee directed the Department to effect recovery within 15 days. No compliance of Committee's directives was reported till finalization of this report.

The recovery in the light of lab test report needs to be effected besides fixing responsibility against the person(s) responsible.

(DP. 19)

ANNEXURE-1: MFDAC PARAS

Annexure-1/A: Communication & Works Department

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
1	1	Excess payment due to allowing use of bitumen in tack coat at excessive side	PHD, Faisalabad	2,215,863
2	3	Loss due to non-recovery of cost of old material	PHD, Faisalabad	546,054
3	4	Short recovery	PHD, Faisalabad	246,283
4	6	Undue financial aid due to non-obtaining performance security	SE, PBC Circle-II, Lahore	193,839,000
5	7	Non-recovery of compensation for delay	PBD, Faisalabad	10,005,000
6	8	Undue financial aid due to non-obtaining performance security	SE, PBC, Circle-I, Lahore	42,263,000
7	9	Loss due to non auction of unserviceable truck	SE, PBC, Circle-II, Lahore	500,000
8	10	Overpayment due to application of wrong factor	PBD, Jhang	265,942
9	11	Unjustified payment & overpayment due to application of wrong factor	PBD, Jhang	4,032,616
10	12	Non-recovery due to allowing price variation in admissible price fluctuation	PBD, Jhang	172,797
11	13	Non-recovery due to de-escalation in the rates of cement	PBD, Jhang	501,713
12	14	Un-due financial benefit to contractor due to non-obtaining of performance security	PHE, Jhang	3,970,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
13	17	Overpayment due to wrong calculation	PBD, Jhang	1,286,930
14	18	Unjustified expenditure of POL	Secretary C&W, Lahore	159,787
15	19	Overpayment due to allowing higher limit of POL	Secretary C&W, Lahore	170,470
16	20	Loss due to non-auction of vehicles	Secretary C&W, Lahore	2,000,000
17	21	Loss due to non-auction of unserviceable items	Secretary C&W, Lahore	151,000
18	24	Loss due to incorrect estimation	SE, PHC, Multan	196,156
19	26	Loss to government due to incorrect higher rates	SE, PHC, Multan	54,689,000
20	27	Loss to government due to incorrect higher rates	SE, PHC, Multan	4,417,000
21	28	Loss due to incorrect estimation	SE, PHC, Multan	395,396
22	29	Non-recovery of conveyance allowance	SE, PHC, Multan	211,702
23	31	Irregular Diversion of contingencies	SE, PBC, Multan	125,560
24	32	Loss due to unjustified inclusion of overheads and contractor's profit in the rate analysis	PBD, GOR, Lahore	612,000
25	33	Overpayment due to incorrect price variation	PBD, GOR, Lahore	341,366
26	35	Overpayment due to application of incorrect rate	PBD, Sahiwal	1,432,601
27	36	Overpayment due to application of incorrect rate	PBD, Sahiwal	244,496

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
28	37	Overpayment due to application of incorrect rate	PBD, Sahiwal	261,352
29	40	Non-rescission of contract agreement due to poor performance of contractor	PBD, Jhang	2,156,000
30	41	Irregular approval of estimates and expenditure.	SE, PBC-II, Lahore	275,811,000
31	42	Irregular approval of technical sanction estimates of annual repairs & special repairs	SE, PBC-II, Lahore	1,257,000
32	44	Non-recovery of Lab charges	Dir. Building, Research Station, Lahore	32,569,000
33	45	Non-recovery of lab charges	Dir. Building, Research Station, Lahore	10,404,000
34	47	Non-recovery of material testing charges	Dir. Building, Research Station, Lahore	193,520
35	48	Loss to government due to less recovery of renewal fee	Secretary C&W, Lahore	140,000
36	49	Loss to government due to less recovery of renewal fee	Secretary C&W, Lahore	322,500
37	50	Non-recovery of conveyance allowance & loss due to issuance of POL to the unauthorized officers	Secretary C&W, Lahore	717,750
38	52	Loss to government due to excess assessment of shifting/disturbance etc	LAC, Multan Road, Lahore	600,080
39	53	Overpayment due to less deduction of old material	LAC, Multan Road, Lahore	7,456,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
40	54	Loss to government due to excess assessment of shifting/disturbance allowance etc	LAC, Multan Road, Lahore	1,358,021
41	57	Loss due to inclusion of 25% contractor profit and overhead instead of 20%	XEN,PHD, Jhang	1,848,000
42	59	Irregular use of contingency	SE, PHC, Lahore	1,500,000
43	60	Loss to government due to less recovery of renewal and enlistment fee	SE, PHC, Lahore	116,425
44	61	Unjustified use of contingency and non-recovery of income tax	SE, PHC, Lahore	586,021
45	62	Irregular use of contingency	SE, PHC, Lahore	525,000
46	63	Loss due to allowing higher rate	SE, PHC, Lahore	18,208,673
47	64	Unauthorized use of contingency	SE, PHC, Lahore	
48	65	Overpayment due to allowing payment beyond the approved scope	PBD, Sahiwal	
49	69	Overpayment due to application of incorrect rate	PBD, Sahiwal	650,194
50	70	Irregular expenditure due to mis-classification and purchase of POL of previous year	SE, PHC, D.G Khan	140,011
51	71	Loss due to incorrect estimation	SE, PHC, D.G Khan	65,358
52	74	Loss due to sanction of incorrect rate of tack coat	SE, PHC, D.G Khan	4,477,069

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
53	75	Undue financial benefit to the contractor due to non-obtaining additional bank guarantee	SE, PHC, D.G Khan	10,978,979
54	76	Loss due to sanction of incorrect rate	SE, PHC, D.G Khan	16,747,273
55	77	Loss due to incorrect estimation	SE, PHC, D.G Khan	637,170
56	78	Loss due to application of incorrect higher rate	SE, PHC, D.G Khan	1,063,111
57	79	Non-recovery of conveyance allowance	SE, PBC, D.G Khan	72,984
58	80	Undue financial benefit due to non-obtaining of performance security	SE, PBC, D.G Khan	34,696,000
59	82	Overpayment due to sanction of inadmissible item	SE, PHC, D.G Khan	123,444
60	83	Overpayment due to sanction of inadmissible item	SE, PBC, D.G Khan	246,888
61	85	Non-finalization of probe report on fake degree of the officials	SE, PBC, Multan	-
62	86	Non-recovery of penal rent	SE, PBC, Multan	578,760
63	87	Irregular approval of rights of toll collection on the basis of single tender	C.E (N) Highway, Lahore	35,043,786
64	88	Loss due to non-reduction of rate of carpeting	C.E (N) Highway, Lahore	1,799,000
65	89	Loss due to incorrect estimation	C.E (N) Highway, Lahore	
66	90	Loss due to incorrect estimation	C.E (N) Highway, Lahore	136,837

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
67	91	Loss due to sanction of incorrect non-MRS rate	C.E (N) Highway, Lahore	15,559,908
68	92	Non production of record	Dir. Road Research MTI Lahore	23,094,000
69	95	Undue financial benefit to the contractor due to non-obtaining additional bank guarantee	C.E (N) Highway, Lahore	3,065,436
70	96	Loss due to incorrect estimation	C.E (N) Highway, Lahore	99,785
71	97	Loss due to incorrect estimation	C.E (S) Highway, Lahore	244,632
72	100	Overpayment due to excess measurement	PRCD, Lahore	1,324,000
73	102	Overpayment due to non utilization of the quantity of the dismantled material	PHD, Lahore	9,600,000
74	103	Overpayment due to non deduction of duct from girders	MMD, Rawalpindi	113,600
75	104	Overpayment due to allowing undue allowance for mega project	MMD, Rawalpindi	456,952
76	105	Loss due to incorrect conversion factor	MMD, Rawalpindi	240,701
77	106	Loss due application of incorrect rate	MMD, Rawalpindi	877,006
78	107	Loss due to incorporating inadmissible item in rate analysis	MMD, Rawalpindi	1,305,000
79	108	Non-recovery of higher charges of machinery	MMD, Rawalpindi	2,091,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
80	109	Overpayment due to non deduction of shrinkage	MMD, Rawalpindi	119,910
81	110	Overpayment of price variation in admissible value of work done	PBD, Sargodha	992,023
82	111	Overpayment due to non utilization of available earth	PHD, Bahawalpur	296,243
83	113	Overpayment due to non-deduction of available earth/material	PRCD, Rawalpindi	1,035,000
84	114	Overpayment due to payment with incorrect rates	PBD, Lodhran	173,567
85	115	Overpayment due to application of incorrect rates	PBD, Sargodha	884,703
86	116	Irregular payment of price variation	PBD, Sargodha	4,648,637
87	117	Unjustified payment due to application of incorrect rates	PBD, Sargodha	1,277,169
88	120	Overpayment due to non utilization of available earth	PD, PRSDP, Lahore	64,031
89	121	Unjustified payment	PD, PRSDP, Lahore	1,333,140
90	124	Overpayment due to escalation paid for steel against secured advance	PD, PRSDP, Lahore	1,108,197
91	125	Less recovery of discount	PD, PRSDP, Lahore	91,267
92	126	Undue financial benefit to the contractor due to non-recovery of mobilization advance	PD, PRSDP, Lahore	18,962,224
93	127	Undue payment of escalation beyond expiry period	PD, PRSDP, Lahore	491,015,752

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
94	132	Unjustified payment due to non-availability of analysis of rates	PD, PRSDP, Lahore	704,099,000
95	133	Overpayment due to allowing inadmissible item for removal of existing base course separately	PD, PRSDP, Lahore	7,381,242
96	134	Overpayment due to non utilization of available earth	PD, PRSDP, Lahore	766,871
97	136	Overpayment due to incorrect application of rate	PBD, R.Y. Khan	224,868
98	137	Non-recovery of GST	PBD, R.Y. Khan	146,071
99	138	Overpayment due to non utilization of available earth	PBD, R.Y. Khan	767,632
100	139	Non-recovery of dismantled material	PBD, R.Y. Khan	1,107,036
101	140	Overpayment due non-using dismantled material	PHD, R.Y. Khan	108,894
102	142	Overpayment due to non deduction of area crust	PHD, R.Y. Khan	2,514,258
103	143	Overpayment due to incorrect measurement	PHD, R.Y. Khan	370,938
104	145	Overpayment due to non-deduction of area of crust	PHD, R.Y. Khan	498,069
105	146	Overpayment due to extra lead	PHD, R.Y. Khan	166,274
106	147	Overpayment due to regular excavation	PHD, Multan	497,725
107	148	Loss due to excess lead	PHD, Multan	4,900,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
108	149	Overpayment due to non reduction of rate	PHD, R.Y. Khan	306,406
109	150	Overpayment due to non-recovery of loss used bitumen	PHD, R.Y. Khan	1,352,693
110	151	Overpayment due to non crediting of dismantled material	PHD, Multan	95,405
111	152	Loss due to estimation at higher rates	PHD, Multan	1,775,219
112	153	Overpayment due to less use of dismantled quantity of road pavement	PHD, Multan	240,566
113	154	Loss of two measurement books	PBD, Bahawalpur	-
114	156	Loss due to incorrect provision of rate	PBD, R.Y. Khan	4,778,000
115	158	Overpayment of price variation with incorrect factor	PHD, Mianwali	303,369
116	161	Unauthentic payment of price variation without recording detail in MB	PBD, Mianwali	4,200,000
117	164	Overpayment due to non-utilization of available material	PHD, Mianwali	113,631
118	166	Loss to government due to non-utilization of available earth/sand at site	PBD, Mianwali	195,830
119	169	Unauthentic payment of price variation without recording detail in MB	PBD, Mianwali	385,166

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
120	170	Overpayment of price variation due to adoption of incorrect current rate of bitumen	PHD, Sargodha	405,719
121	171	Loss to government due to non-utilization of available earth/sand at site	PHD, Mianwali	1,680,700
122	172	Overpayment of price variation due to calculation of incorrect cost of work done	PBD, Jhelum	585,044
123	173	Overpayment due to adoption of incorrect rate	PBD, Sargodha	3,309,727
124	174	Irregular use of contingency	SE, PHC, Lahore	145,000
125	175	Loss due to allowing higher rate in the analysis of rate	PHD, Muzaffargarh	223,650
126	176	Overpayment due to incorrect measurement	PHD, Muzaffargarh	233,295
127	177	Overpayment due to non-deduction of available earth	PHD, Muzaffargarh	325,348
128	178	overpayment due to allowing excess lead for carriage of stone	PHD, Muzaffargarh	396,089
129	179	Overpayment due to non-deduction of road crust	PHD, Muzaffargarh	1,324,548
130	180	Irregular provision of sign boards in the estimate	PHD, Muzaffargarh	407,626
131	181	Overpayment due to application of higher rate	PHD, Multan	133,873
132	182	Overpayment	PHD, Multan	1,415,992

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
133	183	Loss due to incorrect application of rate	PHD, Multan	525,280
134	184	Overpayment due to incorrect calculation of price variation	PHD, Muzaffargarh	333,486
135	185	Overpayment due to application of incorrect rate	PHD, Muzaffargarh	368,510
136	186	Overpayment due to incorrect calculation of price variation	PHD, Muzaffargarh	969,595
137	188	Overpayment due to incorrect calculation of price variation	PHD, Muzaffargarh	140,369
138	189	Overpayment due to less use of material	PHD, Muzaffargarh	249,453
139	190	overpayment due to allowing excess lead for carriage of stone	PHD, Muzaffargarh	105,220
140	192	Non-recovery of flood surcharge on income tax	PHD, Muzaffargarh	103,157
141	194	Unjustified payment	PHD, Bahawalpur	46,737,301
142	195	Overpayment due to incorrect rate of price variation	PBD, Lodhran	211,069
143	196	Overpayment due to incorrect calculation of price variation	PBD, Lodhran	457,339
144	197	Overpayment due to incorrect calculation of price variation	PBD, Lodhran	284,620
145	198	Loss due to payment of high rate	PBD, Lodhran	191,870

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
146	199	Loss due to payment of high rate	PBD, Lodhran	1,856,169
147	200	Loss due to high rate	PBD, Lodhran	113,357
148	202	Overpayment due to incorrect rate	PBD, Lodhran	690,545
149	203	Overpayment due to incorrect rate of price variation	PBD, Lodhran	115,276
150	204	Overpayment	PBD, Bahawalpur	129,460
151	205	Loss due to excess rate	PBD, Bahawalpur	105,449
152	206	Overpayment due to miscalculation	PBD, Bahawalpur	181,201
153	207	Irregular award of work costing	PBD, Bahawalpur	55,714,000
154	208	Non-recovery on account of dismantled material	PHD, Lahore	3,166,000
155	209	Loss due to incorrect approval of rate	PHD, Lahore	10,459,000
156	210	Loss due to incorrect approval of rate	PHD, Lahore	2,033,000
157	211	Overpayment due to incorrect application of rate	PHD, Lahore	2,126,000
158	213	Loss due to inclusion of lumpsum component in rate analysis	PHD, Lahore	19,943,000
159	214	Overpayment due to acceptance of higher rate	PHD, Lahore	159,730,000
160	215	Overpayment due to incorrect application of rate	PHD, Lahore	2,631,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
161	216	Overpayment due to incorrect rate	PBD, Rawalpindi	843,743
162	218	Loss due to excess rate	PBD, Rawalpindi	804,342
163	219	Irregular payment of non-standardized item of work	PBD, Sargodha	2,366,820
164	220	Overpayment of price variation for carpeting in excess than the area of prime/tack coat	PHD, Faisalabad	618,682
165	222	Unauthorized payment of price variation beyond the approval in the revised estimate	PBD, Mianwali	473,205
166	223	Unauthentic payment of price variation without recording detail in MB	PBD, Mianwali	4,431,000
167	225	Loss to government due to non-recovery of penalty for late deposit of installments	PHD, Faisalabad	207,549
168	227	Overpayment of price variation due to allowing excess ratio of bitumen	PHD, Faisalabad	1,064,358
169	228	Irregular payment due to execution of excess quantity of item carrying higher quoted rate	PHD, Faisalabad	88,887,000
170	229	Overpayment of price variation due to incorrect calculations	PHD, Faisalabad	743,526
171	230	Loss to government due to non-recovery of de-escalation in the rate of cement/steel	PHD, Faisalabad	1,493,371

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
172	231	Irregular payment due to execution of work beyond the approved scope	PHD, Faisalabad	121,308
173	232	Loss to government due to non-recovery of professional tax	PHD, Faisalabad	110,000
174	233	Overpayment due to non-recovery of price variation	PHD, Faisalabad	160,279
175	234	Unjustified payment due to extra labour	PBD, Lodhran	289,555
176	235	Overpayment due to less utilization of available earth	PBD, Jhang	161,503
177	236	Overpayment due to incorrect carry forward of quantity	PBD, Jhang	233,835
178	237	Loss due to approval of higher/incorrect rate	PBD, Jhang	100,539
179	239	Overpayment due to non-deduction of available earth	PBD, Gujrat	725,420
180	241	Excess payments due to allowing price variation on items of tube well	PBD, Gujrat	147,082
181	244	Overpayment due to incorrect carry forward of quantity and non-deduction of available earth	PHD, Gujrat	837,887
182	246	Overpayment due to incorrect application of rate	PHD, Gujrat	299,355
183	247	Overpayment due to application of incorrect current rate	PHD, Gujrat	317,386

