



**AUDIT REPORT
ON
THE ACCOUNTS OF
C&W, HUD&PHE, IRRIGATION,
LG & CD DEPARTMENTS AND
BISE, RAWALPINDI**

**GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2017-18**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AA	Administrative Approval
AASHTO	American Association of State Highway and Transportation Officials
ABC	Asphaltic Base Course
ACE	Anti-Corruption Establishment
ACP	Asbestos Cement Pipe
ADS	Area Development Scheme
AIR	Audit Inspection Report
APL	Attock Petroleum Limited
AWC	Asphaltic Wearing Course
B&R	Buildings & Roads
BDA	Bahawalpur Development Authority
BISE	Board of Intermediate & Secondary Education
BOQ	Bill of Quantities
CBDC	Central Bari Doab Canal
CDA	Cholistan Development Authority
CE	Chief Engineer
Cft	Cubic Feet
CM	Chief Minister
CSM	Cement Sand Mortar
Cu.m	Cubic Meter
C&W	Communication & Works
DAC	Departmental Accounts Committee
DAO	District/Divisional Accounts Officer
DCO	District Coordination Officer
DDO	Drawing and Disbursing Officer
DFR	Departmental Financial Rules
DGAW-P	Director General Audit Works (Provincial), Lahore
D.G Khan	Dera Gazi Khan
DGPR	Director General Public Relations
DNIT	Draft Notice Inviting Tender
DP	Draft Para
DPC	Damp Proof Course
EDO	Executive District Officer
EME	Electrical and Mechanical Engineering
EOBI	Employees Old Age Benefit Institution
FAP	Foreign Aided Project
FBR	Federal Board of Revenue

FD	Finance Department
FDA	Faisalabad Development Authority
F&P	Finance and Planning
FIR	First Information Report
GDA	Gujranwala Development Authority
GI	Galvanized Iron
GST	General Sales Tax
G.T Road	Grand Trunk Road
HDPE Pipe	High density polyethylene efficiency pipe
HUD & PHE	Housing, Urban Development & Public Health Engineering
HSD	High Speed Diesel
HVAC	Heating, Ventilation & Air Conditioning
IPC	Interim Payment Certificate
JMF	Job Mix Formula
KPRRP	Khadim-e- Punjab Rural Roads Programme
KVA	kilo Volt Amperes
LAC	Land Acquisition Collector
LBDC	Lower Bari Doab Canal
LCC	Lower Chenab Canal
LDA	Lahore Development Authority
LJC	Lower Jhelum Canal
LM	Linear Meter
LPC	Last Payment Certificate
MB	Measurement Book
MBS	Metro Bus Service
MDA	Multan Development Authority
MEPCO	Multan Electric Power Company
MFDAC	Memorandum for Departmental Accounts Committee
Misc.PWA	Miscellaneous Public Works Account
MP&TE	Metropolitan & Traffic Engineering
MRS	Market Rates System
MS	Mild Steel
MTI	Material Testing Institute
NAB	National Accountability Bureau
NESPAK	National Engineering Services Pakistan
NHA	National Highways Authority
NLC	National Logistics Cell
NOC	No Objection Certificate
NSL	Natural Surface Level
PAC	Public Accounts Committee

PARCO	Pak Arab Refinery Company
PAO	Principal Accounting Officer
PBD	Provincial Building Division
PC-I	Planning Commission-I
PCC	Plain Cement Concrete
PDS&CE	Punjab Daanish Schools & Centers of Excellence
PEEDA	Punjab Employees Efficiency, Discipline and Accountability Act
PFR	Punjab Financial Rules
PHA	Parks & Horticulture Authority
PHATA	Punjab Housing & Town Planning Agency
P/L	Providing and Laying
POL	Petrol, Oil & Lubricants
PPRA	Punjab Procurement Regulatory Authority
PRCD	Provincial Road Construction Division
PRTC	Punjab Road Transport Corporation
PSI	Pound Per Squar Inch
PSO	Pakistan State Oil
PST	Punjab Sales Tax
PV	Price Variation
PW	Public Works
PWD Code	Public Works Department Code
RC	Road Construction
RCC	Reinforced Cement Concrete
RD	Reduced Distance
RDA	Rawalpindi Development Authority
Rft	Running Feet
RRMTI	Road Research & Material Testing Institute
RTSE	Revised Technical Sanction Estimate
R.Y Khan	Rahim Yar Khan
S&GAD	Services & General Administration Department
SDA	Special Drawing Account
SDAC	Special Departmental Accounts Committee
SDO	Sub-Divisional Officer
SE	Superintending Engineer
Sft	Square Foot
Sq.m	Square Meter
T.E	Transfer Entry
TEPA	Trafic Engineering & Planning Agency
TEVTA	Technical Educational & Vocational Training Authority
TMA	Tehsil Municipal Administration

TP Paint	Thermoplast Paint
TSE	Technically Sanctioned Estimates
TST	Triple Surface Treatment
UCC	Upper Chenab Canal
UD Wing	Urban Development Wing
UET	University of Engineering & Technology
UJC	Upper Jhelum Canal
WAPDA	Water and Power Development Authority
WASA	Water & Sanitation Agency
WBM	Water Bound Macadam
WWT	Waste Water Treatment
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 (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.

This report is based on audit of the accounts of Communication & Works, Housing, Urban Development & Public Health Engineering, Irrigation, Local Government & Community Department and Board of Intermediate and Secondary Education, Rawalpindi of Government of the Punjab for financial year 2016-17. It also contains a few audit observations pertaining to previous financial years.

The Directorate General of Audit Works (Provincial), Lahore conducted audit during 2017-18 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes significant and material systemic issues. Relatively less significant findings are given in the Annexure-A of the Audit Report which shall be pursued with the Principal Accounting Officers as MFDAC and if the PAO does not initiate appropriate action, these audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate need for adherence to the regulatory framework besides instituting and strengthening of internal controls to avoid recurrence of similar violations and irregularities. Most of the observations included in this report have been finalized in the light of written responses of the departments and discussions in SDAC meetings.

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

-sd-

Dated 20.02.2018

Islamabad

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

Directorate General of Audit Works (Provincial), Lahore carried out audit of the accounts of Communication & Works, Housing, Urban Development & Public Health Engineering, Irrigation, Local Government & Community Departments and Board of Intermediate & Secondary Education, Rawalpindi, Government of the Punjab for financial year 2016-17. The audit was conducted during July to November 2017.

To carry out its constitutional assignment, the Directorate General of Audit Works (Provincial), Lahore (DGAW-P) has human resource of 235 officers and staff having 59220 man days and a budget of Rs 222.990 million for the current year. Audit assignment includes Regularity Audit (Financial Attest Audit & Compliance with Authority Audit) and Performance Audit. The audit was conducted with the following objectives:

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

Most of the paras included in this report were discussed in SDAC meetings and its directives have been incorporated.

a. Scope of Audit

Total auditable expenditure during the financial year 2016-17 under the jurisdiction of Directorate General of Audit Works (Provincial), Lahore was Rs 265,396.89 million against total budgetary allocations of Rs 330,068.21 million covering seven (07) Principle Accounting Officers (PAOs) and 621

formations. The report is mainly based on audit paras for the Audit Year 2017-18, however, a few audit observations of previous audit years have also been included. DGAW-P audited the expenditure of Rs 180,322.55 million on test check basis in respect of 150 formations during 2017-18, which in terms of percentage comes to 67.94 % of total auditable expenditure. Whereas, 25 formations of LG&CD and BISE, Rawalpindi were audited during 2nd Phase of audit year 2016-17. Three Performance Audit Reports and five Special Audit Reports/studies are also under process and would be published separately. Moreover, sixteen Foreign Aided Projects (FAP) reports were prepared by this office during the current Audit Year (2017-18) and submitted to the quarter concerned accordingly.