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
184	248	Undue financial benefit due to unjustified payment for earth work	PHD, Gujrat	2,086,951
185	249	Overpayment due to non-utilization of available material	PHD, Gujrat	512,187
186	250	Irregular payment for annual repair work without the approval of competent authority	PHD, Gujrat	12,584,995
187	251	Unjustified payment due to not using bitumen of National Refinery Karachi	PHD, Gujrat	49,529,369
188	252	Irregular payment of price variation	PHD, Bahawalpur	1,347,793
189	253	Below specification work	PHD, Bahawalpur	16,424,000
190	254	Loss recovery on account of toll tax	PHD, Bahawalpur	12,896,651
191	256	Overpayment due to non maintenance of agreed percentage	PHD, Bahawalpur	1,772,998
192	257	Overpayment on account of price variation	PBD, Muzaffargarh	1,710,304
193	259	Overpayment due to incorrect calculation of price variation	PBD, Muzaffargarh	395,104
194	261	Overpayment due to non-deduction of road crust	PBD, Muzaffargarh	233,532
195	267	Loss due to incorrect application of rate	PBD, Muzaffargarh	539,055
196	268	Loss due to incorrect application of rate	PBD, Muzaffargarh	1,771,077

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
197	270	Overpayment due to incorrect calculation of price variation on Diesel and Lahore	PBD, Muzaffargarh	954,939
198	271	Overpayment due to application of excess rate	PBD, Muzaffargarh	142,648
199	272	Overpayment due to incorrect base rate	PBD, Muzaffargarh	234,802
200	273	Overpayment due to application of higher rate	PBD, Muzaffargarh	2,561,020
201	274	Loss	PBD, Bahawalpur	193,592
202	275	Non-receipt of vouched account	PHD, Multan	295,482
203	276	Overpayment due to application of extra rate	PBD, Multan	989,597
204	277	Overpayment due to allowing of price variation on quantities of secured advance	PBD, Multan	2,539,000
205	279	Overpayment due to excess measurement	PHD-I, Sargodha	105,925
206	280	Loss to government due to less recovery of cost of dismantled material	PHD-I, Sargodha	104,319
207	281	Overpayment due to application of wrong conversion factor	PHD-I, Sargodha	419,780
208	282	Overpayment of price variation due to incorrect calculations	PHD-I, Sargodha	138,871
209	283	Overpayment of price variation for inadmissible ratio	PHD-I, Sargodha	221,850

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
210	284	Overpayment due to application of incorrect MRS rate	PHD-I, Sargodha	129,443
211	285	Undue financial aid to contractor due to non-recovery of mobilization advance	PHD-I, Sargodha	1,524,250
212	286	Overpayment due to non-recovery of cost of less used bitumen	PHD-I, Sargodha	285,608
213	287	Overpayment due to excess measurement	PHD-I, Sargodha	324,410
214	288	Overpayment of price variation due to incorrect calculation	PHD-I, Sargodha	722,637
215	289	Overpayment due to execution item beyond the approved scope of work	PBD, Sialkot	879,155
216	290	Irregular payment of non standardized items of work	PHD-I, Sargodha	7,575,852
217	291	Overpayment due to calculation of price variation of bitumen with rich specification than provided	PHD-I, Sargodha	99,135
218	291	Unauthorized award of work	CE, (North Zone), PHD, Lahore	71,100,000
219	293	Loss to government due to non-deduction of professional tax	PBD, Mianwali	280,000
220	293	Overpayment due to excess quantity of bitumen paid	PHD, D.G Khan	800,128
221	294	Loss due to non-recovery of flood relief surcharge	PBD, Mianwali	1,124,675

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
222	295	Loss due to non-recovery of secured advance	PBD, Sialkot	924,651
223	296	Overpayment due to incorrect calculation of quantity	PBD, Gujrat	143,514
224	297	Excess payment due to allowing payment beyond the approved scope	PBD, Sialkot	1,448,085
225	298	Overpayment of price variation on steel for inadmissible increase/non-recovery of de-escalation in the rate of cement	PBD, Sialkot	381,911
226	299	Irregular payment of price variation beyond the provision	PBD, Sialkot	2,906,369
227	301	Loss due to application of incorrect rate	PHD, Jhelum	344,274
228	302	Irregular payment due to execution of work beyond the approved scope	PBD, Sialkot	4,680,383
229	303	Overpayment of price variation due to calculation on incorrect cost of work done	PBD, Sialkot	80,080
230	304	Overpayment due to application of incorrect rates	PBD, Sialkot	71,154
231	305	Overpayment due to payment for extra labour of RCC work	PBD, Sialkot	272,156
232	306	Irregular payment due to execution of work beyond the approved scope	PBD, Sialkot	297,420

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
233	308	Loss to government due to allowing payment for rich specification item	PBD, Sialkot	1,119,990
234	312	Overpayment on account of non-deduction of road crust	PHD, D.G Khan	4,020,992
235	314	Overpayment due to non-deduction of better fill material from earth work	PHD, D.G Khan	2,995,254
236	315	Loss due to provision of higher rate in the comparative statement	PHD, D.G Khan	461,466
237	316	Overpayment due to excess lead provided In the estimate	PHD, D.G Khan	552,706
238	317	Non-recovery on account of tender fee	PHD, D.G Khan	225,733
239	318	Overpayment due to non-deduction of volume of regular excavated earth	PHD, D.G Khan	293,288
240	319	Overpayment due to less deduction of volume of road crust	PHD, D.G Khan	249,535
241	320	Overpayment due to incorrect application of rate	PHD, D.G Khan	247,964
242	321	Overpayment due to incorrect application of rate	PHD, D.G Khan	167,321
243	322	Irregular provision of procurement of plant and machinery items involving loss	PBD, Multan	1,490,505

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
244	323	Irregular provision of procurement of plant and machinery items involving loss	PBD, Muzaffargarh	226,000
245	327	Non-recovery on account of price variation paid without work done	PHD, Sahiwal	201,156
246	328	Irregular payment	PHD, Sahiwal	11,648,000
247	329	Overpayment due to application of incorrect rate	PHD, Mianwali	123,191
248	330	Overpayment due to non-deduction of volume of regular excavated earth from embankment	PHD, Mianwali	489,029
249	331	Overpayment due to execution of excess quantities of Tack Coat	PHD-I, Sargodha	383,644
250	332	Overpayment of price variation on diesel incorrect calculation	PBD, Faisalabad	132,929
251	333	Overpayment due to adoption of incorrect MRS rate	PBD, Faisalabad	96,147
252	334	Irregular payment of non-standardized item	PBD, Faisalabad	7,526,351
253	335	Overpayment of price variation due to incorrect calculation	PBD, Faisalabad	231,569
254	336	Overpayment of price variation due to incorrect calculation	PBD, Faisalabad	202,947

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
255	337	Overpayment of price variation due to incorrect totals	PBD, Faisalabad	207,303
256	337	Loss due to burning of staff vehicle	CP, LRRA, Lahore	5,000,000
257	339	Overpayment of price variation of diesel on inadmissible items	PBD, Faisalabad	352,592
258	340	Overpayment due to adoption of incorrect MRS rate	PBD, Faisalabad	294,733
259	341	Non-recovery of income tax on cost of dismantled material	PBD, Faisalabad	125,303
260	342	Overpayment of price variation of diesel on inadmissible items	PBD, Faisalabad	634,413
261	344	Overpayment of price variation on steel due adoption of incorrect market rates	PBD, Faisalabad	271,225
262	345	Overpayment due to adoption of incorrect rates	PBD, Faisalabad	671,530
263	346	Overpayment due to application of incorrect rates	PHD, Gujranwala	1,119,810
264	347	Overpayment of price variation due to adoption of rate of bulk bitumen instead of packed/average rate of bitumen	PHD, Gujranwala	581,684
265	348	Overpayment of price variation due to adoption of incorrect market rate of diesel	PHD, Gujranwala	100,330

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
266	350	Unjustified payment made or work done without approval in violation of JMF	PHD, Gujranwala	153,722,510
267	351	Loss to government due to less recovery of cost of dismantled steel from rigid pavement	PHD, Gujranwala	2,667,030
268	352	Overpayment due to calculation of brick soling excess thickness	PHD, Gujranwala	136,856
269	353	Overpayment due to application of incorrect MRS rate	PHD, Gujranwala	85,671
270	355	Overpayment due to non-deduction of volume of expansion joints	PHD, Gujranwala	1,040,160
271	357	Overpayment due to allowing price variation on diesel/labour for the value of work done invested by government	PHD, Gujranwala	2,107,472
272	358 (2011-12)	Non-recovery due to de-escalation in price of cement.	PBD, D.G Khan	253,825
273	359	Overpayment due to application of incorrect rates	PHD, Gujranwala	1,361,828
274	360	Overpayment due to allowing final payment at the inadmissible percentage	PHD, Gujranwala	643,630
275	361	Overpayment due to application of incorrect rates	PHD, Gujranwala	362,924

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
276	362	Overpayment due to payment of escalation on secured advance material	PBD, D.G Khan	114,691
277	363	Overpayment due to double payment of dressing and refilling	PBD, Gujranwala	125,530
278	364	Overpayment due to adoption of incorrect base rate for calculation of price variation on diesel	PBD, Gujranwala	106,807
279	365	Overpayment due to allowing price variation on excess value of work done than actual executed at site	PBD, Gujranwala	396,960
280	367	Overpayment due to allowing incorrect rates	PBD, Gujranwala	115,037
281	368	Overpayment due to allowing higher rate for standardized item	PBD, Gujranwala	70,692
282	369	Loss to government due to allowing payment for rich specified item	PBD, Gujranwala	183,706
283	370	Irregular payment due to execution of work beyond the approved scope of work	PBD, Gujranwala	671,116
284	371	Irregular payment due to execution of work beyond the approved scope of work	PBD, Gujranwala	3,826,201
285	372	Loss due to acceptance of tender on higher rates	PBD, Jehlum	5,527,799
286	373	Irregular payment due to execution of work beyond the approved scope of work	PBD, Gujranwala	17,622,817

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
287	374	Overpayment due to allowing price variation on inadmissible value of work done/incorrect calculations	PBD, Gujranwala	468,968
288	375	Overpayment due to allowing price variation on inadmissible value of work done/incorrect calculations	PBD, Gujranwala	430,711
289	376	Loss due to acceptance of tender beyond permissible limit	PBD, Gujranwala	1,015,796
290	377	Undue financial aid to the contractor due to allowing unjustified secured advance	PBD, Gujranwala	19,748,016
291	378	Excess payment due to excess measurements	PBD, Gujranwala	20,192,273
292	379	Unjustified financial benefit due to non-obtaining of performance security	PBD, Gujranwala	2,820,000
293	381	Overpayment due to allowing price variation on inadmissible value of work done	PBD, Gujranwala	210,759
294	382	Irregular allotment of work without healthy competition	PBD, Gujranwala	10,420,000
295	384	Overpayment due to excess measurement of quantities	PHD-II, Sargodha	703,656
296	385	Overpayment of price variation on diesel for the value of work done invested by government	PHD-II, Sargodha	339,259
297	386	Overpayment due to excess measurement	PHD-II, Sargodha	383,184

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
298	386	Loss due to incorrect application of rate	PBD Sialkot	1,932,730
299	387	Overpayment due to incorrect carried forward of quantity	PHD-II, Sargodha	421,560
300	388	Overpayment due to incorrect calculation	PHD-II, Sargodha	1,222,101
301	389	Overpayment of price variation due to application of incorrect market rate	PHD-II, Sargodha	83,473
302	389	Loss due to incorrect application of rate	PBD Sialkot	3,315,353
303	390	Overpayment due to non-adjustment of available earth	2nd PBD, Lahore	105,728
304	392	Non-recovery on account of cost dismantled material	2nd PBD, Lahore	1,143,421
305	393	Overpayment on account of price variation	2nd PBD, Lahore	149,992
306	395	Overpayment due to allowing price variation on excess of work done	2nd PBD, Lahore	651,749
307	396	Overpayment due to double measurement	RCD, Lahore	261,360
308	397	Overpayment due to allowing higher rate	RCD, Lahore	733,390
309	398	Overpayment due to allowing higher rate	1st PBD, Lahore	2,219,187
310	399	Loss due to approval of higher rate	1st PBD, Lahore	4,870,969
311	401	Loss due to approval of higher rate	3rd PBD, Lahore	3,194,028

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
312	402	Loss due to approval of higher rate	3rd PBD, Lahore	3,035,458
313	403	Overpayment due to allowing higher rate	3rd PBD, Lahore	916,967
314	404	Overpayment due to allowing higher rate	3nd PBD, Lahore	6,853,095
315	405	Excess payment due to allowing payment beyond the approved scope	3nd PBD, Lahore	4,242,460
316	406	Loss due to less utilization of dismantled material	RCD, Lahore	7,592,954
317	407	Overpayment due to non-adjustment/deduction of available earth	PHD, Okara	760,168
318	408	Overpayment on account of price variation	PHD, Okara	2,434,896
319	409	Undue financial aid to contractor due to non-deduction of security deposit	PHD, Okara	5,242,000
320	411	Overpayment due to incorrect measurement	PHD, Okara	849,495
321	413	Overpayment due to non-deduction of area of crust	PHD, Okara	56,314,474
322	414	Overpayment due to less use of dismantled material	PHD, Okara	7,190,923
323	415	Less recovery on account of dismantled material	PHD, Okara	884,575
324	416	Overpayment due to payment of price variation on Bajri	PHD, Okara	1,272,290

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
325	420	Irregular provision of procurement of plant and machinery items involving loss	PHD, Okara	282,479
326	421	Overpayment due to non-deduction of road crust	PHD, Okara	160,381
327	422	Loss due to application of incorrect rate	PHD, Okara	236,011
328	423	Loss due to allowing higher rates in rate analysis	PBD, D.G Khan	109,313
329	428	Overpayment due to allowing price variation on the quantity of secured advance	PBD, D.G Khan	300,000
330	429	Non-recovery of sales tax	PBD, D.G Khan	169,644
331	432	Overpayment due to allowing extra rate for chamfering and dressing	PBD, D.G Khan	291,576
332	434	Overpayment due to higher rate	2nd PBD, Lahore	186,059
333	436	Overpayment due to allowing higher rate	2nd PBD, Lahore	3,189,954
334	437	Loss due to allowing higher rate		1,328,682
335	439	Overpayment due allowing a bitumen in tack coat at excess side	SE, PHC, Sargodha	194,032
336	441	Loss due to non-auction of empty drums	SE, PHC, Sargodha	260,000
337	442	Loss due to inclusion overhead and profit	PBD, Lodhran	524,803

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
338	443	Overpayment due to allowing higher rates in rate analysis	PHD-II, Sargodha	3,770,460
339	444	Overpayment due to excess measurement	PHD-II, Sargodha	86,016
340	445	Overpayment due to allowing payment of carriage by the longer route	PHD-II, Sargodha	1,041,729
341	447	Overpayment due to inclusion of scaffolding and wastage charges in Non-MRS rates	5th PBD, Lahore	277,440
342	448	Loss due to sanction of incorrect non-MRS item rates of porcelain tile	5th PBD, Lahore	852,254
343	449	Loss due to sanction rate of Non-MRS item "Gutkas"	5th PBD, Lahore	283,914
344	450	Overpayment due to sanction of incorrect rate of Non-MRS item "Granite Marble"	5th PBD, Lahore	663,723
345	451	Loss due to sanction of incorrect rate of Non-MRS item "Teak wood doors"	5th PBD, Lahore	1,005,960
346	452	Loss due to sanction of incorrect rate of Non-MRS item "Teak wood doors Chowkhat"	5th PBD, Lahore	123,394
347	453	Non-recovery of 6% income Tax on value of work done	5th PBD, Lahore	830,767
348	454	Loss due to non-credit of cost of available material obtained by adding wastage	5th PBD, Lahore	85,739

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
349	456	Extra expenditure on account of carriage charges through Donkey	5th PBD, Lahore	3,285,776
350	457	Overpayment due to allowing payment of inadmissible rate	5th PBD, Lahore	398,448
351	458	Overpayment due to sanction of incorrect rate of Non-MRS item of Steel Grade-60	5th PBD, Lahore	4,728,702
352	459	Overpayment due to sanction of estimate by adoption of higher rates Schedule	5th PBD, Lahore	887,343
353	460	Loss due sanction of incorrect rate for tuff paver	5th PBD, Lahore	881,307
354	461	Overpayment due to sanction of incorrect rate of Non-MRS item of porcelain tile	5th PBD, Lahore	1,068,471
355	462	Irregular sanction of estimates of road works valuing	C.E (N) Highway, Lahore	4,678,268
356	463	Loss due defective estimate	C.E (N) Highway, Lahore	988,830
357	467	Undue financial aid to the contractor due to application of higher rates	PHD, Gujranwala	11,762,417
358	468	Overpayment due to application of incorrect rate for TST	PHD, Gujranwala	165,505
359	469	Irregular payment for non MRS item	PHD, Gujranwala	3,211,673