The administrative departments also realized the revenue/receipts of Rs 25,527.49 million against the estimated revenue/receipts of Rs 32,515.78 million.

b. Recoveries at the instance of audit

During audit year 2017-18, the DGAW-P pointed out audit observations involving recoveries of Rs 23,024.39 million out of which the Management accepted the stance of Audit to the extent of Rs 3,215.69 million. After reviewing the evidences, audit has verified the recovery of Rs 1,534.92 million during the period from July 2017 to December 2017 which includes recovery of Rs 1,319.04 million pertaining to audit paras for the audit year 2017-18 and Rs 215.88 million relating to paras of previous years. Out of the total recoveries, Rs 721.63 million were not in the notice of the Management before audit.

c. Audit Methodology

The Audit Year 2017-18 witnesses intensive application of desk audit techniques in the DGAW-P. This was facilitated by access to live SAP/R3 data, internet facility and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, environment and the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d. Audit Impact

As a result of regular PAC meetings and Audit's coordination with the Principal Accounting Officers, response of the auditee formations towards record production, replies to the audit observations and convening SDAC meeting has significantly improved during the last couple of years. An amount of Rs 1,534.92 million was recovered by the auditee departments at the instance of Audit.

e. Compliance of PAC directives

The compliance of directives of the Public Accounts Committee by the Principal Accounting Officers remained poor i.e 7.12 % (for all the departments) during the last year. Audit has been reminding the PAOs but there was no improvement in this regard. Principal Accounting Officers should pay special attention to this issue and develop a mechanism to monitor compliance of PAC directives in their departments.

f. Comments on budget and expenditure

Overall budgetary management is summarized below. It shows that original budget allocated to C&W, HUD & PHE and Irrigation departments was increased during the year. Overall savings in respect of the departments during the financial year 2016-17 was 19.99 %.

(Rs in million)

Depart- ment	Original budget	Revised budget	Actual expenditure	Excess/ (saving)	%
C&W	128,517.28	156,746.91	143,046.73	(13,700.18)	(8.74)
HUD	89,381.53	82,642.03	54,299.78	(28,342.25)	(34.30)
PHE	19,067.43	26,533.42	23,012.65	(3,520.77)	(13.27)
Irrigation	41,533.79	52,507.44	35,007.59	(17,499.85)	(33.33)
LG&CD	4,340.27	4,340.27	3,716.35	(623.92)	(14.38)
BISE	0	1,952.80	739.50	(1,213.30)	(62.13)
Total	282,840.3	324,722.87	259,822.60	(64,900.27)	(19.99)

g. Comments on Internal Controls

Implementation of internal control mechanism is a pre-requisite for enhancing accountability, preventing organizational mismanagement, ensuring accurate financial reporting and improving public service delivery. However, internal controls were not found to be effectively implemented in most of the auditee departments as a result of which observations of same nature are being repeated over the years. Internal Audit Wing does not exist in any of the auditee departments under the audit jurisdictions of DGAW-P which is one of the major reasons for ineffective internal control systems. Further, no mechanism exists in the departments to review and analyse the current year audit findings vis-a-vis previous years' trend in order to locate specific deficiencies in the internal controls and to identify policy lacunas responsible for recurrence of same pattern of irregularities over the years. Annexure-B of this report provides thematic analysis of repetition of same nature of audit observations appearing over last five years which require immediate attention of the PAOs and the PAC.

h. Key audit findings of the report

This report is based on a total of 1808 audit paras out of which some important issues/findings are given below:

- i. Non-production of record - Rs 173.56 million in three cases¹.
- ii. Non-mutation of land - Rs 2,964.55 million in two cases².
- iii. Undue financial benefit due to non-obtaining/revalidation of performance/additional performance securities - Rs 1,997.84 million in nine cases³.
- iv. Overpayment due to application of higher/incorrect rate - Rs 1,526.78 million in twenty six cases⁴.

¹ Para 2.4.2.1, 7.3.5.1, 7.3.6.1

² Para 2.4.1.1, 3.4.8.1

³ Para 2.4.1.50, 3.4.1.5, 3.4.2.4, 3.4.7.5, 3.4.8.3, 3.4.9.1, 3.4.10.2, 4.4.30, 5.4.7

⁴ Para 2.4.1.6, 2.4.1.12, 2.4.1.39, 2.4.2.3, 2.4.2.15, 2.4.2.18, 2.4.2.4, 3.4.1.11, 3.4.2.14, 3.4.2.16, 3.4.3.6, 3.4.4.3, 3.4.6.1, 3.4.10.3, 3.4.10.12, 4.4.2, 4.4.4, 4.4.9, 4.4.18, 5.4.9, 5.4.4, 6.3.14, 7.3.1.3, 7.3.1.5, 7.3.2.4, 7.3.2.8

- v. Non-recovery of risk and cost from the defaulting contractors - Rs 79.17 million in five cases⁵.
- vi. Non-recovery on account of price variation/de-escalation - Rs 936.39 million in nineteen cases⁶.
- vii. Unjustified payment without obtaining JMF- Rs 382.52 million in four cases⁷.

Audit Paras for the audit year 2016-17 involving procedural violations including internal control weaknesses and irregularities, not considered worth reporting to the PAC, have been included in Annexure-A (MFDAC paras) of this Report.

i. Recommendations

During audit, it was noticed that most of the irregularities were committed due to absence/weaknesses of internal control mechanism i.e. lack of monitoring and supervision. Therefore, Principal Accounting Officers need to take effective measures to strengthen internal controls in their Departments/Authorities in the light of the following recommendations:

- i. Non-production of record needs to be dealt with strictly to avoid its recurrence.
- ii. Systemic issues such as application of incorrect rates, non-recovery on account of de-escalation of material rates, non-obtaining of performance/additional performance securities as well as their revalidation need to be focused to avoid recurrence of such instances/irregularities.
- iii. Government revenues/recoveries need to be immediately realized.

⁵ Para 2.4.2.13, 3.4.4.7, 4.4.25, 5.4.10, 7.3.2.3

⁶ Para 2.4.1.5, 2.4.1.19, 2.4.2.2, 2.4.2.5, 3.4.1.24, 3.4.5.3, 3.4.6.3, 3.4.8.4, 3.4.9.2, 3.4.10.18, 4.4.8, 4.4.14, 4.4.16, 4.4.23, 4.4.38, 5.4.5, 6.3.13, 7.3.2.7, 7.3.5.2

⁷ Para 2.4.1.14, 2.4.2.10, 3.4.1.7, 5.4.3

- iv. Safeguards for timely and smooth execution of work like performance/indenture bond need to be checked and valid bank guarantees to be accepted.
- v. 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.
- vi. An internal audit wing, directly reporting to the PAO, is required to be established in the 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. An efficient and comprehensive mechanism to watch the compliance of PAC directives be established in the Finance Department as well as administrative departments to improve the existing compliance level.