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
360	470	Overpayment of price variation due to application of incorrect ratio of bitumen	PHD, Gujranwala	180,990
361	472	Overpayment due to non-recovery of coat of less used bitumen	PHD, Gujranwala	605,400
362	473	Overpayment due to calculation of brick soling excess thickness	PHD, Gujranwala	192,434
363	474	Overpayment due to incorrect application of contents of bitumen	PHD, Gujranwala	350,786
364	476	Overpayment due to calculation of price variation on loose material of sub base and base course	PHD, Gujranwala	144,705
365	477	Unjustified payment made for work done without approval in violation of JMF	PHD, Gujranwala	29,646,720
366	481	Overpayment due to incorrect base rate	PHD, Okara	141,368
367	482	Overpayment due to incorrect current rate for calculation of price variation	PHD, Okara	77,641
368	483	Loss due to application of incorrect rate	PBD, D.G Khan	208,331
369	484	Irregular payment of price variation beyond the provision	PBD, Jhelum	753,435
370	485	Overpayment due to payment for extra cost of shuttering in RCC work/labour for chamfering and dressing of bricks	PBD, Jhelum	101,214

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
371	486	Overpayment due to application of incorrect MRS rates	PBD, Jhelum	225,103
372	487	Overpayment due to application of incorrect MRS rate	PBD, Jhelum	209,018
373	489	Overpayment of price variation of diesel on in-admissible items	PBD, Jhelum	538,132
374	490	Overpayment due to preparation of incorrect rate non-MRS item	PBD, Jhelum	206,073
375	491	Overpayment due to payment for extra labour of RCC work	PBD, Jhelum	331,785
376	492	Overpayment of price variation of diesel on in-admissible items	PBD, Jhelum	288,749
377	493	Unjustified financial benefit due to not obtaining of performance of security	PHD, Jhang	16,816,019
378	495	Overpayment due to application of incorrect MRS rates	PHD, Jhang	150,432
379	496	Overpayment due to non-utilization of retrieved material as sub base	PHD, Jhang	258,579
380	497	Excess payment due to allowing payment beyond the approved scope	PHD, Jhang	163,971
381	499	Overpayment due to measuring excess thickness of brick soling	PHD, Jhang	300,174

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
382	501	Overpayment due to non deduction area of Manhole cover from carpeting	PHD, Jhang	238,247
383	502	Overpayment due to non-recovery of price de-escalation in the rate of bitumen.	PHD, Jhang	172,091
384	503	Overpayment due to calculation of price variation on excess value of work	PHD, Jhang	572,417
385	504	Overpayment due to less utilization of retrieved material as sub base/non-recovery of cost of dismantled material	PHD, Jhang	576,946
386	505	Loss to government due to non-recovery of retrieved material	PHD, Jhang	184,680
387	506	Undue financial benefit due to not obtaining additional performance security	PHD, Jhang	6,791,348
388	508	Overpayment due to incorrect calculation	PHD, Jhang	1,579,701
389	510	Overpayment due to incorrect calculation	PHD, Jhang	811,618
390	512	Overpayment of price variation due to payment on inadmissible item/loose material	PHD, Sialkot	942,936
391	513	Overpayment of price variation due to incorrect adoption of market rate/calculations	PHD, Sialkot	215,564

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
392	514	Overpayment due to calculation of price variation for diesel on excess value of work done than actual	PHD, Sialkot	2,757,407
393	515	Overpayment due to calculation of price variation on excess value of work than actual	PHD, Sialkot	225,237
394	516	Overpayment due to application of incorrect rates	PHD, Sialkot	1,536,389
395	517	Loss to government due to application of incorrect MRS rates	PHD, Sialkot	2,396,935
396	518	Overpayment due to non-recovery of cost of less used bitumen	PHD, Sialkot	258,894
397	519	Overpayment of price variation due to payment for inadmissible period/adoption of incorrect market rate of cement/conversion factor	PHD, Sialkot	410,465
398	520	Overpayment of price variation allowed on inadmissible item	PHD, Sialkot	1,196,873
399	521	Overpayment due to non utilization of retrieved material as sub base	PHD, Sialkot	3,039,766
400	522	Overpayment due to non utilization of retrieved material as sub base	PHD, Sialkot	1,009,660
401	523	Overpayment due to adoption of incorrect base rate for calculation of price variation on diesel	PBD, Jhelum	102,352

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
402	524	Overpayment due non deduction of volume of carpeting	PHD, Gujranwala	2,616,385
403	525	Overpayment due to non-utilization of available kerb stone at site	PHD, Gujranwala	761,840
404	526	Overpayment due to disposal of extra material than available at site	PHD, Gujranwala	237,810
405	527	Overpayment due to non utilization of surplus earth	4th PBD, Lahore	105,050
406	528	Overpayment due to non-utilization of surplus earth	4th PBD, Lahore	290,830
407	529	Irregular payment due to deviation from sanctioned estimate	4th PBD, Lahore	311,310
408	530	Irregular payment due to deviation from sanctioned estimate	4th PBD, Lahore	1,445,000
409	531	Overpayment due to excess measurement	1st PBD, Lahore	1,567,312
410	532	Loss to government due to allowing excess rate	1st PBD, Lahore	788,490
411	535	Unauthorized expenditure of	C.P.L Ring Road, Lahore	13,279,705,000
412	537	Non recovery of dismantled material	C.P.L Ring Road, Lahore	119,200,000
413	539	Irregular payment due to allowing higher rate	1st PBD, Lahore	817,539
414	542	Execution of below specification of work & undue payment for collapsed bore holes	6th PBD, Lahore	2,488,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
415	543	Unjustified expenditure due to excess quantities	6th PBD, Lahore	4,283,417
416	544	Overpayment due to allowing undue rate for weather shield paint	PBD, Sahiwal	216,065
417	545	Doubtful payment due to excess length of boundary wall	PBD, Sahiwal	461,921
418	546	Overpayment due to allowing undue rate	PBD, Sahiwal	1,380,533
419	547	Undue financial benefit due to not obtaining additional performance security	C.E (S) Building, Lahore	583,460
420	548	Loss due to non-rectification of objection raised by the secretary C&W	C.E (S) Highway, Lahore	2,414,738
421	549	Loss due to below specification of work executed by contractor	C.E (S) Building, Lahore	5,164,960
422	550	Unjustified expenditure due to maintenance of vehicle not on the pool of Chief Engineer	C.E (N) Highway, Lahore	246,074
423	551	Non-recovery of conveyance allowance	Dir. Road Research & MTI Lahore	87,000
424	552	Loss to Government due to inclusion 25% contractor and overhead profit instead of 20%	PHD, Jhang	479,822
425	553	Loss due to non-auction of vehicles	Dir. Road Research & MTI Lahore	600,000
426	271	Over payment due to excess measurement	PHD, Mianwali	182,561

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
427	273	Overpayment due to excess measurement	PHD, Gujrat	586,341
428	277	Overpayment due to less deduction of income tax	PHD, Gujrat	1,589,253
429	283	Non-recovery due to old bricks	PEC, Lahore	379,327
430	284	Non-recovery due to dismantled material	PEC, Lahore	439,254
431	289	Non-recovery of interest	PEC, Lahore	2,060,000
432	294	Overpayment due to incorrect provision of lead in analysis of rates	PHD, D.G Khan	498,499
433	295	Overpayment due to allowing excess lead and dressing of earth	PHD, D.G Khan	126,475
434	299	Loss due to application of incorrect rate	PHD, Jhelum	307,949
435	301	Non-recovery due to use of steel other than Pakistan steel	PBD, Sialkot	378,860
436	304	Overpayment due to application of incorrect rate	PHD, Multan	7,129,000
437	305	Non-recovery of dismantled material	PHD, Lahore	2,050,000
438	306	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	26,272,552
439	307	Unjustified payment due to execution of work without job mix formula	C.P Lahore Ring Road, Lahore	258,620,000
440	309	Overpayment due to non-utilization of dismantled material	C.P Lahore Ring Road, Lahore	1,011,948

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
441	312	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	7,797,742
442	315	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	10,881,421
443	316	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	6,047,218
444	317	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	16,096,642
445	318	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	28,660,891
446	320	Non-rectification of defective / damaged work	PHD, Okara	71,190,000
447	321	Non-obtaining of additional performance security	PHD, Okara	3,838,000
448	324	Overpayment due to payment with incorrect rates	PBD, Muzaffargarh	239,000
449	327	Overpayment due to application of incorrect rate	PHD, D.G Khan	781,062
450	328	Overpayment due to allowing extra payment of regular excavation	PHD, D.G Khan	1,598,000
451	339	Mis-use of government money due to unauthorized retention	PBD, Muzaffargarh	782,000
452	340	Loss due to adopting long route for the carriage of stone	C.P Lahore Ring Road, Lahore	2,389,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
453	343	Overpayment of price variation on diesel	PBD, Faisalabad	434,474
454	344	Overpayment due to allowing excessive lead	C.P Lahore Ring Road, Lahore	1,361,000
455	349	Loss due to approval of MRS item on higher rates	C.P Lahore Ring Road, Lahore	201,033,000
456	350	Non-recovery on account of tender fee	C.P Lahore Ring Road, Lahore	3,719,000
457	351	Overpayment due to violation of JMF	PHD, Sialkot	1,712,000
458	352	Non-recovery of loss from the accused officer	PHD, Sialkot	6,598,000
459	353	Loss due to non-obtaining performance security	PHD, Sialkot	9,175,000
460	354	Loss due to adopting long route for the carriage of stone	PHD, Sialkot	1,916,783
461	355	Non-recovery on account of surcharge on income tax	PHD, Sialkot	828,974
462	356	Loss due below specification of work executed by contractor	PHD, Sialkot	-
463	357	Overpayment due to imbalance rates	PHD, Sialkot	1,635,534
464	364	Loss due to approval of higher rate in technical sanction estimat	PHD, D.G Khan	833,265
465	366	Overpayment	PHD, Multan	658,671
466	367	Overpayment due to non deduction of available material	PHD, Mianwali	415,906
467	368	Non-recovery on account of surcharge on income tax	PHD, Mianwali	655,751

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
468	369	Overpayment due to incorrect application of rate	PHD, Rawalpindi	123,869
469	371	Short recovery on account of dismantled grill	PBD, Jhelum	249,840
470	372	Irregular payment of price variation beyond the provision	PBD, Gujranwala	1,310,183
471	373	Non-recovery due to less deduction of income tax	PBD, Gujrat	1,243,738
472	375	Non-recovery due to less deduction of income tax	PHD, Jhelum	433,581
473	376	Unauthorized payment of non-BOQ item	PHD, Jhelum	1,068,820
474	377	Overpayment due to non deduction of available material	PHD, Gujrat	1,240,069
475	378	Overpayment due to incorrect calculation	PHD, Gujrat	26,067,000
476	379	Undue payment of secured advance	PHD, Okara	6,403,000
477	381	Non-forfeiture of earnest money	C.P Lahore Ring Road, Lahore	9,403,000
478	382	Non-forfeiture of Performance Security	C.P Lahore Ring Road, Lahore	23,163,000
479	383	Non-forfeiture of Security Deposit	C.P Lahore Ring Road, Lahore	17,863,000
480	384	Non-obtaining of Performance Security	C.P Lahore Ring Road, Lahore	115,076,000
481	387	Non-recovery on account of surcharge on income tax	PBD, Sialkot	457,094
482	392	Loss due to incorrect application of rate	PBD, Sialkot	3,940,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
483	393	Loss due to incorrect application of rate	PBD, Sialkot	1,368,000
484	395	Loss due to unjustified action taken against contractor	PHD, Sialkot	50,705,000
485	396	Loss due to allowing excess lead for the carriage of stone	PHD, Sialkot	2,172,000
486	397	Loss due to undue payment of secured advance and non-recovery of interest thereon	PHD, Sialkot	22,806,000
487	398	Non-execution of balance work at the risk and cost	PHD, Sialkot	60,520,000
488	399	Unauthorized obtaining of performance securities from insurance company	PHD, Sialkot	70,086,000
489	400	Loss due below specification of work executed by contractor	PHD, Sialkot	-
490	402	Undue payment of secured advance	PHD, Sialkot	13,847,000
491	403	Non-recovery of mobilization advance	PHD, Sialkot	110,376,000
492	404	Non-recovery of mobilization advance	PHD, Muzaffargarh	20,230,098
493	405	Non-recovery of mobilization advance	PHD, Muzaffargarh	18,515,358
494	407	Loss due to allowing payment without work done	PHD, Sialkot	9,802,000
495	408	Non-forfeiture of bank guarantee due to non-recovery of mobilization advance	C.P Lahore Ring Road, Lahore	88,560,000

Sr. No.	PDP No.	Subject of para	Name of Division/Formation	Amount (Rs)
496	409	Loss due to late award of work	PBD, Sialkot	690,560
497	411	Non-recovery on account of imbalance rates	PHD, Sialkot	30,575,000
498	533	Loss due to non re-use of dismantled material	PD, LRRA, Lahore	118,498,000
499	534	Non-recovery on account of mobilization advance, interest thereon and price variation	PD, LRRA, Lahore	155,773,000

Annexure-1/B: Housing, Urban Development & Public Health Engineering Department

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
1	1 (2010-11)	Non-recovery of cost of plots	Director, PHATA, Sub-Region, Faisalabad	9,609,016
2	1	Non-recovery due to deviation from approved building plan	Town Planning Directorates (I&II) UD-Wing, FDA, Faisalabad	1,271,000
3	2 (2010-11)	Non-recovery of cost of plots with penal interest	Director, PHATA, Sub-Region, Faisalabad	2,704,000
4	3 (2010-11)	Non-recovery of building period surcharge	Director, PHATA, Sub-Region, Faisalabad	1,715,000
5	3	Overpayment due to incorrect calculation of price variation	Engineering Directorate, FDA, Faisalabad	601,902
6	4 (2010-11)	Overpayment due to allowing excess lead	Deputy Director, PHATA, Sub-Region, Gujranwala	894,846
7	5 (2010-11)	Non-recovery of building period surcharge	Deputy Director, PHATA, Sub-Region, Gujranwala	303,320
8	6 (2010-11)	Overpayment due to non-deduction of half pay and conveyance allowance during leave on half pay\	Director General/Deputy Director, Finance (DDO) PHATA, (HQ), Lahore	192,964
9	7	Loss due to deposit of rent on false and spurious receipted challan	Dir. Estate Management-I UD-Wing, FDA, Faisalabad	308,326
10	8	Non-recovery of penalty of construction period	Dir. Estate Management-I UD-Wing, FDA, Faisalabad	2,781,543
11	10	Non-recovery of professional tax	Director Finance, WASA, FDA, Faisalabad	171,500

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
12	10 (2010-11)	Less recovery of additional cost of plots	Deputy Director, PHATA, Sub-Region, Bhakkar	494,583
13	12	Irregular grant and non-adjustment of advances	Director Finance WASA, FDA, Faisalabad	271,000
14	13	Irregular grant and non-adjustment of advances	Director Finance WASA, FDA, Faisalabad	1,261,000
15	14	Irregular issuance of advance and non-adjustment thereof	Director Finance WASA, FDA, Faisalabad	3,536,000
16	15 (2010-11)	Non-recovery of cost of plots and penal interest	Deputy Director, PHATA, Sub-Region Khushab	365,338
17	17 (2010-11)	Non-imposition of penalty on account of renewal fee due to late submission of application	Superintending Engineer, PHE Circle, Rawalpindi	104,000
18	17	Non-recovery of sewerage charges from Non APTAMA	Director Revenue and Recovery WASA, FDA Faisalabad	110,000
19	19 (2010-11)	Non-recovery of outstanding secured advance	Executive Engineer, Public Health Engineering Division, Sahiwal	9,508,000
20	21	Non-recovery of secured advances	Dir. Construction-I, WASA-FDA, Faisalabad	1,758,000
21	22	Premature release of additional performance security	Director Construction-I, WASA, FDA, Faisalabad	248,000
22	23 (2010-11)	Non-imposition of penalty for late receipt of application for renewal	Superintending Engineer, Public Health Engineering Circle, Lahore	66,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
23	23	Non-recovery of price de-escalation due to decrease in rate of cement	Director Construction-I, WASA, FDA, Faisalabad	492,209
24	24	Non-forfeiture of security deposit	Dir. Construction-I, WASA-FDA, Faisalabad	296,845
25	25	Non-recovery of cost of old bricks	Dir. Construction-I, WASA-FDA, Faisalabad	105,179
26	26	Overpayment due to allowing of higher percentage	Dir. Construction-I, WASA, FDA, Faisalabad	167,870
27	27	Overpayment due to higher rate	Dir. Construction-I, WASA, FDA, Faisalabad	478,942
28	28 (2010-11)	Non-recovery of surcharge on income tax	Executive Engineer, Public Health Engineering Division, Attock	58,654
29	29	Non-recovery of compensation for delay	Director Construction-I, WASA, FDA, Faisalabad	1,747,000
30	30 (2010-11)	Undue financial benefit due to not obtaining of additional performance security	Executive Engineer, PHE Division, Lodhran	4,676,153
31	31 (2010-11)	Unjustified financial benefit due to non-obtaining of additional performance security	Executive Engineer, PHE Division, Bahawalpur	1,651,285
32	32	Overpayment due to measurement of wrong thickness of bricks	Director Construction-II, WASA, FDA, Faisalabad	61,911