SUMMARY TABLES & CHARTS

Table 1 Audit Work Statistics

(Rs in million)				
Sr. No	Description	No.	Budget	
			Expenditure	Receipt
1	Total Entities in Audit Jurisdiction	7	330,068.21	33,425.56
2	Total Formations in Audit Jurisdiction			
3	Total Entities Audited	5	324,722.87	32,515.78
4	Total Formations Audited	150	180,322.55	25,527.486
5	Audit & Inspection Reports	150		
6	Performance Audit Reports	3	4,274.12	
7	Project/Special Audit Reports/Studies	5	166,401.30	
8	<u>Other Reports</u>			
	Certification Audit Report	1	273,024.49	
	FAP Reports	16	34,045.93	

Table 2 Audit Observations Classified by Categories

(Rs in million)		
Sr. No.	Description	Monetary Value of Audit Observations
1	Unsound asset management	5,086.55
2	Weak financial management	1,518.24
3	Weak internal controls relating to financial management	38,321.23
4	Others	405.22
	Total	45,331.24

Table 3 Audit Outcome Statistics

(Rs in million)

Sr. No	Description	Expenditure on acquiring physical assets (Procur- ement)	Civil Works	Receipts	Others	Total current year	Total last year
1	Outlays audited	9,530.22	130,495.54	25,527.49	40,296.79	205,850.04	145,929.10
2	Monetary Value of Audit Observations	4,802.99	36,256.90	1,557.79	2,713.56	45,331.24	56,788.79
3	Recoveries pointed out at the instance of audit	152.31	20,449.52	1,496.20	926.36	23,024.39	25,458.19
4	Recoveries accepted / established at the instance of audit	128.34	1,131.53	1,083.10	872.72	3,215.69	20,171.59
5	Recoveries realized at the instance of audit	2.75	810.09	482.40	239.68	1534.92	1,472.56

Table 4 Irregularities Pointed Out

(Rs in million)

Sr. No	Description	Monetary Value of Audit Observations
1	Violation of rules and regulations and violation of principles of propriety and probity in public operations	38,486.73
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	8.11
3	Accounting Errors	2.49
4	Quantification of weaknesses of internal control systems	3,099.61
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	3,215.69
6	Non-production of record	173.56
7	Others, including cases of accidents, negligence etc.	345.05

Table 5 Cost-Benefit Ratio

(Rs in million)

Sr. No	Description	Audit Year	
		2017-18	2016-17
1	Outlays Audited	205,850.04	145,929.10
2	Expenditure on Audit	222.99	216.39
3	Recoveries realized at the instance of Audit*	1,534.92	1,472.56
	Cost-Benefit Ratio	1:7	1:7

* Current year figures are for the period from 1.07.2017 to 31.12.2017

CHAPTER - 1

PUBLIC FINANCIAL MANAGEMENT ISSUES DIRECTORATE GENERAL ACCOUNTS WORKS LAHORE

1.1 Introduction

Expenditure of Government of the Punjab is primarily compiled by Accountant General Punjab except Public Works divisions of Irrigation Department, C&W Department and HUD & PHE Department. Director General Accounts (Works) Lahore is responsible for maintaining the accounts as well as compilation of budget & expenditure pertaining to Public Works Divisions of the said departments. Directorate General of Audit Works (Provincial) issues comments/observations on the appropriation accounts of Public Works Divisions. Some of the observations on the accounts of Public Works Department for the financial year 2016-17 are as under:

1.2 AUDIT PARAS

1.2.1 Non-surrender of funds/budget - Rs 26,893.252 million

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

During Scrutiny of Appropriation Accounts of Grants No. PC12037, PC12041, PC12042, PC21024/24024, PC21025 and PC22036, it was observed that an amount of Rs 26,893.252 million remained unutilized by the end of the financial year 2016-17 which was not surrendered to the Finance Department.

Weak supervisory controls resulted in non-surrender of funds / budget to the tune of Rs 26,893.252 million.

Audit pointed out the non-surrender of funds/budget in November 2017 on the basis of SAP data.

No reply was received from Directorate General of Accounts Works, Lahore.

The SDAC meeting could not be held due to non-submission of reply/working papers by the Accounts Office.

Audit recommends investigation and disciplinary action against the responsible.

1.2.2 Expenditure in excess over budget allocation - Rs 4,283.834 million

According to para 13.2 of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose.

During the scrutiny of material for appropriation accounts of Grants No. PC12037 (LE4401), PC 22036 (LE4394), it was observed that an expenditure of Rs 4,283.834 million was incurred in excess of budget allocation.

Weak supervisory and financial controls resulted expenditure in excess over budget allocation of Rs 4,283.834 million.

Audit pointed out the expenditure in excess over budget in November 2017.

No reply was received from the Directorate General Accounts Works, Lahore.

The SDAC meeting could not be held due to non-submission of reply/working papers by the Accounts Office.

Audit recommends investigation and disciplinary action against the responsible.

CHAPTER - 2

COMMUNICATION AND WORKS DEPARTMENT

2.1 Introduction

Communication and Works (C&W) Department, Government of the Punjab has two wings under its administrative control i.e. Punjab Highways Department and Punjab Buildings Department. Secretary C&W Department is the Principal Accounting Officer. The department comprises Chief Engineers Buildings (North and South), Chief Engineers Highways (North and South) and Chief Engineer District Support & Monitoring. Communication and Works Department is primarily responsible for planning, designing, construction and repair & maintenance of all provincial public roads and buildings in Punjab. The C&W Department has 180 formations out of which 39 were audited.

2.2 Comments on Budget and Accounts

The budget of Communication and Works Department comprises development as well as non-development allocations. The non-development budget is allocated under Grant Numbers PC-21010, PC-21024 and PC-21025 to cater for salary and other non-development expenditure. The development budget is provided through Grants No.PC-12041 and PC-12042. Overall budgetary position for the Financial Year 2016-17 is given below:

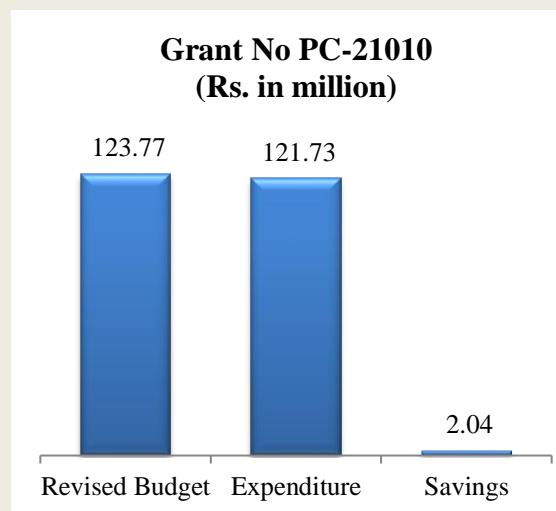
(Rs in million)						
Grant No and Nature	Original Budget	Supplementary, Re-app. (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grants						
PC-21010	130.35	(6.57)	123.77	121.73	(2.04)	(1.65)
PC-21024	4,204.84	3,039.26	7,244.10	6,277.83	(966.27)	(13.34)
PC-21025	7,848.07	1,482.59	9,330.66	7,773.28	(1,557.38)	(16.69)
PC-21031	1,404.77	2,088.35	3,493.12	2,727.58	(765.54)	(21.91)
Sub-Total	13,588.03	6,603.63	20,191.65	16,900.42	(3,291.23)	(16.30)
Development Grants						
PC-12036	20.73	(10.73)	10.00	9.49	(0.51)	(5.15)
PC-12041	78,989.27	22,356.75	101,346.02	94,850.85	(6,495.17)	(6.41)
PC-12042	35,919.25	(720.01)	35,199.24	31,285.97	(3,913.27)	(11.12)
Sub-Total	11,4929.25	21,626.01	136,555.26	126,146.31	(10,408.95)	(7.62)
Grand Total	128,517.28	28,229.64	156,746.91	143,046.73	(13,700.18)	(8.74)

Source: SAP R/3 ZRP Report and Budget Book.

Non-Development Grant

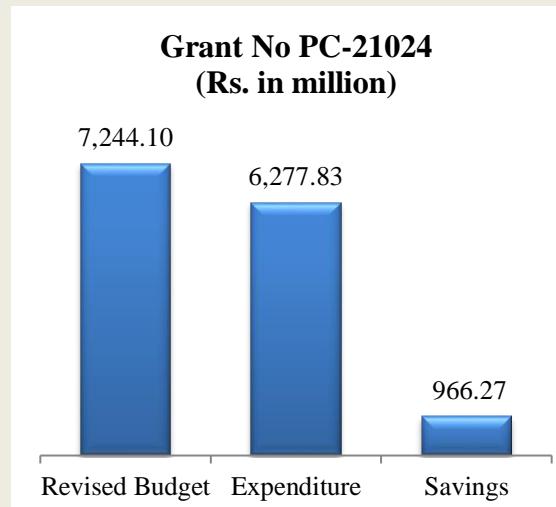
Grant No PC-21010

An expenditure of Rs 121.73 million was incurred under this grant against the revised budget of Rs 123.77 million. Thus, there was a saving of Rs 2.04 million which comes to (1.65%) of the revised budget.



Grant No PC-21024

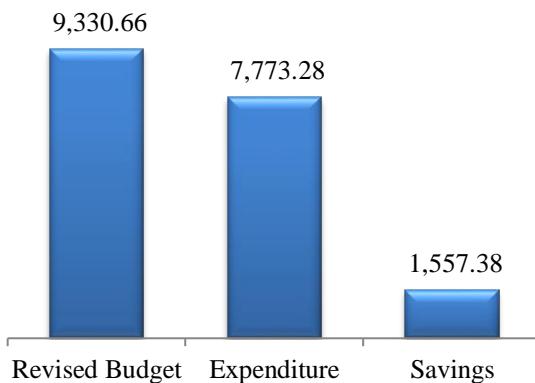
Under this grant an expenditure of Rs 6,277.83 million was incurred against the revised budget of Rs 7,244.10 million. Thus, there was a saving of Rs 966.27 million which comes to (13.34%) of the revised budget.



Grant No PC-21025

An expenditure Rs 7,773.28 million was incurred against the revised budget of Rs 9,330.66 million. Thus, there was saving of Rs 1,557.38 million which comes to (16.69%) of the revised budget.

Grant No PC-21025 (Rs. in million)

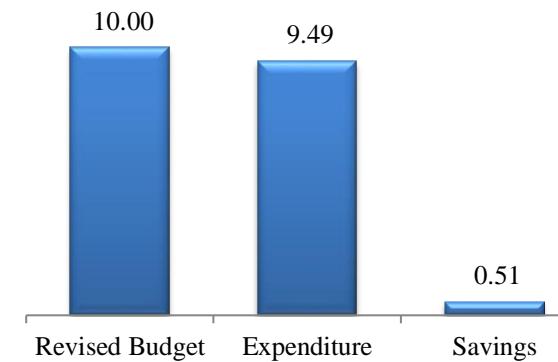


Development Grant

Grant No PC-12036

In respect of development grant PC-12036, the expenditure incurred was Rs 9.49 million against the revised budget of Rs 10.00 million. Thus, there was a saving of Rs 0.51 million i.e. (5.15%) of the revised budget.

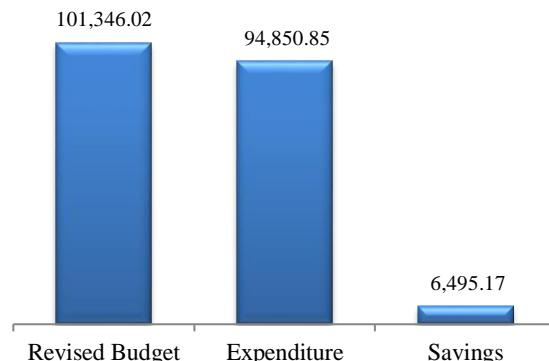
Grant No PC-12036 (Rs. in million)



Grant No PC-12041

An expenditure of Rs 94,850.85 million was incurred under grant No. PC-12041 against the revised budget of Rs 101,346.02 million. Hence, there was a saving of Rs 6,495.17 million i.e. (6.41%) of the revised budget.

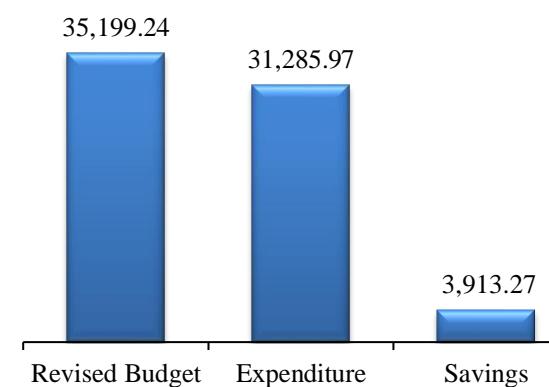
Grant No PC-12041 (Rs. in million)



Grant No PC-12042

Under this grant expenditure of Rs 31,285.97 million was incurred against the revised budget of Rs 35,199.24 million. Hence, there was a saving of Rs 3,913.27 million i.e. (11.12%) of the revised budget.

Grant No PC-12042 (Rs. in million)



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 Communication and Works Department did not surrender the saving of Rs 13,700.18 million.