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
33	35 (2010-11)	Overpayment due to allowing price variation on water supply works for labour & diesel	Executive Engineer, PHE Division, Khanewal	190,532
34	35	Overpayment due to excessive measurement	Dir. Construction-II, WASA-FDA, Faisalabad	750,217
35	36	Non-recovery of secured advances	Director Construction-II, WASA, FDA, Faisalabad	550,209
36	37 (2010-11)	Undue financial benefit due to not obtaining of performance security	Executive Engineer, PHE Division, Okara	3,884,000
37	38	Non-auction of material worth	Director Water Resources, WASA, FDA, Faisalabad	104,800
38	43	Less recovery of cost of old bricks	Dir. O&M (West), WASA-FDA, Faisalabad	282,112
39	44	Overpayment due to wrong multiplication	Director Engineering, PHA, FDA, Faisalabad	50,000
40	45	loss due to theft of diesel water pump	Dir. Finance and Admn PHA, FDA Faisalabad	150,000
41	46	Less recovery of rental charges of parks	Dir. Marketing & Coordination, PHA, FDA, Faisalabad	113,000
42	47	Non-recovery of conveyance allowance	Director Finance & Admn. MDA Multan	126,480
43	49	Non-recovery of lease rent	Dir. Admn & Finance, WASA-MDA, Multan	585,937
44	50	Non-recovery of lease rent	Dir. Admn & Finance, WASA-MDA, Multan	332,625

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
45	51	Irregular charge of expenditure to development schemes	Dir. Admn & Finance, WASA-MDA, Multan	202,000
46	52	Overpayment due to payment of escalation on material for which secured advance was paid	Executive Engineer Division No.III, MDA, Multan	750,535
47	59	Overpayment due to execution of quantity over & above the Technical Sanctioned Estimate	Executive Engineer Division No.III, MDA, Multan	12,610,512
48	60	Irregular payment of price variation over and above the contingency provided in revised TS estimate	Dir. Engineering (I,II,III), UD-Wing, MDA, Multan	126,697,592
49	61	Irregular award of work	Dir. Engineering (I,II,III), UD-Wing, MDA, Multan	697,409
50	63	Unjustified payment of price variation	Dir. Works WASA-MDA, Multan	8,174,347
51	64	Irregular payment of price variation without provision in the revised technical sanction estimate	Dir. Works WASA-MDA, Multan	450,982
52	66	Unjustified payment	Dir. Works WASA-MDA, Multan	77,462
53	67	Excess payment due to allowing deleted item	Dir. Works WASA-MDA, Multan	392,089
54	68	Over payment above the agreed percentage	Dir. Works WASA-MDA, Multan	53,397
55	69	Irregular payment due to non-enhancement of agreement	Director Works, WASA, MDA, Multan	6,313,756

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
56	70	Unjustified payment	Director Works, WASA, MDA, Multan	582,811
57	73	Non-recovery of land sub division fee	Director Town Planning , MDA, Multan	2,377,416
58	74	Non-recovery of space violation fine	Director Town Planning , MDA, Multan	3,880,917
59	77	Overpayment due to higher assessment of compensation	Director Estate and Land Management, MDA, Multan	795,214
60	81	Re-appropriation of Funds from one Grant to another	Dir. PHA, MDA, Multan	1,100,000
61	83	Excess payments due to allowing higher rate	Dir. Engineering UD-Wing, RDA, Rawalpindi	416,425
62	84	Overpayment due to application of incorrect rate	Director Engineering, UD Wing, RDA, Rawalpindi	262,951
63	87	Non-recovery of advance income tax on auction proceeds	Dir. LD & EM UD-Wing, RDA, Rawalpindi	311,328
64	88	Non-recovery due to late construction penalty and not obtaining of completion	Director Land Development & Estate Management, UD Wing, RDA Rawalpindi	624,200
65	89	Non-recovery of cost of excess area due to un-authorized encroachment	Dir. LD & EM UD-Wing, RDA, Rawalpindi	470,202
66	90	Un-authorized encroachment /occupation of RDA land valuing	Dir. LD & EM UD-Wing, RDA, Rawalpindi	98,640
67	91	Non-recovery of rent of advertisement boards	Dir. LD & EM UD-Wing, RDA, Rawalpindi	425,868

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
68	92	Non-recovery of advance income tax on auction proceeds	Dir. LD & EM UD-Wing, RDA, Rawalpindi	287,858
69	93	Non-recovery of penalty due to late construction and non-obtaining of completion plan	Dir. LD & EM UD-Wing, RDA, Rawalpindi	216,140
70	95	Loss of revenue due to un-justified refund of commercialization fee	Director Metropolitan & Town Engineering, RDA Rawalpindi	6,892,682
71	96	Un justified financial benefit due to non transfer and mutation of land	Dir. MP & TE UD-Wing, RDA, Rawalpindi	79,506,000
72	99	Infructuous expenditure due to non- finalization of Land use Classification, Re-classification and Re-development Plan	Dir. MP & TE UD-Wing, RDA, Rawalpindi	12,597,374
73	101	Non-recovery of land use conversion fee	Dir. MP & TE UD-Wing, RDA, Rawalpindi	17,564,000
74	108	Un-authorized payment of price variation without provision in revised technical sanction estimate	Dir. Engineering UD-Wing, GDA, Gujranwala	21,699,000
75	112	Non-recovery of Mobilization Advance	Director Construction-I (Senior Construction Engineer-V) WASA LDA, Lahore	19,383,966
76	113	Non-recovery of Mobilization Advance	Director Construction-I (Senior Construction Engineer-V) WASA LDA, Lahore	16,678,153
77	114	Non-recovery of Mobilization Advance	Director Construction-I (Senior Construction Engineer-V) WASA LDA, Lahore	12,619,600

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
78	116	Non-imposition of penalty due to delay in execution of the work	Dir. Construction-I, WASA-LDA, Lahore	594,586
79	117	Overpayment due to the payment of excess pipe length than drilling length	Dir. Construction-I, WASA-LDA, Lahore	193,539
80	118	Overpayment due to the payment of excess pipe length than drilling length	Dir. Construction-I, WASA-LDA, Lahore	111,413
81	120	Overpayment due to the payment of excess pipe length than drilling length	Dir. Construction-I, WASA-LDA, Lahore	94,532
82	121	Overpayment due to allowing inadmissible specification	Director Hydrology WASA LDA, Lahore	87,606
83	122	Loss due to non-recovery of the cost of old material	Dir. Ganj Buksh Town, WASA-LDA, Lahore	1,578,562
84	123	Loss due to non-recovery of the cost of old material	Dir. Ganj Buksh Town, WASA-LDA, Lahore	2,154,642
85	126	Loss due to non-recovery of the cost of old material	Dir. Shalimar & Aziz Bhatti Town, WASA-LDA, Lahore	809,120
86	129	Loss due to non-recovery of the cost of old material	Dir. Ravi Town, WASA-LDA, Lahore	907,148
87	130	Loss due to non-recovery of the cost of old material	Dir. Ravi Town, WASA-LDA, Lahore	978,724
88	132	Loss due to non-recovery of the cost of old material	Dir. Ravi Town, WASA-LDA, Lahore	854,244
89	133	Loss due to non-recovery of the cost of old material	Dir. Ravi Town, WASA-LDA, Lahore	1,073,640
90	137	Loss due to non-recovery of the cost of old material	Dir. Allama Iqbal Town, WASA-LDA, Lahore	975,223

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
91	138	Loss due to non-recovery of the cost of old material	Dir. Allama Iqbal Town, WASA-LDA, Lahore	965,498
92	141	Loss due to non-recovery of the cost of old material	Dir. Nishter Town, WASA-LDA, Lahore	1,056,913
93	142	Loss due to non-recovery of the cost of old material	Dir. Nishter Town, WASA-LDA, Lahore	511,146
94	145	Non-recovery of income tax on interest income	Director Finance LDA UD Wing	128,284
95	147	Overpayment due to incorrect application of rates	Dir. Building-I, LDA UD-Wing, Lahore	276,263
96	151	Overpayment due to excess thickness	Dir. ADS-I, LDA UD-Wing, Lahore	1,573,376
97	153	Un-due financial aid due to non-submission of performance security	Director ADS-I LDA UD-Wing Lahore	24,540,000
98	158	Un-justified payment due to execution of work without Job Mix Formula	Dir. ADS-II, LDA UD-Wing, Lahore	6,295,000
99	159	Irregular payment due to non-preparation of rate analysis	Dir. ADS-II, LDA UD-Wing, Lahore	6,046,223
100	161	Un-justified payment due to execution of work without Job Mix Formula	Dir. ADS-II, LDA UD-Wing, Lahore	5,113,000
101	163	Overpayment due to over and above agreed percentage	Dir. ADS-II, LDA UD-Wing, Lahore	1,791,977
102	211	Loss to government due to defective agreement with M/s Fun Land Ltd	Dir. Zone-II, PHA, Lahore	538,477
103	212	Loss to government due to less deposit of lease money	Dir. Zone-II, PHA, Lahore	528,427
104	213	Non-recovery of rent and undue financial benefit to lessee	Dir Zone-III, PHA, Lahore	250,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
105	214	Loss to government due to non-recovery of penalty and missing installments of rent of canteens	Director, Zone-III, PHA, Lahore	206,603
106	215	Non-recovery of advance rent and penalty	Director, PHA, Zone-III, Lahore	213,000
107	216	Non-accountal of material	Director Zone-III, PHA, Lahore	969,780
108	217	Irregular expenditure due to non-approval of rate analysis	Director Zone-IV, PHA, Lahore	396,486
109	218	Non-recovery of lease rent and penalty	Director Zone-V, PHA, Lahore	253,540
110	219	Non-recovery of rent and non forfeiture of security /deposited amount	Director Zone-V, PHA, Lahore	554,000
111	220	Loss due to non imposition of penalty	Director Zone-V, PHA, Lahore	167,400
112	221	Non-recovery of rent of shop # 8	Director Zone-V, PHA, Lahore	143,190
113	225	Loss due to defective work	Director Engineering, PHA, Lahore	914,426
114	227	Irregular blockage of payments	Director Monitoring and Operation, PHA, Lahore	1,340,137
115	230	Irregular blockage of payments	Director M&O, PHA, Lahore	514,773
116	231	Non-receipt of vouched accounts	Director Admn and Finance, TEPA, Lahore	1802,267,000
117	234	Non-recovery of secured advance	Executive Engineer, Public Health Engineering Division, Pakpattan	10,420,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
118	235	Overpayment	Executive Engineer, Public Health Engineering Division, Dera Khazi Khan	2,001,000
119	240	Overpayment on the quantities of secured advance	Executive Engineer, Public Health Engineering Division, Multan	107,841
120	241	Overpayment on the quantities of secured advance	Executive Engineer, Public Health Engineering Division, Multan	180,395
121	243	Non-recovery of secured advance	Executive Engineer, Public Health Engineering Division, Muzaffargarh	4,207,080
122	244	Overpayment due to miscalculation	Executive Engineer, Public Health Engineering Division, R.Y Khan	100,000
123	245	Overpayment	Executive Engineer, Public Health Engineering Division, R.Y Khan	141,539
124	247	Overpayment	Executive Engineer, Public Health Engineering Division, Bahawalnagar	6,903,368
125	248	Overpayment due to miscalculation	Executive Engineer, Public Health Engineering Division, Bahawalnagar	571,000
126	249	Overpayment due to incorrect base rate for price variation	Executive Engineer, Public Health Engineering Division, Bahawalnagar	230,696

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
127	250	Overpayment due to miscalculation	Executive Engineer, Public Health Engineering Division, Bahawalnagar	989,000
128	251	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Sahiwal	103,246
129	252	Non-recovery of secured advance	Executive Engineer, Public Health Engineering Division, Sahiwal	3,510,764
130	253	Overpayment due to calculation of incorrect price variation		394,051
131	256	Overpayment due to excess rate	Executive Engineer, Public Health Engineer Division, Sheikhupura	127,624
132	260	Excess payment due to non-deduction of available earth	Executive Engineer, Public Health Engineer Division, Sheikhupura	462,530
133	261	Overpayment due to incorrect price variation	Executive Engineer, Public Health Engineering Division, Sheikhupura	331,935
134	262	Overpayment due to non-deduction of quantity of gully grating	Executive Engineer, Public Health Engineering Division Sheikhupura	452,729
135	265	Non-recovery of surcharge on income tax	Executive Engineer, Public Health Engineering Division, Gujrat	45,988
136	266	Overpayment due to incorrect application / provision of rate of re-handling	Executive Engineer, Public Health Engineering Division, Pakpattan	170,126

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
137	267	unauthorized payment without enhancement of agreement	Executive Engineer, Public Health Engineering Division, Gujrat	8,927,213
138	268	Overpayment due to application of wrong factor	Executive Engineer, Public Health Engineering Division, Gujrat	1,153,219
139	269	Non-recovery /adjustment of dismantled material	Executive Engineer, Public Health Engineering Division, Gujrat	1,719,204
140	270	Undue payment due to allowing full tendered rate during running payment	Executive Engineer, Public Health Engineering Division, Gujrat	1,757,362
141	274	Loss to Govt. due to provision of compaction of re-handled earth	Executive Engineer, Public Health Engineering Division, Jhelum	2,751,508
142	276	Overpayment due to non reduction of rate RCC 1:2:4	Executive Engineer, Public Health Engineering, Division Chakwal	279,566
143	278	Overpayment due to allowing higher rate	Executive Engineer, Public Health Engineering, Division Chakwal	966,875
144	279	Overpayment due to allowing higher rates	Executive Engineer, Public Health Engineering, Division Chakwal	466,366
145	280	overpayment due to allowing higher rate in rate analysis	Executive Engineer, PHE Division Gujranwala	2,121,449
146	281	Overpayment due to allowing full rate	Executive Engineer, Public Health Engineering Division, Mianwali	1,113,500

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
147	285	unauthorized payment without enhancement of agreement	Executive Engineer, Public Health Engineering Division, Rawalpindi	7,017,463
148	287	Unauthorized / irregular provision of contingencies	Executive Engineer, Public Health Engineering Division, Rawalpindi	224,220
149	289	Overpayment due to allowing crush as bedding material under 12" RCC pipe	Executive Engineer, Public Health Engineering Division, Rawalpindi	277,097
150	290	Non-recovery / restoration of dismantled material	Executive Engineer, Public Health Engineering Division, Sargodha	100,841,1
151	291	Non-recovery of secured advance	Executive Engineer, Public Health Engineering Division, Sargodha	11,722,399
152	292	Unauthorized expenditure	Executive Engineer, Public Health Engineering Division, Sargodha	227,062
153	293	Less recovery of tender fee	Executive Engineer, Public Health Engineering Division, Sargodha	35,988
154	294	Non-recovery of surcharge on income tax	Executive Engineer, Public Health Engineering Division, Sialkot	108,255
155	296	short recovery of income tax	Executive Engineer, Public Health Engineering Division, Sargodha	108,323

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
156	297	less recovery restoration of dismantled material	Executive Engineer, Public Health Engineering Division, Sialkot	333,739
157	298	Overpayment due to application of incorrect factor of wastage	Director Engineering, WASA, GDA, Gujranwala	571,045
158	299	Unauthorized payment due to non-approval of slash daldal by the competent authority	Director Engineering, WASA, GDA, Gujranwala	1,087,000
159	300	Overpayment due to non-recovery of cost of dismantled material	Director Engineering WASA G.D.A. Gujranwala	1,634,000
160	301	Overpayment due to non-recovery of cost of dismantled material	Director Engineering WASA G.D.A. Gujranwala	1,967,000
161	302	Overpayment due to non-recovery of cost of dismantled material	Director Engineering WASA G.D.A. Gujranwala	623,352
162	303	Overpayment due to non-recovery of cost of dismantled material	Director Engineering WASA G.D.A. Gujranwala	2,536,000
163	304	Un-authorized payment	Director Engineering, WASA, GDA, Gujranwala	1,108,000
164	305	Loss due to non-auction of trees	Director Horticulture, PHA, FDA, Faisalabad	642,313
165	306	Irregular calling of tender i.e. without approval of technical sanction estimate	Director Engineering, PHA, FDA, Faisalabad	7897659
166	307	Irregular payment due to non-preparation of analysis of rates	Director Engineering, PHA, FDA, Faisalabad	5,731,834
167	308	Irregular payment due to non-preparation of analysis of rates	Director Water Resources, WASA, FDA, Faisalabad	865,001