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 Directives	Compliance Received	Compliance not Received	Percentage of Compliance
1	1948-49 to 1999-2000	516	-	516	-
2	2000-01	34	-	34	-
3	2001-02	21	-	21	-
4	2003-04	02	-	02	-
5	2006-07	07	-	07	-
6	2009-10	07	-	07	-
7	2010-11	11	-	11	-
8	2011-12	15	-	15	-
9	2012-13	25	-	25	-
10	2013-14	65	-	65	-
Total		703	-	703	

Punjab Highways Department

Sr. No.	Audit Report Year	Total Directives	Compliance Received	Compliance not Received	Percentage of Compliance
1	1958-59 to 1999-2000	1454	-	1454	-
2	2000-01	42	-	42	-
3	2001-02	06	-	06	-
4	2003-04	07	-	07	-
5	2005-06	12	-	12	-
6	2006-07	27	-	27	-
7	2009-10	55	-	55	-
8	2010-11	36	-	36	-
9	2011-12	100	-	100	-
10	2013-14	22	-	22	-
Total		1761	-	1761	-

Source: PAC Digest and PAC Compliance Cell Data Base

According to Punjab Budget Manual para 16, the Finance Department is responsible to watch compliance of PAC directives and actionable points. However, an effective monitoring mechanism to watch compliance of PAC directives on regular basis is neither in place in Finance Department nor in the Administrative Departments. Resultantly, a total number of 647 and 1741 PAC directives pertaining to all the previous audit reports were pending for compliance with Punjab Buildings and Punjab Highways Departments respectively. However, compliance of only nine of these directives was reported by the departments during the year under report. Principal Accounting Officer was reminded time and again regarding non-compliance of PAC directives but no response was received. PAC was also requested by Audit to intervene and take initiatives to institutionalize a 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 HIGHWAYS DEPARTMENT

Irregularity & non compliance

2.4.1.1 Non-mutation of land –Rs 1,043.415 million

According to para 2.92 of PWD code and para 2.85 of B&R code lays down that no work should be started on the land which has not been duly made over (mutation) by a responsible civil officer.

Executive Engineer Provincial Highway Division Faisalabad paid an amount of Rs 2,608.868 million to Land Acquisition Collector, Highway Department Faisalabad on account of cost of land but the mutation of the land acquired was not made in the name of acquiring department. Delay in this regard would result in litigation with the land owners.

Violation of rules resulted in non-mutation of land worth Rs 2,608.868 million.

Audit pointed out the irregularity in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. The department stated that actual amount received from various departments came to Rs 1,565.453 million out of which two schemes had been mutated in the name of Government of Punjab. The Committee reduced the para upto Rs 1,043.415 million and directed LAC Faisalabad to get the mutation of land at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 156)

2.4.1.2 Overpayment on account of of imbalance rates - Rs 748.178 million

As per Para (v) of the Finance Department notification No.RO (Tech) FD 1-2/83-VI dated 29.03.2005, the final cost of tender/payment shall be the same percentage above/below the amount of technical sanctioned estimate as was at the time of approval of the tender, so as to pre-empt excess payment.

Executive Engineer, Road Construction Division, Faisalabad awarded different works to the contractors more than 5% below the TSE. However, the department released payment against various items with imbalance rates which was violation of above notification.

Violation of Finance Department's instructions resulted in overpayment of Rs 748.178 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that in one case, recovery of imbalance rates would be assessed while finalizing the accounts and in 2nd case, no recovery was due from the contractor. Audit informed the Committee that no record in support of reply was produced for verification. The Committee directed the department to produce complete record to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of compliance of Committee's directive.

(DP No. 1664)

2.4.1.3 Irregular enhancement of agreement - Rs 591.923 million

According to Punjab Procurement Rules 2014, repeat order of a work should not exceed 15% of the original work.

2.4.1.3.1 Executive Engineer, Road Construction Division, Faisalabad awarded a work to the contractor on 08.01.2015 at an agreement cost of Rs 3,645.566 million. Due to increase in scope of work, a revised administrative approval of Rs 5,896.993 million was issued by the Secretary, HUD&PHE Department vide No.SO(UD)4-9/2015, dated 04.08.2015 and accordingly TSE was also revised. The agreement was enhanced from Rs 3,645.566 million to Rs 5,351.836 million by the then EDO (W&S) Faisalabad vide No.6231, dated 11.08.2015. While making payment of 24th & running bill paid vide voucher dated 23.6.2017 to the contractor, an amount of Rs 330.448 million had been paid beyond the approved scope of the work/enhanced agreement.

Violation of rules resulted in irregular payment of Rs 330.488 million beyond the approved scope/enhanced amount of contract agreement.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. Department stated that PC-I and TS estimate of the scheme had been revised. Accordingly enhancement of agreement will be got sanctioned from the competent authority. The Committee kept the para pending for verification of enhancement of agreement. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1590)

2.4.1.3.2 Superintending Engineer, Highway Circle Lahore recommended to Chief Engineer North, Highway Department Lahore vide letter No.967-G dated 02.04.2016, No.5003/CB dated 23.11.2014 and No.2844/DB dated 08.06.2015 for enhancement of agreements from Rs 735.492 million to Rs 991.734 million to contractors for second time. As per PPRA Rules, the enhancement of work beyond 15% of the original agreement is not allowed without calling open tenders but in some cases,

the work was enhanced beyond the prescribed limit in violation of PPRA rules.

Violation of rules resulted in irregular enhancement of work worth Rs 256.242 million without fair competition in violation of PPRA Rules.

Audit pointed out the irregular enhancement of work in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 09.10.2017. The department stated that works were enhanced and executed at old MRS rates, therefore, huge saving was made to the Govt. The Committee did not accept the contention of the department and directed the department to get the matter regularized from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC directive.

(DP No. 151)

2.4.1.3.3 Executive Engineer, Highway Mechanical Division Rawalpindi approved the enhancement of agreement of works "*Carriage of Premixed Carpet from Sangjani Premixing Plant to Murree Hills Area*" and "*Working of Cold Milling 0.50 mm (Removing of damaged rutting bumping portion 2" thick) in Murree Hills Area*" from Rs 2.644 million to Rs 4.714 million (56%) and from Rs 3.000 million to Rs 6.124 million (49%) respectively which was violation of rules.

Violation of rules resulted in irregular enhancement of agreement amounting to Rs 5.193 million.

Audit pointed out the irregular enhancement in March 2017. The department replied that the enhancement was made by the competent authority keeping in view the urgent necessity. The reply of the department was not tenable as enhancement was beyond the permissible limit.

The para was discussed in the SDAC meeting held on 11.10.2017. Audit pointed out that works were enhanced beyond 15% limit admissible under PPRA Rules. The department stated that the enhancement was made as per revised TS Estimate. The Committee did not accept the contention of the department and directed the department to get the matter regularized. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC directive.

(DP No. 111)

2.4.1.4 Unjustified payment due to procurement of bitumen from unauthorized dealer-Rs 551.682 million

As per condition No. 2 of the acceptance letter, the bitumen of National Refinery Karachi shall be arranged by the contractor himself and documentary proof shall be provided before release of payment against work done.

Executive Engineer, Highway Division, Mianwali got executed the asphaltic work and made payment on account of the said work amounting to Rs 551.682 million. But the department did not obtain the invoices of purchase of bitumen from National Refinery Karachi which rendered the purchase from National Refinery doubtful and the payment unjustified.

Violation of contractual obligation resulted in unjustified payment of Rs 551.682 million.

Audit pointed out the unjustified payment in September 2017. The department replied that the contractor had been asked to provide the invoices of National Refinery Karachi. The reply of the department was not tenable because the department was required to obtain the invoices well before release of payment.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that Govt. had allowed the use of PARCO bitumen

after April 2015. Audit argued that the said PC-I was based on the analysis prepared when bitumen of only Karachi Refinery was allowed. The Committee pended the para with the direction for detailed re-verification and recovery on account of use of bitumen from PARCO refinery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early investigation and fixation of responsibility.

(DP No. 804)

2.4.1.5 Non-recovery on account of price variation – Rs 411.305 million

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

2.4.1.5.1 Executive Engineers, Highways Divisions D.G Khan, Sahiwal, Sargodha, Sialkot, Khanewal, Muzaffargarh, Jhelum, Road Construction Divisions Rawalpindi, Faisalabad and Gujranwala awarded various works to different contractors. The base prices of bitumen, steel, diesel at the time of tenders were on higher side which decreased more than 5% during the execution of works. The department did not make recovery on account of the said de-escalation from the contractors.

Violation of contractual obligation resulted in non-recovery of Rs 408.337 million (Annex-I)

Audit pointed out the non-recovery during 2017. The department did not furnish reply in some cases while in few, it admitted the recovery and intimated that the price variation statements were being prepared and due recovery would be effected.

The paras were also discussed in the SDAC meetings held in December 2017. Audit verified partial recovery in DP No. 439 & 411 and amount of the paras was reduced to Rs 0.580 million & Rs 0.844 million respectively. In other paras, the department replied that price variation statements were being prepared and actual recovery, if any, would be effected from the next bills of the contractors. The Committee directed the department to effect recovery and get the record verified at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1572,1268,1580,1258,1340,875,805,894,877,924,927,624,1423,1675, 439,411, 571,1115,887,1527,1427,1424,444,1417,1517,921,1518,1503,855,406,1535,839,1509,14 33,847,1419,1534,878,1504,1411 & 1536)

2.4.1.5.2 Executive Engineer, Highways Division, Lahore awarded the work to contractor during October 2014 and paid price variation amounting to Rs 2.974 on bajri in April 2017 despite the fact that Finance Department had not notified the rate of crush bajri for carpet and RCC in December 2014.

Violation of contractual obligation resulted in non-recovery of Rs 2.974 million.

Audit pointed out the non-recovery in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit informed the Committee that as per Finance Department A&C No. 2 dated 05.08.2015, the course aggregate bajri for surface dressing was of quarry site, hence, price variation on bajri used in ABC and AWC was allowed on the agreements w.e.f 01.04.2015. In the instant work, the agreement was awarded during October 2014 and rate of bajri was 'at site', therefore, price variation was not admissible. The Committee upheld the viewpoint of Audit and directed the department to effect recovery from

contractor along with its verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends an early compliance of Committee's directive.
(DP No. 87)

2.4.1.6 Overpayment due to application of higher rate – Rs 328.609 million

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

2.4.1.6.1 Executive Engineers, Highways Divisions Sargodha, Sialkot, Bahawalpur, Multan, Sahiwal, Lodhran, Faisalabad, Jhelum, Khanewal, Okara, Rawalpindi, RC Division Gujranwala, Faisalabad and MM Division Lahore, got executed, measured and paid the item of work, “*painting traffic lane marking 5” wide complete in all respect*” at higher rates as a non-standardized item of work instead of admissible item of work available at a lower rate in MRS vide item No.34, chapter No.13 (Painting & Varnishing), “*painting traffic lane 5”(125 mm) wide with reflective chlorinated rubber (CR) paint including glass beads complete in all respect*”.

Violation of the Finance Department's instructions resulted in overpayment of Rs 124.677 million. (Annex-II)

Audit pointed out the overpayment during 2017. The department did not furnish any reply in some cases while in others, the department admitted recovery and intimated that due recovery would be effected.

The paras were also discussed in the SDAC meeting held in December 2017. The department stated that payment of item of work ‘TP paint’ was made as per rate approved by the competent authority in TS estimate. Audit contended that department added the excess quantity and higher rate of TP paint, glass beads, rent of TP machine and truck. The rate for S site supervisor was also incorrect. Moreover, inadmissible food charges and material weight expense were also allowed in the subject item. The Committee directed the department to refer the case to the Finance Department for rationalization and standardization of the rate of TP paint. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.1147,549,134,1425,145,1291,999,1376(2016-17), 1493, 1047, 58, 125, 1512, 432, 1673, 1082,1522,1354(16-17), 1523, 1560, 1256, 810, 1640, 351)

2.4.1.6.2 Executive Engineer, Road construction Division, Faisalabad awarded the different works to the contractor on 06.01.2015 for Rs 1,967.00 million. The department got sanctioned the rate analysis, executed and paid the various items of work in excess of the admissible MRS rates which resulted in overpayment of Rs 109.792 million.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 109.792 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that the issue had already been clarified by the FD Punjab vide letter No. RO(Tech) FD 11-80/2016 dated 28.09.2017 whereby the template for the item under consideration was declared correct. Audit informed the Committee that clarification of FD pertained to audit paras in respect of Public Health Engineering Department, Faisalabad for the year 2015-16 and both templates needed to be verified in order to confirm that the said clarification was also applicable to the

instant para. The Committee directed the department to get the requisite record verified from audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1637)

2.4.1.6.3 Superintending Engineer, Highway Mechanical Circle Lahore, awarded the work "Supply, Installation, Testing, Commissioning of Escalators for Pedestrian Overhead Bridge from District Court to New Judicial Complex, Rawalpindi" to the contractor M/s Merin Pvt Ltd during May 2016 for Rs 31.080. The department got approved the rates of "Supply of brand new outdoor type Escalators VVVF with sensors, stop and go function reversible operation fully complied with EN standards, vertical height 6000 mm Western Europe, Japan or USA etc" on the basis of inflated quotation for Rs 15.546 million each and accordingly rate analysis and estimate was approved by the Chief Engineer (North) Punjab Highway Department Lahore. The contractor also quoted the price at par. On the other hand, in Mega Project "Metro Bus Multan", the cost paid to the same contractor for each escalator of same specification was Rs 6.904 million (58100 euro per escalator) and the same was required to be approved in this estimate. Therefore, due to allowing higher rates, the government sustained a huge loss. Moreover, in the original PC-1 the price of escalator was got approved @ Rs 12.255 million but in the revised estimate the price was increased by Rs 15.546 million which resulted in loss to Govt. for Rs 6.582 million.

Violation of the Finance Department's instructions resulted in loss of Rs 22.347 million.

Audit pointed out the loss during May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 09.10.2017. Department stated that estimate was sanctioned by the CE on 13.05.2016 and work was awarded to MS Merin (Pvt.) Ltd through open tendering

and after competition. Audit argued that escalators were also supplied by the same contractor M/s Merin (Pvt.) Ltd, for Metro bus Multan at the rate Rs 6.904 million but in this work the estimate and quoted rate was Rs 15.546 million. The Committee directed the department to justify the highly inflated rate in estimate or otherwise, to effect the recovery from contractor within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 318)

2.4.1.6.4 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L base course of crush stone compacted complete*" at rate of Rs 2,946 per cubic meter and Rs 3,268 per cubic meter and paid for a quantity of 7030.13 cubic meter and 8943.375 cubic meter for Samundari side and Sahiwal side respectively (i.e. 142 Km & 179 Km lead). The sanctioned rate was on higher side by taking quantity of crush stone as 125 cubic meter for analysis of 100 cubic meter, and carriage factor as 125 cubic meter instead of 122 for sub-base as per F.D instructions and analysis. Further as per F.D input rates, on which the estimate was based, the Drum Road Roller 3 wheel (E.Q.05) was to be taken for sub-base and base course with rate of Rs 1,530 per hour. The admissible rate worked out to Rs 2,934.61 per cubic meter and Rs 3,290.56 per cubic meter for Samundari and Sahiwal side respectively.