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
168	310	Less recovery of transfer fee	Director Estate Management LDA UD-Wing Lahore	133000
169	312	Unjustified allotment of Plot No 47-A in Liberty Market	Director EME LDA UD-Wing Lahore	-
170	313	Non-recovery of rent/ hire charges of machinery	Director EME LDA UD-Wing Lahore	300,869
171	314	Non-auction of un-serviceable machinery	Director EME LDA UD-Wing Lahore	-
172	315	Less recovery of transfer fee	Director Land Development-IV, LDA, UD-Wing, Lahore.	160,533
173	321	Overpayment due to excessive measurement	Director ADS-1, LDA, UD-Wing	502,420
174	322	Wasting of opportunity of revenue generation	Director Finance, LDA, UD-Wing	3,600,000
175	325	Undue financial benefit due to disproportionate rates	Director Traffic Engineering, TEPA, LDA, Lahore	2,155,975
176	326	Loss due to incorrect rate analysis	Director Traffic Engineering, TEPA, LDA, Lahore	3,054,611
177	328	Loss due to less use of dismantle material as sub base	Director Traffic Engineering, TEPA, LDA, Lahore	10,034,549
178	329	Loss due to incorrect rate analysis	Director Traffic Engineering, TEPA, LDA, Lahore	1,132,200
179	330	Loss due to inadmissible provision of contractor profit and overhead on carriage	Director Traffic Engineering, TEPA, LDA, Lahore	1,275,276
180	331	Loss due to uneconomical estimation	Director Traffic Engineering, TEPA, LDA, Lahore	2,470,362
181	332	Loss due to less use of dismantled material	Director Traffic Engineering, TEPA, LDA, Lahore	940,036

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
182	334	Loss due to unjustifiable provision of compaction in the estimates	Project Director Engineering, Construction-I, TEPA, LDA, Lahore	201,631
183	335	Loss due to un-economical estimation	Director Engineering Construction, TEPA, LDA, Lahore	727,266
184	336	Over payment due to non utilization of dismantled material as sub base	Director Engineering Construction, TEPA, LDA, Lahore	1,047,176
185	337	Overpayment due to allowing contractor profit and overheads on carriage	Director Engineering Construction, TEPA, LDA, Lahore	5,613,668
186	338	Over payment due to less utilization of dismantled	Director Engineering Construction, TEPA, LDA, Lahore	10,454,793
187	339	Unjustified payment due to execution of work without job mix formula	Director Engineering Construction , TEPA, LDA , Lahore	153,165,022
188	340	Undue financial benefit due to irregular grant of secured advance against bitumen and incorrect higher rates thereof	Director Engineering Construction, TEPA, LDA, Lahore	140,013
189	341	Excess payment/undue financial benefit to the contractor due to imbalance rates	Director Engineering Construction , TEPA, LDA , Lahore	140,013
190	343	Undue financial aid due to not obtaining performance security and additional bank guarantee	Director Engineering Construction, TEPA, LDA, Lahore	136,331,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
191	344	Non-recovery of rent of sky sign	Director Marketing, Parks and Horticulture Authority, Lahore	1,051,200
192	345	Non-recovery of rent of boards	Director Marketing, Parks and Horticulture Authority , Lahore	3,656,750
193	346	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Faisalabad	811,040
194	347	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, R.Y Khan	316,815
195	348	Unjustified payment of price variation on crush	Executive Engineer, Public Health Engineering Division, Layyah	389,556
196	351	Overpayment due to arithmetical mistake	Executive Engineer, Public Health Engineering Division, Vehari	1,663,432
197	353	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Vehari	1,391,000
198	354	Non-recovery of secured advance	Executive Engineer, Public Health Engineering Division, Vehari	2,073,069
199	355	Overpayment due to inadmissible price variation	Executive Engineer, Public Health Engineering Division, Khanewal	693,812
200	356	Overpayment due to non deduction of C.I specials	Executive Engineer, Public Health Engineering Division, Khanewal	140,584

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
201	358	Overpayment due to inadmissible rate of compaction of sand	Executive Engineer, Public Health Engineering Division, Dera Khazi Khan	1,346,553
202	359	Irregular payment due to non enhancement of agreement	Executive Engineer, Public Health Engineering Division, Dera Khazi Khan	44,281,172
203	360	Less deduction of Income Tax	Executive Engineer, Public Health Engineering Division, Dera Khazi Khan	83,753
204	362	Unjustified payment due to payment of unbalance rates	Executive Engineer, Public Health Engineering Division, Chiniot	1,110,782
205	364	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Pakpattan	138,356
206	365	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Pakpattan	347,855
207	366	Overpayment due to tempering of rates in bid	Executive Engineer, Public Health Engineering Division, Pakpattan	964,500
208	367	Overpayment due to excessive measurement	Executive Engineer, Public Health Engineering Division, Pakpattan	258,199
209	368	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Pakpattan	649,311

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
210	369	Overpayment due to incorrect price variation	Executive Engineer, Public Health Engineering Division, Pakpattan	480,328
211	371	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division, Pakpattan	250,498
212	372	Award of works without fair compaction and non-forfeiture of earnest money of non-serious bidders	Executive Engineer, Public Health Engineering Division Gujrat	2,530,000
213	373	Less recovery of income tax	Executive Engineer, Public Health Engineering Division Mianwali	183,897
214	374	Un-due financial benefit due to not obtaining additional performance security	Executive Engineer, Public Health Engineering Division Mianwali	2,961,093
215	377	Non-recovery/ restoration of dismantled material valuing	Executive Engineer, Public Health Engineering Division Nankana Sahib	179,422
216	382	Non imposition of penalty due to non-completion of work	Executive Engineer, Public Health Engineering Division, Sargodha	27,973,000
217	383	Irregular calling of tenders	Executive Engineer, Public Health Engineering Division Sargodha	13,260,441
218	384	Un-due payment / benefit due to allowing secured advance beyond 75%	Executive Engineer, Public Health Engineering Division Mandi Baha-ud-Din	230,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
219	386	Un authorized payment of price variation without revision of technical sanction estimate	Executive Engineer, Public Health Engineering Division Mandi Baha-ud-Din	630,840
220	387	Unjustified payment of price variation due to increase in rate less than 5%	Executive Engineer, Public Health Engineering Division Kasur	62,897
221	389	Overpayment due to application of incorrect rate	Executive Engineer, Public Health Engineering Division, Kasur	53,794
222	390	Non-recovery of Secured Advance	Executive Engineer, Public Health Engineering Division, Kasur	3,721,740
223	392	Over payment due to arithmetical mistake	Executive Engineer, Public Health Engineering Division Hafizabad	276,538
224	393	Un-due financial benefit due to not obtaining additional performance security	Executive Engineer, Public Health Engineering Division, Hafizabad	2,168,373
225	395	Un-due financial benefit due to not obtaining additional performance security	Executive Engineer, Public Health Engineering Division, Hafizabad	975,736
226	396	Less recovery of income tax	Executive Engineer, Public Health Engineering Division, Hafizabad	111,279
227	397	Overpayment due to wrong multiplication	Executive Engineer, Public Health Engineering Division, Okara	300,339
228	398	Undue financial benefit due to not obtaining of performance security	Executive Engineer, Public Health Engineering Division Okara	7,477,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
229	399	Overpayment due to allowing in-admissible specification		427,393
230	400	Un-due financial benefit due to not obtaining additional performance security	Executive Engineer, Public Health Engineering Division Okara	1,837,957
231	402	Overpayment due to excess measurement	Executive Engineer, Public Health Engineering Division Okara	87,558
232	403	Overpayment due to incorrect application of factor 'α'	Executive Engineer, Public Health Engineering Division Mandi Bah-ud-Din	238,410
233	414	Loss due to less recovery of sewerage charges from commercial user	Director Revenue / Deputy Director Revenue (Nishter Town), WASA LDA, Lahore	378,279

Annexure-1/C: Irrigation Department

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
1	1	Loss to government due to audit at lower rate	LBDC Division, Okara	236,877
2	2	Non-production of record	Ahmadpur Canal Division Ahmadpur	-
3	3	Irregular payment due to splitting of work	LBDC, Division, Okara	673,716
4	22	Loss due to non-auction of trees	Western Bar Division, Thingi	4,880,140
5	23	Non-depositing of deducted Income Tax	Project Director, Lahore	21,519,019
6	24	Non-receipt of Performance Security	Project Director, Lahore	16,714,250
7	25	Non-receipt of Performance Security	Project Director, Lahore	11,749,855
8	26	Non-recovery of shortage of material	CE Development, Lahore	55,200
9	29	Non-clearance of cheques	CE Development, Lahore	583,647
10	30	Loss to government due to less recovery of renewal and enlistment fee	CE, Research, Lahore	148,000
11	31	Unauthentic expenditure on account of non-fulfilling of codal formalities	CE Research, Lahore	4,994,000
12	32	Non-adjustment	Development NO.1, Lahore	1,081,659
13	33	Un-due accrued liabilities	Development NO.1, Lahore	8,530,000
14	34	Non-recovery due to use of steel other than Pakistan Steel	Discharge Division, Lahore	284,743
15	37	Loss to the government due to less recovery of renewal and enlistment fee	Discharge Division, Lahore	62,500
16	38	Unjustified provision of contingencies	SE, Drainage Circle, Lahore	132,455

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
17	39	Unjustified provision of contingencies	SE, Drainage Circle, Lahore	675,891
18	40	Non-accountal of stock items	SE, Development Circle, Lahore	201,786
19	41	Loss to government due to less recovery of renewal and enlistment fee	SE, Development Circle, Lahore	144,000
20	42	Illegal construction of Village Road (V.R) Bridge on Syedwala Disty between R.D.10+000 to R.D.11+000 due to non-obtaining N.O.C from Irrigation Department	UCC Division, Sheikhupura	-
21	43	Unjustified sanction of expenditure	SE, Drainage Circle, Lahore	8,856,012
22	44	Unjustified sanction of expenditure	SE, Drainage Circle, Lahore	27,589,000
23	45	Non-recovery of 15% flood surcharge on Income Tax	Project Director, PMO PISIP, Lahore	295,786
24	46	Non-maintenance of Measurement Book for recording work done	Project Director, Lahore	300,000
25	48	Wasteful expenditure	CE, Research Irrigation Department, Lahore	5,700,000
26	50	Non-recovery of theft of valuable material from Hydraulic Laboratory at Irrigation Research Institute Lahore	CE, Research, Lahore	-
27	51	Acceptance of defective/in-complete work	Development NO.1, Lahore	778,950
28	53	Loss due to non-recovery of General Sales Tax	XEN, Development No.1, Lahore	305,324
29	54	Loss to the government due to non acquiring of land before execution of work	Development Division No. VI Fateh Jhang	134,363,833

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
30	66	Loss due to non-recovery of government dues from tenants	Director Land Reclamation, Lahore	1,536,204
31	67	Loss due to less recovery of renewal fee from the contractors	Director Land Reclamination Lahore	321,000
32	68	Non-recovery of professional tax from the contractors	Director, Land Reclamation, Lahore	418,000
33	70	Loss due to non-recovery of sale price from the tenants	Director, Land Reclamation, Lahore	8,653,249
34	72	Non-recovery of sale of water	KDCC Division, Depalpur	28,559,430
35	74	Unjustified release of security deposit	CE Irrigation, Lahore	1,763,000
36	75	Unauthorized retention of government receipt	CE Irrigation, Lahore	1,378,500
37	76	Overpayment due to excess measurement	Upper Gogera Division, Sheikhupura	108,343
38	77	Overpayment due to wrong calculation	Upper Gogera Division, Sheikhupura	187,297
39	78	Overpayment due to double measurement	Upper Gogera Division, Sheikhupura	970,424
40	79	Loss due to excess rates	Upper Gogera Division, Sheikhupura	107,571
41	80	Non-maintenance of T&P/stock and plantation register of canal rest houses	Upper Gogera Division, Sheikhupura	-
42	81	Unjustified payment	Upper Gogera Division, Sheikhupura	1,837,344
43	82	Unauthorized sanction of estimates	XEN, Upper Gugera Division, Sheikhupura	327,534

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
44	83	Non-crediting of lapsed deposits to revenue	Upper Gogera Division, Sheikhupura	4,783,516
45	86	Unjustified sanction of manufacture estimate	SE, Machinery Circle, Lahore	15,760,000
46	88	Loss to government due to non-auction of unserviceable machinery in millions of rupees	SE, Machinery Circle, Lahore	-
47	89	Non-recovery of general sales tax	Canal Division, Layyah	106,188
48	90	Excess payment due to non-deduction of shrinkage of earth	Canal Division, Layyah	236,793
49	100	Irregular release of performance security	Canal Division, Layyah	594,948
50	101	Excess payment on account of excess measurement of earth	Thal Development Division, Mianwali	178,546
51	102	Overpayment due to non-deduction of shrinkage charges	Canal Division, Layyah	66,987
52	103	Loss to government for not taking action against the culprits	Canal Division, Layyah	97,934
53	104	Unjustified expenditure due to execution of silt clearance in flowing water	Canal Division, Layyah	97,444
54	105	Unjustified expenditure due to execution not through departmental labour	Layyah Canal Division Layyah	267,568
55	106	Irregular release of security deposit	Canal Division, Layyah	37,599
56	107	Unjustified expenditure due to execution of silt clearance in flowing water	Canal Division, Layyah	97,116
57	108	Fake payment on account of petrol, oil and lubricants	XEN, Canal Division, Layyah	89,027

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
58	109	Overpayment due to payment of items in excess than the technical sanction estimate	LJC Development Division, Sargodha	4,881,544
59	110	Overpayment due to non execution of complete item	LJC, Division, Sargodha	1,387,735
60	111	Undue financial benefit to contractors due to non-validation of performance security	LJC Development Division, Sargodha	6,543,000
61	112	Non-recovery of renewal fee from the contractors	LJC Development Division Sargodha	250,000
62	113	Overpayment due to excess quantity paid	LJC Development Division, Sargodha	1,940,056
63	114	Non-adjustment	LJC Development Division, Sargodha	10,000,000
64	115	Less recovery of general sales tax	Director Land Reclamation, Lahore	753,190
65	116	Overpayment due to excess carriage paid	Development Division, M.B. Din	4,792,040
66	117	Loss due to non-forfeiture of earnest money of the contractor	UJC Development Division, M.B. Din	16,805,000
67	119	Overpayment due to excess barrow pit excavation paid	Development Division, M.B. Din	9,177,752
68	121	Excess expenditures over and above the provision of contingencies	Development Division, M.B. Din	45,937,000
69	122	Unjustified / excess provision of contingencies / Misc. in technical sanction estimate	Development Division, M.B. Din	40,551,000
70	124	Less recovery of renewal fee from the contractors	SE, LJC Circle, Sargodha	271,325
71	125	Irregular technical sanction due to non-obtaining of administrative approvals	SE, LJC Circle, Sargodha	6,403,801

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
72	126	Non-maintenance of Assets/Property Register	SE, LJC Circle, Sargodha	
73	127	Extra provision due to non-application of administrative approval rates in TS estimate	SE, LJC Circle, Sargodha	1,120,132
74	128	Irregular provision of contingencies in repair & maintenance works	SE, LJC Circle, Sargodha	302,443
75	130	Non-inspection of the accounts of Divisional Offices and their subordinate offices by the Superintending Engineer, Lower Jhelum Canal Circle, Sargodha	SE, LJC Circle, Sargodha	
76	131	Unauthentic provision of pitching stone due to non approval of non standardized item rates	SE, LJC Circle, Sargodha	26,202,623
77	133	Irregular provision of contingencies in repair & maintenance works	SE, Drainage Circle, Sargodha	304,365
78	134	Extra provision due to non application of administrative approval rates in technical santion estimates	SE, LJC Circle, Sargodha	496,422
79	135	Less recovery of renewal fee from the contractors	SE, Drainage Circle, Sargodha	148,075
80	136	Non-inspection of the accounts of divisional offices and their subordinate offices by the S.E, Sargodha Drainage Circle, Sargodha	SE, LJC Circle, Sargodha	
81	138	Irregular payment due to non-accountal of purchased material without quotation	T.O.D, Muzafargarh	70,000
82	139	Non-production of list of residential occupants in colony	T.O.D, Muzafargarh	