Violation of the Finance Department's instructions resulted in loss of Rs 6.370 million.

Audit pointed out the loss in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that recovery of Rs 969,000 in respect of loose stone had been effected vide T.E No. 1 dated 19.12.2017. The recovery had been verified by Audit. Audit contended that rate of Drum Road Roller 3 wheel EQ 05 was applicable for sub base and base as it was

clearly mentioned in the input rates. Audit further stated that provision of dumper and lorry was also not justified because it was included in the rate of carriage. The Committee upheld the view point of Audit. The Committee reduced the para to Rs 5.401 million and directed to take clarification from FD for the provision of Drum Road Roller 18 ton for sub base and base instead of Drum Road Roller 3 wheel EQ 05 and provision of dumper/lorry or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1003)

2.4.1.6.5 Executive Engineer, Highway Division, Dera Gazi Khan prepared and got approved the non-standardized item "*Providing and laying tuff tile pavers 80 mm thick having 7000 PSI*" @ Rs 99.46 /sft by allowing incorrect rate of tuff paver and extra provision of loading and unloading against the admissible rate @ Rs 85.20 Per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 4.053 million.

Audit pointed out the overpayment in July 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 14.11.2017. Department stated that rate analysis had been made @ Rs 98.56 per cft. The loading / unloading charges were correctly included and approved in the TSE. Recovery of tuff tile amounting to Rs 588,347 was effected vide T.E No.17 dated 31.10.2017. Audit verified the recovery and further contended that department prepared and approved the rate analysis of tuff tiles @ Rs 99.46 per sft by taking incorrect rate of tuff paver and extra provision of loading and unloading against the admissible rate @ Rs 85.20 per sft. The Committee directed the department to effect the balance recovery and get it verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.433)

2.4.1.6.6 Executive Engineer, Road construction Division, Faisalabad awarded work to a contractor on 06.01.2015 for Rs 1,967.00 million. The department got sanctioned the rate analysis, executed and paid the item of work “*Asphaltic Wearing Course plant mix*” (Class A) @ Rs 16,800 per cubic meter which was in excess of the admissible rates Rs 16,056.56 per cubic meter.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 3.716 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that rates of said items were prepared by the consultant and approved in the engineer estimate by the competent authority. Audit contended that incorrect rates were allowed by the department. The Committee directed the department to refer the matter to FD for clarification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1660)

2.4.1.6.7 Executive Engineer, Highway Division, Dera Gazi Khan prepared and got sanctioned the item “*Precast Kerb Stone*” at rate Rs 347.69 /sft and paid @ Rs 363.27 /sft. The rate was excess because of taking excess rate of paint and concrete face block @ Rs 182.05 instead of admissible rate of kerb stone (300 x 300 x 100 mm) @ Rs 87 as per input rates 1st bi-annual 2016. The admissible rate works out to Rs 177.22 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 3.522 million.

Audit pointed out the overpayment in July 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 14.11.2017. Department stated that rate analysis of Kerb stone had been corrected as per audit recommendation. The recovery at the rate of Rs 241.02 per rft comes to Rs 2.315 million which had been effected vide T.E No.04 dated 31.10.2017. Audit contended that the cost of carriage of Kerb stone was also required to be recovered. However, recovery of Rs 2,315,415 was verified by Audit. The Committee directed the department to work out and effect the actual recovery and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 398)

2.4.1.6.8 Superintending Engineer, Highway Circle, D.G.Khan, in T.S estimate of the work "*Construction of Ring Road D.G. Khan (remaining portion 24ft to 36ft) length 5.20 Km.*" sanctioned rate for non standardized item "*Providing / laying Tuff Tile / Paver 80 mm thick with 7000 PSI crushing strength local made grey colour*" @ Rs 99.46 per sft. In the rate analysis, rate of tuff tile was applied @ Rs 97.60 per sft against Rs 66 per sft (MRS 2nd Bi-Annual 2013). The department also paid fixing charges @ Rs 5.00 per sft lump sum instead of applying admissible labour. Thus correct rate works out to be Rs 89.36 per sft against paid rate of Rs 99.46 per sft. Allowing higher rate resulted in overpayment of Rs 2.996 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.996 million.

Audit pointed out the overpayment in February 2017. The department replied that rate was paid as per technically sanctioned estimate. The reply was not tenable as incorrect sanction cannot be a justification for violation of rates provided in input rates of material.

The para was discussed in the SDAC meeting held on 11.10.2017. Department stated that labour was approved at the rate of Rs 5 per sft which was lesser than approved template of FD. Audit verified the rate analysis and found that labour was justified. However, department allowed extra carriage @ Rs10 per sft whereas material rates for 80 mm tuff tile based on 2nd bi-annual 2014 was Rs 66 per sft which was “at site” rate. for District D.G Khan. Therefore excess rate of Rs12 per sft was sanctioned and allowed to the contractor and amount of para was enhanced to Rs 3,560,304. The Committee directed the department to effect the recovery of Rs 3,560,304 and get it verified from audit within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 28)

2.4.1.6.9 Executive Engineer, Highway Division, Muzaffargarh prepared and got sanctioned the item “*Precast Kerb Stone for median and sides of road*” at the rate of Rs 594.51 Per rft. In rate analysis, the rate of Kerb stone measuring 300 x 450 x 150 mm was taken @ Rs 164.90 per rft “*Precast cement concrete solid or face block 1:2:4 i/c cast of template*” instead of actual rate of Rs 103 Per rft of kerb stone as per input rates of 1st bi-annual 2014. The admissible rate of said item worked out to Rs 219 Per rft. Hence the execution of median with kerb stone and allowing the rate of solid face block resulted in overpayment.

Violation of Finance Department’s instructions resulted in overpayment of Rs 2.961 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 05.12.2017. The department stated that due recovery of Rs 1.354 million had been made. The Committee directed to get verification of monthly account and effect balance recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 619)

2.4.1.6.10 Executive Engineer, Highway Mechanical Division, Lahore made payment for non-MRS item of work "*Supply of wooden chasses size 11"×11" ×8-3/4"× 2"complete in all respect as per sample*" at higher rate by taking rate of Shesham Wood as Rs 2,367 per cubic feet instead of correct rate of Rs 1700 per cubic feet as per input rate of 2nd biannual 2015.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.843 million.

Audit pointed out the overpayment in May 2017. The department replied that estimate of the work was technically sanctioned by the competent authority and rates were taken from the MRS Bi-Annual 1st August, 2015 to 31 January, 2016 (item No:1(b) Chapter 12 Wood Work which was a composite rate whereas rates provided in the input rates do not include loading/un-loading, carriage, contractor's profit etc. The reply was not tenable because item pertained to supply of wooden chasses made of shesham wood and in rate analysis, material rate of shesham wood was applied @ Rs 2,370 per cft, while as per direction of Finance Department, material rate of Rs 1,700 per cft as provided in input rates placed in input rates should have been applied. Besides, Boat Bridge was erected at Multan but in rate analysis rates of Lahore District were applied.