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
83	140	Unjustified expenditure	T.O.D, Muzafargarh	410,824
84	141	Non-provision of credits of dismantled material	CE, Irrigation Zone, Multan	436,406
85	142	Extra expenditure due to enhancement in rates	CE Irrigation, Multan	437,000
86	143	Unauthorized execution of works	S.E Haveli Canal Circle Multan	6,463,000
87	144	Extra expenditure/loss due to enhancement in rates	S.E Haveli Canal Circle Multan	392,200
88	145	Irregular sanctioning of contingency in repair estimates	CE Irrigation, Multan	1,046,000
89	147	Irregular expenditure over budget allocation	SE, Haveli Canal Circle, Multan	591,174
90	148	Unauthorized expenditure without technical sanction estimates	CE, Irrigation Zone, Multan	1,514,000
91	149	Less recovery of advance tax and sales tax	Drainage Division, M.B. Din	152,000
92	151	Non-maintenance of tender sale register	Drainage Division, M.B. Din	
93	153	Irregular sanctioning of technical sanction estimate due to non-obtaining the approval of Chief Engineer	SE, Drainage Circle, Sargodha	1,810,000
94	156	Overpayment due to excess quantity of bajri paid	Development Division Mandi Baha ud Din	210,364
95	157	Overpayment due to non execution of complete item	Development Division Mandi Baha ud Din	653,581
96	159	Overpayment due to non utilization of available earth	Development Division Mandi Baha ud Din	20,924,707

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
97	160	Excess expenditure over budget allocation	SE, LCC(W), Faisalabad	488,792
98	162	Overpayment due to allowing inadmissible price variation	Drainage Division, Faisalabad	145,850
99	163	Overpayment due to application of incorrect rates	Hafizabad Canal Division, Faisalabad	77,438
100	164	Unjustified award of work due to un-healthy tendering	Hafizabad Canal Division, Faisalabad	
101	167	Excess payment on account of carriage of stone	Thal Development Division, Mianwali	700,165
102	168	Irregular expenditure beyond the agreement amount	Thal Development Division, Mianwali	9,187,000
103	169	Non-recovery of 15% flood surcharge from the contractors	Thal Development Division, Mianwali	338,242
104	177	Non-recovery on account of general sales tax	QB Link Division, Farooqabad	64,439
105	179	Irregular expenditure due to payment made to irregular registered / renewed firms	Director, Land Reclamation, Lahore	2,050,104
106	181	Irregular/unjustified sale/disposal of farm produce	Director, Land Reclamation, Lahore	5,755,000
107	182	Loss to government due to non-auction of wheat bhosa	Director, Land Reclamation, Lahore	690,108
108	188	Excess payment on account of excess measurement for carriage of stone	Kalabagh Headworks Division, Daudkhel	1,141,358
109	189	Excess payment on account of excess measurement of carriage	Kalabagh Headworks Division, Daudkhel	793,793
110	194	Loss on account of toll tax collection	CE, Irrigation Zone, Sargodha	14,063,000

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
111	196	Less provision/credit of dismantled material	Haveli canal circle Multan	191,350
112	198	Loss to government due to award of toll tax contract below the reserve price	Mailsi Canal Circle Multan	6,932,342
113	200	Unjustified provision of contingency in maintenance and repair works	Drainage Division, M.B. Din	105,205
114	202	Irregular technical sanction due to non-obtaining of administrative approvals	SE, LBDC Circle, Sahiwal	22,508,516
115	203	Non-adjustment of advance payment for repair/replacement of gates from the Bhalwal Irrigation Workshop	SE, Development Circle, Sargodha	4,572,274
116	204	Loss due to less receipts from auction of dead and fallen trees	SE, LBDC Circle, Sahiwal	151,904
117	207	Irregular technical sanction without non-obtaining administrative approvals	SE, Development Circle, Sargodha	442,790
118	208	Irregular expenditure against contingency provision	Thal Canal Circle Mianwali	323,482
119	209	Unjustified provision of contingencies in repair	Thal Development Division, Mianwali	512,173
120	210	Unjustified expenditure on the upkeep of rest houses	SE, Thal Canal Circle, Mianwali	2,269,000
121	211	Non-recovery on account of Abiana and Tawan	SE, Thal Canal Circle, Mianwali	42,756,000
122	212	Excess sanction of estimates due to excess quantities	SE, Depalpur Canal Circle, Lahore	298,507
123	214	Unjustified provision of contingency for reserve stock	S.E Project Circle (Irrigation) D.G Khan	525,041
124	218	Unjustified / doubtful expenditure on account of repair of vehicle	Electric Inspector Division, Lahore	26,370

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
125	219	Non-accountal/utilization of spare parts of vehicles in stock/T&P/Log Books	Electric Inspector Division, Lahore	61,009
126	220	Non-recovery of general sales tax	Electric Inspector Division, Lahore	36,916
127	221	Non-finalization of disputed cases between consumers and licensee (Electricity Company)	Electric Inspector Division, Lahore	
128	222	Premature release of security deposit	Development Division-II, Lahore	7,461,794
129	223	Wasteful expenditure without rendering consultancy services	Development Division -II, Lahore	17,846,000
130	224	Irregular/unjustified expenditure on account of consultancy charges	Development Division -II, Lahore	102,560,000
131	226	Loss due to non-auction of store material	T.O.D. Khanpur	789,043
132	231	Non-submission of vouched account	Jampur Construction Division, D.G Khan	139,325,230
133	232	Non-forfeiture of security deposits due to non-fulfillment of contractual obligations	Jampur Construction Division, D.G Khan	862,309
134	235	Excess payment without enhancement of agreement	Jampur Construction Division, D.G Khan	3,287,483
135	238	Irregular award of work due to un-healthy competition	Construction Division, D.G Khan	
136	240	Overpayment due to incorrect/unauthentic measurements	Construction Division, D.G Khan	7,070,000
137	241	Excess payment on account of price variation	Construction Division, D.G Khan	1,420,376
138	242	Unjustified payments due to execution of unnecessary item of work	Construction Division, D.G Khan	9,720,790

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
139	243	Non-forfeiture of security deposits due to non-completion of job	Construction Division, D.G Khan	355,786
140	244	Excess payment on account of carriage of stone	Construction Division, D.G Khan	2,440,452
141	245	Non-recovery on account of shrinkage	Construction Division, D.G Khan	469,234
142	246	Excess payment due to non-revision of estimate	Construction Division, D.G Khan	21,375,325
143	247	Non-adjustment on account of advance payment	Construction Division, D.G Khan	3,000,000
144	248	Excess sanction	SE, Dera Jat Circle, D.G Khan	142,018
145	249	Excess sanction due to less credit of dismantled bricks	SE, Dera Jat Circle, D.G Khan	86,712
146	250	Unjustified provision of contingency	SE, Dera Jat Circle, D.G Khan	546,516
147	251	Unjustified expenditure	Tube Well Operation Division, Muzaffargarh	236,849
148	253	Irregular expenditure on Circle Office	Draiange Division, Sargodha	166,225
149	254	Unjustified/excess charging of expenditure	Drainage Division, Sargodha	490,863
150	255	Less crediting/recovery of dismantled material	SE, Development Circle, Sahiwal	70,643
151	256	Excess revised sanction of estimate due to change in rates	SE Project circle Irrigation D.G. Khan	57,386
152	258	Incorrect sanction of estimate due to excess rate	SE, Project Circle Irrigation, D.G. Khan	2,327,002
153	259	Undue financial benefit to contractor due to non-obtaining of performance security	Development Division, Bahawalpur	7,110,494

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
154	263	Irregular award of work due to un-healthy tendering process	Canal Division, D.G. Khan	
155	265	Loss due to non-deduction of professional tax	Canal Division, D.G. Khan	750,000
156	266	Unjustified payment on account of clearance of previous year liability	Canal Division, D.G. Khan	163,968
157	267	Non-recovery of compensation charges due to non-completion of work	Canal Division, Rajanpur	414,550
158	269	Overpyment due to non-reduction in rate	Devlp Division-III, Sahiwal	195,608
159	272	Less recovery of renewal fee from the contractors	S.E Lower Bari Doab Canal Circle Sahiwal	248,500
160	273	Irregular award of work due to unhealthy tendering process	Canal Division, Rajanpur	
161	274	Undue financial aid due to non-obtaining of additional performance security	Canal Division, Rajanpur	297,034
162	277	Non-recovery on account of professional tax	Jampur Construction Division, D.G. Khan	235,000
163	284	Unjustified payment due to excess / without measurements of quantities	Development Division, Bahawalpur	60,722,611
164	286	Overpayment due to incorrect application of rate	Kalabagh Headworks Division, Daudkhel	166,262
165	287	Irregular diversion/sanction of contingency	SE, LBDC Circle, Sahiwal	147,303
166	288	Excess payment due to excess measurement	Development Division-IV Faisalabad	112,440
167	291	Non-recovery on account of 60% penal rent from unauthorized occupants of government residence	Headworks Division, Punjnad	172,188

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
168	296	Unjustified provision of contingency in repair & maintenance estimate	S.E Development Circle Sahiwal	405,187
169	297	Irregular tendering due to non-advertisement on PPRA's website	SE, LBDC Circle, Sahiwal	255,000
170	298	Overpayment due to excess quantity paid than TS provision	Development Division, M.B. Din	5,045,991
171	299	Overpayment due to excess transportation of borrow pit excavation	Development Division, M.B. Din	5,418,115
172	300	Irregular acceptance of tender due to non-obtaining of earnest money	Development Division, M.B. Din	826,154,000
173	302	Undue retention of government money	Drainage Division, M.B. Din	1,364,537
174	304	Unjustified sanction of contingencies in maintenance & repair (M&R) estimates	C.E Lahore, Zone Lahore	285,984
175	305	Non-credit of earthwork obtained as a result	CE, Lahore Zone, Lahore	320,973
176	306	Excess sanction of carriage of stone	CE, Lahore Zone, Lahore	220,304
177	307	Unjustified revision of lead involving extra expenditure	SE, LCC(W), Faisalabad	164,894
178	308	Overpayment due to non-reduction of rate	Drainage Division, Faisalabad	128,722
179	309	Irregular award of work due to unhealthy tendering process	Drainage Division, Faisalabad	-
180	310	Excess payment due to imbalance rates	Canal Division, Faisalabad	1,998,877
181	311	Overpayment due to allowing excess quantities	Canal Division, Faisalabad	364,093
182	312	Non-imposition of penalty due to non-completion of work	Development Division-II, Lahore	9,370,000

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
183	313	Irregular expenditure due to non- obtaining the non-availability certificate from the store keeper for new purchase of P.O.L	Excavator Division, Faisalabad	12,640,000
184	314	Excess consumption of diesel, motor oil & hydraulic oil	Excavator Division, Faisalabad	837,076
185	320	Unjustified provision of contingencies in the estimate	Canal Division, Muzaffargarh	246,779
186	321	Non-forfeiture of security deposit	Canal Division, Muzaffargarh	155,790
187	322	Unjustified payment	Canal Division, Muzaffargarh	19,902,000
188	323	Non-adjustment of advance payment	Canal Division, Muzaffargarh	12,873,276
189	325	Non-forfeiture of security deposit	Canal Division, Muzaffargarh	481,288
190	328	Non-credit of unclaimed deposits	Canal Division, Muzaffargarh	2,834,628
191	329	Irregular payment allowed on higher quoted	Development Division, M.B. Din	62,142,248
192	330	Loss due to non-deduction of professional tax	Canal Division, Rajanpur	111,000
193	331	Non-credit of unclaimed lapse deposits	Canal Division, Rajanpur	164,179
194	332	Irregular award of work due to unhealthy competition		-
195	336	Non-deduction of conveyance allowance	CE, Irrigation Zone, Multan	76,673
196	338	Irregular provision of contingencies in the repair estimates	SE Dera Jat circle DG Khan	505,056
197	340	Irregular / unjustified expenditure of P.O.L Charges	Store & Workshop Division, Muzaffargarh	293,784
198	341	Excess payment due to non-deduction of area of pillars and flood surcharge	Tube Well Operation Division, Muzaffargarh	55,489

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
199	342	Non utilization of funds	Development Division-II, Lahore	15,000,000
200	343	Non-auction of unserviceable machinery	Machinery Division, Multan	3,118,000
201	344	Overpayment due to purchase of H.S Diesel at higher rate	Machinery Division, Multan	43,035
202	345	Undue benefit to the contractor due to allowing higher tender rate instead of technical sanction estimate rate	Development Division, Bahawalpur	2,360,409
203	346	Undue benefit to the contractor due to allowing higher tender rate instead of technical sanction estimate rate	Development Division, Bahawalpur	2,903,430
204	347	Undue financial benefit to the contractor	Rachna Drainage Division, Sheikhupura	31,949,715
205	348	Non-recovery from the unauthorized occupation of Govt. accommodation	Hafizabad LCC (W) Division, Faisalabad	2,981,000
206	349	Overpayment due to allowing unjustified item	Canal Division, Lodhran	413,451
207	350	Irregular allotment of works without prequalification of firms	Development Division-II, Lahore	573,677,000
208	351	Unjustified payment	LCC(W), Faisalabad	6,798,982
209	352	Non-recovery of de-escalation on account of cement	LCC(W), Faisalabad	4,733,948
210	353	Overpayment due to excess compaction paid	LCC(W), Faisalabad	1,136,235
211	354	Overpayment due to miscalculation	LCC(W), Faisalabad	75,012
212	355	Non-credit of lapsed deposit	LCC(W), Faisalabad	377,050

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
213	356	Wasteful expenditure fault	LCC(E) Division, Khanki	1,765,660
214	357	Unjustified provision due to application of richest ratio	Canal Division, Layyah	1,192,740
215	361	Overpayment due to deduction of shrinkage of less rate	Canal Division, Layyah	792,053
216	362	unjustified payment due to allowing price variation without provision in T.S Estimate	Canal Division, Bahawalpur	51,238,177
217	366	Less deduction of security deposit	Canal Division, Bahawalpur	170,000
218	370	Non-auction of timber	Balloki Headworks Division	4,209,000
219	371	Non-recovery of fine due to late receipt of installments of toll collection	Headworks Division, Balloki	303,775
220	372	Non-recovery on account of stamp duty and registration fee	Headworks Division, Balloki	659,912
221	373	Non-recovery of fine due to late receipt of toll tax installment	Headworks Division, Balloki	335,032
222	374	Non-crediting of lapsed deposit	Headworks Division, Balloki	913,501
223	375	Non-recovery on account of stamp duty and registration fee	Headworks Division, Balloki	728,845
224	376	Non-recovery of electricity charges from lessees of toll collection	Headworks Division, Balloki	768,000
225	378	Irregular sanction of technical sanction estimate	Kirana Division, Sargodha	5,056,000
226	379	Non-receipt of additional performance security	Kirana Division, Sargodha	4,365,000

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
227	380	Non-imposition of 2% penalty due to non-submitting the work programme/schedule	Kirana LJC Division, Srgodha	896,000
228	383	Unjustified expenditure on account of purchase of seeds	Upper Gogera Division, Skp	179,005
229	385	Non-recovery of general sales tax	Upper Gogera Division, Sheikhupura	181,597
230	386	Overpayment on account of price variation	Upper Gogera Division, Sheikhupura	2,974,000
231	387	Overpayment due to allowing final bill payment more than weighted percentage over technical sanction estimate	Thal Development Division, Mianwali	129,630
232	388	Loss due to irregular award of work	Thal Development Division, Mianwali	1,358,000
233	389	Overpayment due to wrong calculation	Thal Development Division, Mianwali	260,000
234	390	Excess payment due to application of incorrect conversion factor	Thal Development Division, Mianwali	2,475,000
235	391	Overpayment due to miscalculation	Thal Development Division, Mianwali	178,544
236	392	Irregular payment due to non-production of long books	Excavator Division, Faisalabad	9,376,188
237	393	Loss due to non-deduction of income tax	Excavator Division, Faisalabad	153,930
238	394	Fake payment on account of silt clearance and berm cutting in running water	SE LBDC Circle, Sahiwal	130,741
239	395	Non-recovery of general sales tax	LBDC Division, Sahiwal	96,325
240	397	Excess payment due to excess measurement	Development Division-IV, Faisalabad	461,670

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
241	398	Undue benefit to contractor	Development Division-IV, Faisalabad	4,559,000
242	399	Excess payment on account of excess measurement	Devlp Division-IV, Faisalabad	731,068
243	400	Non-recovery of general sales tax	Director, Land Reclamation, Lahore	119,303
244	401	Irregular and doubtful expenditure due to irregular splitting of work	Director, Land Reclamation, Lahore	279,291
245	402	Loss to the govt. due to low yield of rice and wheiat approximately	Director Land Reclamation, Lahore	83,196,000
246	403	Irregular expenditure due to splitting of work	LJC Division, Sargodha	735,136
247	404	Excess provision of expenditure due to non-deduction of voids	Thal Development Division, Mianwali	51,231
248	405	Excess payment due to application of incorrect conversion factor	Kalabagh Division, Daudkheil	445,049
249	406	Irregular payment due to advance payment of electricity and PTCL	Kalabagh Headwoks Division, Daudkhel	125,000
250	407	Loss to government due to non-leasing out of government land	Director, Land Reclamation, Lahore	96,246,000
251	408	Non-adjustment of advance payment on account of land acquisition	Canal Division, Ahmadpur	66,000,000
252	409	Unjustified provision of excessive contingencies	Ahmed Pur Canal Division, Ahmed Pur	2,429,000
253	411	Undue financial aid due to non-obtaining of the performance security	Ahmed Pur Canal Division, Ahmed Pur	899,181
254	412	Loss due to non-deduction of professional tax	Canal Division, Ahmadpur	85,000

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
255	413	Non-credit of un-claimed lapse deposits	Canal Division, Ahmadpur	1,631,327
256	415	Overpayment due to change / alteration of lead	Canal Division, Ahmadpur	139,743
257	416	Non-recovery of liquidated damages due to delay in completion of work	Canal Division, Ahmadpur	880,341
258	417	Overpayment on account of dressing of earth	Canal Division, Ahmadpur	419,130
259	418	Overpayment due to non-deduction of expansion joint area	Eastern Bar Division, Pakpattan	200,644
260	419	Un-justified provision of contingencies in the estimate	Eastern Bar Division, Pakpattan	838,219
261	420	Overpayment due to allowing dressing of earth in addition to compaction	Eastern Bar Division, Pakpattan	722,621
262	421	Undue benefit to the contractor due to non-obtaining of additional performance security	Eastern Bar Division, Pakpattan	7,481,821
263	422	Overpayment due to incorrect measurement	Eastern Bar Division, Pakpattan	115,232
264	423	Irregular award of work due to un-healthy tendering	Eastern Bar Division, Pakpattan	-
265	424	Non-receipt of vouched accounts	CBDC Division, Lahore	3,000,000
266	425	Overpayment due to non-utilization of available earth	CBDC Division, Lahore	1,107,817
267	426	Non-recovery of compensation charges due to non-completion of work	CBDC Division, Lahore	453,752
268	427	Irregular award of work due un-healthy tendering process	CBDC Division, Lahore	-

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
269	428	Overpayment on account of price variation beyond stipulated date of completion	CBDC Division, Lahore	234,767
270	429	Non-credit of unclaimed lapse deposits	CBDC Division, Lahore	1,128,967
271	430	Avoidable expenditure	CBDC Division, Lahore	155,192
272	431	Irregular payment of price variation	CBDC Division, Lahore	3,362,044
273	432	Overpayment due to execution of excess quantities over cross section area	Taunsa Barrage, Kot Adu	289,578
274	433	Unjustified procurement of stock	Taunsa Barrage Division, Kot Adu	3,211,043
275	434	Unjustified payment due to execution not through department labour	Taunsa Barrage Division, Kot Adu	277,782
276	435	Irregular expenditure due to clearance of past year liability	Taunsa Barrage Division, Kot Adu	3,186,736
277	436	unjustified payment due to allowing price variation without provision in technical sanction estimate	Development Division, Bahawalpur	60,917,306
278	437	Overpayment due to change in lead of earth work	Development Division, Bahawalpur	29,629,735
279	438	Overpayment due to excess measurement of earth	Canal Division, R.Y. Khan	417,830
280	439	Overpayment	Canal Division, RY Khan	180,000
281	440	Overpayment due to incorrect calculation	Layyah Canal Division, Layyah	401,957
282	441	Non-recovery due to non submission of work plan/construction programme	Canal Division, Layyah	1,515,657

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
283	443	Overpayment due to non-utilization of available earth	Canal Division, Bahawalpur	5,143,000
284	445	Unjustified provision of contingency in estimate	Canal Division, Bahawalpur	1,568,000
285	446	Loss due to allowing price variation after the expiry of stipulated period	Canal Division, Bahawalpur	19,818,000
286	447	Unjustified payment due to application of richest ratio carrying highest rates	Canal Division, Lodhran	7,139,662
287	448	Overpayment due to non-utilization of available earth	Canal Division, Lodhran	618,283
288	449	Overpayment due to execution of item without provision in technical sanction estimate	Canal Division, Multan	384,712
289	450	Loss due to non recovery of the cost of dismantled material	Development Division Mandi Baha ud Din	903,798
290	451	Excess payment due to excess measurement	UCC Division, Gujranwala	193,199
291	452	Award of work without healthy competition	LCC(E) Division, Khanki	557,485
292	453	Non-recovery of compensation for delay in completion of work	Sadiqia Canal Division, Bahawalnaga	163,913
293	454	Non-maintenance of stock returns and unauthentic stock balance	Headworks Division, Qadirabad	21,994,000
294	455	Unjustified provision of contingencies in maintenance and repair works estimate	Sadqia Canal Division, Bahawalnagr	492,848
295	456	Irregular payment of price escalation	Sadiqia Canal Division, Bahawalnagar	2,394,667

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
296	457	Loss due to non deduction of professional tax	Sadaqia Canal Division, Bahawalnagar	100,000
297	458	Loss of measurement books (MB)	Sadaqia Canal Division, Bahawalnagar	
298	459	Overpayment due to allowing dressing of earth in addition to compaction	Sadaqia Canal Division, Bahawalnagar	191,058
299	460	Loss to govt. due to non leasing of pond area	Headworks Division, Qadirabad	4,599,000
300	461	Overpayment due to execution of inadmissible items of work	Fordwah Canal Division, Bahawalnagar	5,132,000
301	463	Overpayment due to non-deduction of available earth	Fordwah Canal Division, Bahawalnagar	1,439,000
302	464	Unjustified payment without seeking approval of the Superintending Engineer	Ckakbandi Division, Lahore	495,616
303	467	Unjustified provision of excessive contingences in technical sanction estimate	Fordwah Canal Division, Bahawalnagar	3,454,000
304	468	Non-receipt of vouched accounts	Shujabad Canal Division, Multan	14,198,000
305	469	Loss due to non deduction of professional tax	Shujabad Canal Division, Multan	147,000
306	470	Overpayment due to non-deduction of quantity of earth	Shujabad Canal Division, Multan	111,761
307	471	Non maintenance of stock returns and unauthentic stock balance	Shujabad Canal Division, Multan	21,478,000
308	472	Non-credit of unclaimed lapse deposits	Shujabad Canal Division, Multan	1,748,710
309	473	Overpayment due to payment on account of price variation	Fordwah Canal Division, Bahawalnagar	5,085,514

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
310	474	Overpayment due to incorrect payemnt of lead	LCC (W) Division, Jhang	11,787,517
311	475	Unjustified provision of excess contingencies	Shujabad Canal Division, Multan	408,646
312	477	Overpayment due to irregular payemnt of price variation	Small Dams Division, Chakwal	18,254,009
313	478	Unauthorized retention of govt. receipt	Chakbndi Division, Lahore	104,500
314	479	Overpayment due to allowing dressing of earth in addition to compaction	Shujabad Canal Division, Multan	50,796
315	481	Less recovery on account of dismantled material	Eastern Bar Division, Pakpattan	450,859
316	482	Non-deposit of income tax and GST on auction money	Store & Workshop Division, Sheikhupura	2,595,096
317	485	Non-deposit of income tax amount into FBR account	Store & Workshop Division, Sheikhupura	192,107
318	487	Non-crediting of the lapsed deposits to revenue	Store & Workshop Division, Sheikhupura	899,767
319	490	Mis-classification due to deposit of Govt. receipts under incorrect head	Store & Workshop Division, Sheikhupura	14,390,984
320	491	Overpayment due to excess rate	Drainage Division, Sargodha	185,314
321	492	Unjustfied booking expenditure	Drainage Division, Sargodha	2,405,985
322	495	Undue financial benefits due to non-obtaining of performance security	Kot Adu Canal Division, Kot Adu	14,630,000
323	496	Overpayment due to non utilization of available earth	Kot Adu Canal Division, Kot Adu	3,308,419
324	497	Undue financial aid to the contractor due to refund of security before the expiry of maintenance period	Canal Division, Kot Adu	866,947

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
325	498	Overpayment due to excess measurement of earth	Canal Division, Kot Adu	31,388,064
326	499	Overpayment due to execution of item not provided in T.S estimate	Canal Division, Kot Adu	7,559,280
327	500	Unjustified payment	Canal Division, Kot Adu	1,347,564
328	501	Unjustified payment	Canal Division, Kot Adu	398,922
329	503	Undue benefit due to non-obtaining of additional performance security	Khanwah Canal Division, Depalpur	2,458,368
330	504	Extra payment due to application of richest ratio carrying highest rates	KDCC Division, Depalpur	496,930
331	505	Non-adjustment of accounts of manufacture operation	KDCC Division, Depalpur	589,164
332	506	Non-recovery due to non-submission of work plan/construction programme	KDCC Division, Depalpur	898,161
333	507	Overpayment due to non-utilization of available earth	KDCC Division, Depalpur	107,073
334	508	Unjustified provision due to application of richest ratio carrying highest rate	Canal Division, Multan	4,661,976
335	509	Overpayment due to double measurement	Canal Division, Multan	443,558
336	510	Overpayment	Canal Division, Multan	429,488
337	512	Undue benefit to the contractor due to non-recovery of mobilization advance	Canal Division, Layyah	6,062,400
338	513	Overpayment due to non-utilization of available earth	Canal Division, Bahawalpur	305,060
339	514	Non maintenance of stock returns and unauthentic stock balance	Bhalwal Irrigation Division, Bhalwal	4,051,386

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
340	516	Less recovery of cost of deposit work	Bhalwal Irrigation Division, Bhalwal	7,380,472
341	517	Un-authorized occupation of land and loss to government	Irrigation Division, Bhalwal	8,704,000
342	520	Unauthentic stock balance	Machinery Division, Lahore	40,482,000
343	521	Undue benefit due to non-obtaining of additional performance security	CBDC Division, Lahore	2,415,000
344	523	Non-forfeiture of security nor rescission of contract due to poor performance of contractor	Development Division-VI, Fateh Jang, Attock	1,901,000
345	525	Overpayment due to application of incorrect	Kalabagh Headwoks Division, Daudkhel	2,373,695
346	527	Overpayment due to application of incorrect	Kalabagh Division, Daudkheil	1,432,165
347	528	Non-realization of revenue due to non collection of electricity	Kalabagh Division, Daudkheil	333,525
348	529	Non-adjustment of manufacture operation	UJC Division, Gujrat	1,342,414
349	530	Loss due to non auction of dead and fallan trees	UJC Division, Gujrat	3,353,814
350	531	Overpayment due to incorrect application for deduction of stone quantity	UJC Division, Gujrat	114,184
351	534	Irregular expenditure incurred in exceeds over revised estimate	UJC Division, Gujrat	245,735
352	535	Overpayment due to premium / cushion paid on non-schedule item	UJC Division, Jhelum	316,182
353	538	Non-recovery due to rescind of a contract and award of work at the risk and cost of the original contractor	UJC Division, Jhelum	143,856,000

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
354	539	Overpayment due to non deduction of area of stone pitching	UJC Division, Jhelum	1,119,451
355	540	Non-deposit of income tax and GST on auction money	LJC Division, Sargodha	522,945
356	541	Unauthorized excess payment due to excess measurement / quantities paid than approved in Bid / technical sanction estimate	Drainage Division, Sargodha	5,423,970
357	543	Overpayment due to price variation paid on extended period and incorrect payment on diesel and labor	Small Dams Division, Chakwal	7,445,000
358	544	Overpayment due to excessive quantities paid than approved in revised technical sanction estimate	Small Dams Division, Chakwal	3,445,257
359	545	Overpayment due to application of incorrect rates	Small Dams Division, Chakwal	182,202
360	546	Loss to Government due to excess use of Lubricant	Excavator Division, Faislabad	222,807
361	547	Loss to Government due to excess use of P.O.L	Excavator Division, Faisalabad	5,199,000
362	549	Overpayment due to incorrect payment of price variation	Small Dams Division, Chakwal	2,589,000
363	550	Overpayment due to incorrect carriage paid	Development Division-VI, Fateh Jang, Attock	953,124
364	551	Overpayment due to fictitious measurement of stone	Shahpur LJC Division, Sargodha	2,151,033
365	552	Loss to the govt. due to adoption of incorrect rate in the technical sanction estimate	Small Dams Division, Jhelum	683,041

Sr. No.	PDP No.	Subject of Para	Name of Division	Amount (Rs)
366	554	Overpayment due to incorrect application of due ratio approved in PC-I for the earth work	UJC Division, Jhelum	1,820,564
367	555	Overpayment due to incorrect rate paid	Small Dams Division, Jhelum	457,630
368	556	Overpayment due to non-deduction of quantity of item irrigation channel from the quantity of borrowpit and excess compaction than quantity of borrowpit	UCC Division, Marala	286,813
369	558	Unjustified payment made for work done without approval in violation of JMF	UCC Division, Marala	1,656,796
370	559	Overpayment due to non deduction of shrinkage charges	Marala UCC Division, Sialkot	2,177,224
371	560	Overpayment due to payment of shrinkage and wrong calculation paid to FESCO Mianwali	Mianwali Canal Division, Mianwali	5,129,567
372	561	Overpayment due to non-deduction of quantity of item irrigation channel from the quantity of borrowpit	Canal Division, Mianwali	133,969
373	562	Irregular payment	Canal Division, Mianwali	452,414
374	564	Overpayment of water charges	Mianwali Canal Division, Mianwali	5,607,341
375	566	Loss due to theft of earth for (Approx) and throwing wastage of Factories in canal	UCC Division, Sheikhupua	100,000

Annexure-1/D: Daanish Schools and Centers of Excellence Authority

Sr. No.	PDP No.	Subject of para	Name of Division	Amount (Rs)
1	3	Non-deposit of income tax into treasury as Federal Government Receipts	Government Boys High School, Muzaffargarh	102,450
2	5	Non-recovery of income tax on secured advance	Center of Excellence (Boys&Girls), District Muzaffargarh	1,385,069
3	11	Irregular and unauthorized sanction of mobilization advance without valid Bank Guarantee	Center of Excellence (Boys&Girls), District Muzaffargarh	10,425,446
4	14	Irregular award of work to the contractor without pre-qualification	Center of Excellence (Boys&Girls), District Muzaffargarh	69,502,974
5	18	Irregular acceptance of second lowest tender and loss	Danish School (Boys&Girls), District Bahawalpur	25,268,020
6	20	Irregular award of work and payment without fair competition	Danish School (Boys&Girls), District Bahawalnagar	14,097,698
7	21	Irregular allotment of work and payment	Danish School (Boys&Girls), District Bahawalnagar	8,208,000
8	23	Non-recovery of defects pointed out by Principal at site	Center of Excellence District Sialkot	611,720
9	28	Unauthorized deduction of withholding tax from government account	Center of Excellence (Boys&Girls), District Muzaffargarh	86,602
10	40	Loss due to non adoption of schedule item	Danish School (Boys&Girls), District Bahawalnagar	239,240

Sr. No.	PDP No.	Subject of para	Name of Division	Amount (Rs)
11	41	Overpayment due to arbitrary reduction in base rate	Danish School (Boys&Girls), District Bahawalnagar	177,004
12	42	Overpayment due to allowing extra premium of 3%	DCO/Chairman (BOG) and Project Director/Principal, Punjab Daanish Schools (Boys & Girls) Bahawalnagar	442,195
13	43	Non-recovery of fees/dues from self finance students	Danish School (Boys&Girls), District Bahawalnagar	840,000
14	45	Overpayment due to non-adoption of schedule item	Danish School (Boys&Girls), District Bahawalpur	1,671,612
15	49	Loss due to non-adoption of scheduled item	Danish School & Center of Excellence (Boys&Girls), District Rajanpur	539,905
16	51	Double payment of compaction of earthwork	Danish School & Center of Excellence (Boys&Girls), District Rajanpur	605,655
17	58	Overpayment to the contractor on account of painting of kerb stone	Danish School & Center of Excellence (Boys&Girls), District Rahim Yar Khan	239,351
18	60	Overpayment due to wrong calculation	DCO/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan	194,507
19	61	Loss due to non-adoption of schedule item	Danish School & Center of Excellence (Boys&Girls), District Rahim Yar Khan	4,676,178

Sr. No.	PDP No.	Subject of para	Name of Division	Amount (Rs)
20	73	Payment of price escalation beyond contract period	Center of Excellence District Sialkot	1,644,244
21	80	Overpayment of price variation due to arbitrary reduction in base rate of Cement	Center of Excellence District Hafizabad	321,053
22	81	Overpayment of price variation due to arbitrary reduction in base rate of labour	Center of Excellence District Hafizabad	306,556
23	82	Overpayment of price variation due to arbitrary reduction in base rate of H.S Diesel	Center of Excellence Distt Hafizabad	252,640
24	83	Payment on account of price escalation beyond stipulated period	Center of Excellence District Hafizabad	864,468
25	85	Unjustified payment due to execution of work without Job Mix Formula	Danish School (Boys&Girls), District Bahawalnagar	17,204,395
26	93	Irregular grant and non-adjustment of advances	Danish School (Boys&Girls), District Bahawalnagar	2,775,876
27	105	Overpayment of price variation due to arbitrary reduction in base rate of Steel Grade-40 & 60.	Center of Excellence District Hafizabad	201,109
28	111	Loss due to sanction of incorrect rates of non-scheduled item of steel cabinet	Danish School (Boys&Girls), District Bahawalnagar	196,897
29	115	Loss due to sanction of incorrect rate of MRS	Danish School & Center of Excellence (Boys&Girls), District Rajanpur	138,578

Sr. No.	PDP No.	Subject of para	Name of Division	Amount (Rs)
30	121	Loss due to formation of rate in BOQ more than MRS rates	Danish School & Center of Excellence (Boys&Girls), District Rahim Yar Khan	846,898
31	122	Overpayment due to incorrect measurement of thickness of bricks and wrong mode of measurement	DCO/Chairman (Board of Governors), Punjab Daanish Schools (Boys & Girls) Rahim Yar Khan	212,453
32	145	Non-recovery of income tax @ 3.50% and 1/5th GST.	Danish School (Boys&Girls), District Mianwali	229,068
33	146	Unauthorized deduction of withholding	Danish School (Boys&Girls), District Mianwali	80,857
34	149	Overpayment due to non-deduction of conveyance allowance	Daanish Schools (Girls) Hasilpur District Bahawalpur	172,500
35	156	Loss due to sanction of incorrect rate of Non-MRS item by inclusion of extra removal of unusable material	Center of Excellence (Boys&Girls), District Muzaffargarh	1,027,740
36	158	Excess payment to the contractors on account of extra transportation charges.	Danish School & Center of Excellence (Boys&Girls), District Lahore	1,837,000
37	162	Loss due to application of incorrect rate of Non-MRS item of tuff tile.	Danish School (Boys&Girls), District Attock	187,960
38	173	Non-recovery of income tax on provisional payment.	Danish School (Boys&Girls), District Attock	1,035,000
39	174	Loss due to non-deposit of tax amount in FBR's Account.	Danish School (Boys&Girls), District Bahawalnagar	282,434

Sr. No.	PDP No.	Subject of para	Name of Division	Amount (Rs)
40	177	Unjustified payment due to execution of work without Job Mix Formula	Danish School & Center of Excellence (Boys&Girls), Distrcit Rahim Yar Khan	6,274,596
41	132	Loss due to approval of incorrect rate of Non-MRS item	Danish School & Center of Excellence (Boys&Girls), District Rahim Yar Khan	208,144
42	151	Overpayment due to allowing higher percentage than acceptance letter.	Danish School (Boys&Girls), District Bahawalpur	3,761,191

Annexure-1/E: Local Government and Community Development Department

Sr. No	PDP No.	Subject	Name of Division/ Formation	Amount (Rs)
1	1	Wasteful expenditure due to non-completion of work and recovery of penalty	Executive Engineer, LG & CD, Lahore	1,214,000
2	2	Less-recovery of Enlistment Fee	Assistant Director, LG&CD, Faisalabad	485,070
3	3	Less-recovery of Enlistment Fee	Assistant Director, LG&CD, Bahawalnagar	227,750
4	4	Overpayment due to incorrect measurement of size of bricks	District Coordination Officer and Executive District Officer (F&P), Sialkot	261,530
5	5	Less-recovery of Enlistment Fee	Assistant Director, LG&CD, Sialkot	460,400
6	6	Overpayment due to application of incorrect rate	Executive Engineer, LG&CD, Lahore	339,692
7	7	Less-recovery of Enlistment Fee	Assistant Director, LG&CD, D.G Khan	181,000
8	8	Less-recovery of Enlistment Fee	Assistant Director, LG&CD, Nankana Sahib	129,250
9	9	Overpayment to the contractor due to arithmetical mistake	District Coordination Officer/Executive District Officer (F&P), Muzafargarh	207,470

10	11	Misclassification due to charging of expenditure under incorrect head	Assistant Director, LG&CD, Nankana Sahib	492,475
11	12	Non-deposit/credit of profit/revenue in Government account	Assistant Director, LG&CD, Nankana Sahib	589,612
12	13	Non-deposit/credit of profit/revenue in Government account	Director General, LG&CD, Department Lahore	383,674
13	14	Non-deposit/credit of profit/revenue in government account	Assistant Director, LG&CD, Rahim Yar Khan	352,890
14	17	Overpayment to the contractor due to use of sub-base material from distant quarry	Executive Engineer, LG&CD, Jhelum	154,338
15	18	Excess payment due to use of rich specification	Executive Engineer, LG&CD, Rajanjpur	736,640
16	21	Non-deposit/credit of profit/revenue in Government account	Assistant Director, LG&CD, Muzaffargarh	269,233
17	25	Non-deposit/credit of profit/revenue in Government account	Assistant Director, LG&CD, Okara	130,620
18	26	Non-deposit/credit of profit/revenue in Government account	Assistant Director, LG&CD, Okara	100,711
19	29	Loss due to non-recovery of cost of old material	Assistant Director, LG&CD, Toba Tek Singh	417,768
20	30	Overpayment to the contractor due to sanction of incorrect rates	Assistant Director, LG&CD, Sialkot	229,387
21	31 (2010-11)	Wasteful expenditure due to non-completion of work	Assistant Director, LG&CD, Lodhran	216,609

22	31	Misclassification due to charging of expenditure under incorrect Head	Assistant Director, LG&CD, Sialkot	741,282
23	32	Misclassification due to charging of expenditure under incorrect head	Assistant Director, LG&CD, Sialkot	4,904,620
24	33	Misclassification due to charging of expenditure under incorrect head	Assistant Director, LG&CD, Sialkot	3,021,445
25	34 (2010-11)	Non-recovery of price de-escalation on account of cement	Director General, LG&CD, Lahore	234,161
26	34	Double issuance of administrative approvals for the same work	Assistant Director, LG&CD, Sialkot	5,394,000
27	35 (2010-11)	Loss due to sanction of incorrect rates of MRS	Director General, LG&CD, Lahore	137,539
28	35	Incorrect maintenance of Accounts due to non-recording of payments in Cash Book	Assistant Director, LG&CD, Sialkot	8,276,395
29	37	Non-deposit/credit of profit/revenue in government account	Assistant Director, LG&CD, Toba Tek Singh	228,596
30	37 (10-11)	Loss due to adoption of incorrect lead chart	Assistant Director, LG&CD, Nankana Sahib	193,285
31	38	Loss to government due to allowing higher rate items	Assistant Director, LG&CD, Toba Tek Singh	350,000
32	30 (10-11)	Unjustified payment for extra non-schedule item	Assistant Director, LG & CD, Pakpattan	210,000
33	32 (10-11)	Non-recovery of price de-escalation on account of bitumen	Assistant Director, LG&CD, Pakpattan	163,164

34	33 (10-11)	Undue payment of price variation allowed beyond the stipulated period of completion of work	Assistant Director, LG & CD, Mianwali	223,000
35	36 (10-11)	Unjustified payment due to execution of work without Job Mix Formula	Director General, LG & CD, Lahore	2,174,340
36	38 (10-11)	Loss to government due to incomplete execution of work	Assistant Director, LG & CD, Khushab	3,299,578
37	39 (10-11)	Non-recovery of compensation for delay	Assistant Director, LG & CD, Khushab	880,000
38	40 (10-11)	Overpayment due to sanction of incorrect rate analysis	Assistant Director, LG & CD, Nankana Sahib	282,811
39	41 (10-11)	Irregular payment on account of price variation	Assistant Director, LG & CD, Mianwali	155,361
40	42 (10-11)	Wasteful expenditure due to non-completion of work	Assistant Director, LG & CD, Mianwali	308,901
41	43 (10-11)	Loss to govt. due to non-deduction / payment of property	Director General, LG & CD, Lahore	180,975

ANNEXURE-2: AUDIT IMPACT SUMMARY

Sr. No.	Change in Rules / Systems /Procedure	Audit Impact
1	On pointation of audit, the Finance Department has amended / modified clause 7, 15 and 26-B vide notification No. RO(Tech) FD 1-2/2010 dated, September 4, 2012 to make it mandatory for contract awarding authority to obtain performance security/additional performance security within the permissible limit. In case of failure on the part of contractor, regarding submission of securities, the Management should reject the tender/annual award.	Undue financial benefit to the contractor has been curtailed
2	The Communication and Works Department was allowing excess rate of stone used in bituminous carpetting than that of MRS by allowing extra lead. On pointation of the Audit, the PAC issued directives that inquiry should be held into such matters and responsibility be fixed for the lapses. The Committee further directed/recommended that Finance Department should also examine the matter in detail and submit its recommendation to the PAC within 120 days.	Overpayments to the contractors will be controlled on account of use of bitumen
3	The Punjab Public Procurement Rules are being complied with more emphatically in the Engineering Departments on the instance of Audit.	Fair competition and transparency have improved

ANNEXURE-3: COMMENTS ON INTERNAL CONTROLS

"Internal control system" means all the policies and procedures (internal controls) adopted by the management of an entity to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The internal control system extends beyond those matters which relate directly to the functions of the accounting system and comprises control environment and control procedures[7].

Audit results depicted that the Management of Communication & Works Department, Housing, Urban Development & Public Health Engineering Department, Irrigation Department, Power Department, Planning & Development Department (Cholistan Development Authority) etc. of the Government of the Punjab could not ensure the enforcement of adequate Internal Controls within their organizational set up.

If last three Audit Reports are analysed, it can be seen that the same audit observations have come up again and again over the period. This is mainly either because of deficiencies in the design or ineffective exercise of the prescribed Internal Controls. Following were the major deficiencies in the design of Controls of the Auditee Departments:

- Insufficient control consciousness within the Department, for example, top management does not insist on the adherence to the prescribed controls by middle and operational level managers.
- Inadequate design of monitoring controls used to assess the design and operating effectiveness of the Department's internal controls over time.
- The absence of an internal process to report deficiencies in internal controls to the management on timely basis.
- Non- existence of an Independent Internal Audit Wing within the auditee Departments.
- Failure by management to assess the impact / significance of deficiency previously communicated by auditors.
- Lack of accountability process.

[7] As defined by International Standard on Auditing (ISA) 400 'Risk Assessment and Internal Controls'

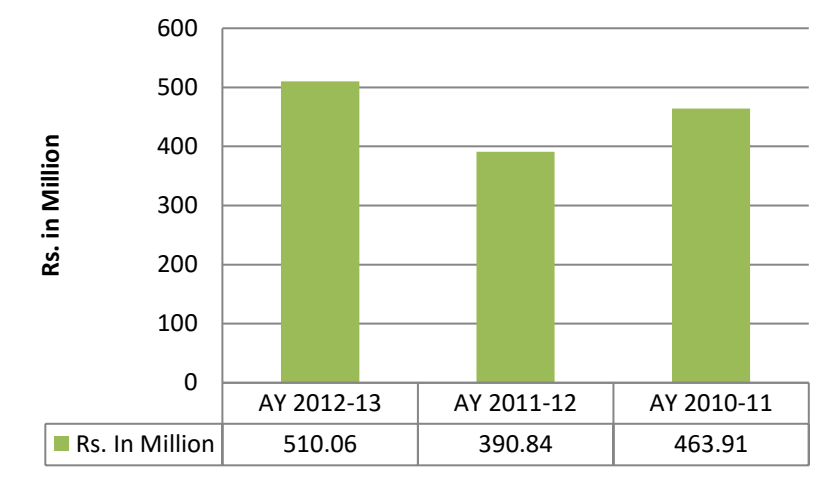
Major observations, which are recurring over time, are as follows:

- Non-recovery due to de-escalation in rate of material.
- Undue financial aid due to not obtaining of performance and additional performance security/Bank Guarantee to cover public risk.
- Overpayment of escalation of materials due to incorrect base / current rates.
- Overpayment either due to violation of the JMF or in the absence of JMF.
- Overpayment due to non-utilization of available materials.
- Loss due to non-recovery of Risk & Cost charges.
- Non-clearance of long term liabilities.
- Overpayment due to incorrect measurement.
- Non-recovery of building period penalty.

The above mentioned major deficiencies in internal controls and audit observations require serious attention of the management to take corrective measures at the earliest so that such types of internal control deficiencies could be minimized in future.

The following sub-annexures, highlight the financial impact of the lack of internal controls in selective areas.

Annexure-3/A: Non-obtaining of Performance and Additional Performance Security



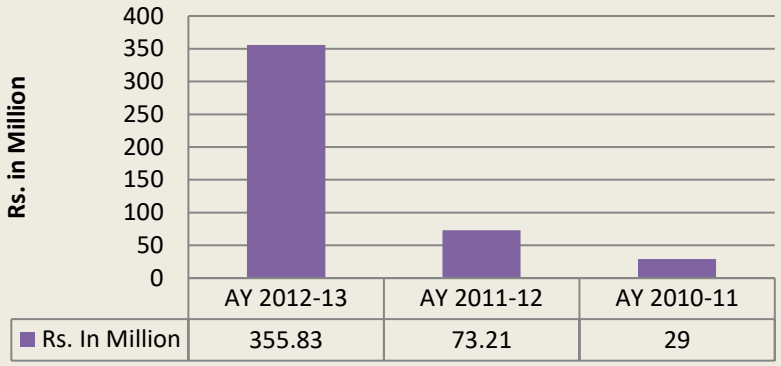
From the above chart it is evident that instances of non-obtaining Performance and Additional Performance Security from the contractors took place but the Management did not take corrective measures for improving their supervisory controls to safeguard the public interest. Audit impact pursuant to pointing out lapses was substantially reduced due to lack of effective accountability mechanism in the departments.

Such errors have been recurring because of not completing the contractor ledger by the accounting staff and non-adherence to the agreement provision on the part of departmental officers in particular and by the contractors in general, resulting in undue financial benefit to the contractors at the cost of public interest. This is because of weak supervisory and financial control of the Management.

This lapse involves a potential risk because in case of contractor's defaults, the Department has nothing in form of security to fall back upon and has to spend extra money to complete the project.

The PAOs need to ensure that the agreement clauses regarding provision of performance/additional performance bank guarantees are obtained to safeguard the public risk involved in the case of contractor's defaults. PAOs also need to ensure that the contract ledgers are completed in all formations. Moreover, as the audit is based on test sample basis, it is the responsibility of the relevant PAO to ensure that performance/ additional performance security (where applicable) is obtained from the contractors in all the formations under his jurisdiction.

Annexure-3/B: Application of incorrect base /current rates of materials

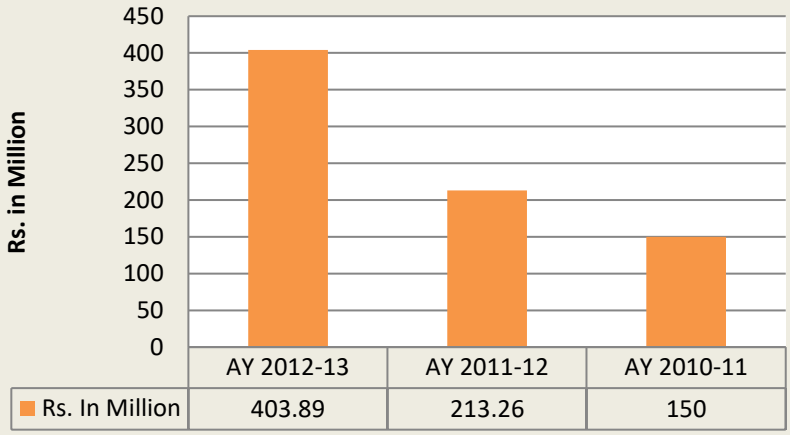


Instances of application of incorrect base/current rates for the purpose of calculation and payment of price variation on inadmissible items were on the rise as depicted in the above graph.

This was mainly because of weak supervisory and financial controls and ineffective exercise thereof by the managers/departmental officers resulting in overpayments of millions of rupees as indicated above.

The PAO of the department needs to devise such a mechanism that the updated information relating to rates is timely available to the executives of all the formations. As the audit is based on test sample basis, it is the responsibility of the relevant PAO to ensure that the prescribed internal controls are put in place effectively and accountability process is strengthened after fixing responsibility upon the officers concerned.

Annexure-3/C: Non-adherence to Job Mix Formula (JMF)



Instances of making unjustified payment to contractors without obtaining Job Mix Formula (JMF) from Roads Research and Material Testing Institute, Lahore or on actual usage of bitumen is causing loss to the government on regular basis over the years.

This was mainly because of weak supervisory and technical controls and ineffective exercise thereof by the managers/departmental officers resulting in overpayments of millions of rupees as indicated above.

The PAO of the department needs to devise such a mechanism that no payment would be made to the contractors without obtaining Job Mix Formula (JMF) from Roads Research and Material Testing Institute, Lahore. Moreover, as the audit is based on test sample basis, it is now the responsibility of the relevant PAO to ensure that the prescribed internal controls are put in place effectively and accountability process is strengthened after fixing responsibility upon the officers concerned.