The para was discussed in the SDAC meeting held on 09.10.2017. Audit verified the rate analysis and compared it with FD template and found that input rates of shisham wood was at site rate inclusive of loading unloading / carriage at site, however, 20% overhead charges were

admissible, therefore actual recovery comes to Rs 0.668 million. The Committee reduced the para to Rs 0.668 million and directed to effect recovery and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 123)

2.4.1.6.11 Executive Engineer, Provincial Highway Division, Rahim Yar Khan awarded a work to a contractor. The department got executed the item of work "*Providing and Laying Tuff Tiles 60 mm thick pre cast paver 7000 PSI*" and sanctioned the higher rate of Rs 85 per sft in technical sanction estimate instead of admissible rate of Rs 81 per sft. The excess rate @ Rs 4 per sft was sanctioned and paid for a quantity of 169139 sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.676 million.

Audit pointed out the overpayment in July 2017. The department replied that contention of audit regarding non use of input rates notified by Finance Department for preparing the rate analysis of "P/L Tuff tiles Paver" was not correct as the analysis of the rate of this item had been prepared on the basis of the input rates. The PC-I / Rough Cost estimate was approved by the competent authority and payment was made to the contractor as per technically sanctioned estimate by Chief Engineer (DS&M) Lahore. Reply of the department was not tenable, because the department prepared the rate analysis of tuff tiles beyond the provision of the items approved by the Finance Department.

The para was discussed in the SDAC meeting held on 13.11.2017. Department stated that rate analysis of the item was prepared on the basis of input rates 1st bi annual 2016 @ Rs 85 per sft. Audit contended that rate of the item was required to be prepared and approved @ Rs 81 per sft instead of Rs 85 per sft. The Committee directed the department to re visit the rate analysis and get the record re-verified from Audit within 30 days.

The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends for early recovery from the contractor
(DP No. 352)

2.4.1.6.12 Superintending Engineer, Highway Circle, Sahiwal in the 2nd revised T.S Estimate for the work "*Construction of Bridge on River Ravi at Qutab Shahana in District Sahiwal*" sanctioned analysis of rate of non standardized item "Providing/laying of 80 mm thick Tuff Tile under 2" thick sand cushion and sand grouted with compaction etc. complete in all respect---" @ Rs 98.50 per sft. In the abstract of cost of T.S estimate for Single Toll Booths Tuff tile was provided @ Rs 110 per sft for 13248 sft. In the approved analysis of rate Tuff Tile was provided @ Rs 67 per sft against admissible rate of Rs 55 per sft (Item No. OD-55 grey tile @ Rs 54 per sft and OD-56 coloured tile @ Rs 56 per sft with average of Rs 55 per sft. Input Rates of Material for 1st Quarter 2013). Carriage Rs 300 % sft was lump sum provided which was not admissible as input rates applied were for Sahiwal District. The admissible rate worked out to Rs 80 per sft against allowed rate of Rs 110 per sft with difference of Rs 30 per sft. Allowing higher rate resulted in overpayment of Rs 397,440.

Violation of the Finance Department's instructions resulted in loss to govt. worth Rs 0.397 million.

Audit pointed out the loss in March 2017. The department replied that the observation was made on misconception. The analysis of non-schedule item was made as per market rates sanctioned by the SE. No overpayment was made to the contractor. The reply was not tenable as Input rates of Material for District Sahiwal were required to be applied instead of ex-factory rate.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit examined the rate analysis and found that no separate carriage was included, however, excess input rate of tuff tile 80 MM was applied @ Rs 70 instead of Rs 62 per sft and allowing 10% wastage instead of 5%.

The Committee reduced the para to Rs 195,540 (14.76 x 13248 sft) and directed the department to effect the recovery at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.
(DP No. 20)

**2.4.1.7 Unjustified payment on account of unapproved item
Rs 302.761 million**

As per instructions of the Finance Department issued vide No. RO(Tech) FD 1-2/83-VI dated 29.03.2005 read with para 2.7, 2.12 and 2.86 of Buildings and Roads Department code, during execution of work neither the specification nor quantity of different items approved in the T.S. Estimate be changed nor any additional item be approved/executed without prior written approval of such change/new addition by the competent authority along with recording reasons.

Executive Engineer, Road construction Division, Faisalabad awarded the work "*Construction of Canal Express Way from Gattwala Bridge to Sahianwala M-3 Interchange Faisalabad length 25.20 KM*" to the contractor M/s ZKB Builders (JV) on 08.01.2015 at an agreement cost of Rs 3.646 million with the TSE amounting to Rs 4.671 millions (Construction cost Rs 4,330.286 million and allied charges Rs 340.977 million). The department got executed the various items on higher rates than approved in BOQ and acceptance letter in the contract agreement which resulted in excess payment of Rs 302.761 million

Violation of the Finance Department's instructions resulted in un-justified expenditure of Rs 302.761 million.

Audit pointed out the un-justified expenditure in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that work was done as per R/PC-1 and R/TSE. The Committee directed the department to produce the requisite record to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1587)

2.4.1.8 Irregular award of work-Rs 297.40 million

According to rule 4 and 22 of Punjab Procurement Rules 2014, while making any procurement, the procuring agency shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. The procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works.

Executive Engineer, Mechanical Division, Rawalpindi did not produce the original record of tendering of two approved prequalified firms i.e. M/S Sky Ways Services and M/S Orient Energy System despite being issued several reminders. The department produced S.E letter No. 3092/G dated 14.06.2016 which showed that tenders were issued to two firms but the allied record of Executive Engineer office i.e. tender register, tender sale register and cash book do not show any existence of the 2nd firm. Only one firm M/s Orient Energy System was entered in the said record. The comparative statement of both the firms duly approved by the Chief Engineer (N) was also not produced. Manipulation of tendering process/ record and non-production of relevant record rendered the amount of work of Rs 297.40 million as irregular.

Violation of rules resulted in irregular award of work worth Rs 297.400 million.

Audit pointed out irregular award of work in March 2017. The department replied that Chief Engineer approved pre-qualification of two firms vide letter No. PQ/RW/236/P1 dated 20.04.2016. The reply of the department was evasive and incomplete. The department did not produce the original record of tendering despite several reminders. Further, the department produced the comparative statement indicating one bidder instead of two, vide Executive Engineer's letter No 521/AB, dated 17.04.2017 (received on 21.04.2017) which was signed by the S.E. The foot note of the last page of the comparative statement indicated that only one tender was received. In that case i.e. single tender for such a huge amount, approval of Secretary (C&W) was required. The manipulation in tendering was clearly evident.

The para was discussed in the SDAC meeting held on 11.10.2017. The department stated that original tenders were cancelled by the competent authority as same were not uploaded on PPRA website. Therefore, new tenders were invited on 19.03.2016 and pre-qualification committee meeting held on 11.04.2016 pre-qualified the 7 contractors including M/s Orient (Pvt.) Ltd., and the contractor supplied the Snow Clearing machine and working at site successfully. Audit examined the record and found that being a single tender, the approval of Secretary C&W Department was required who returned the case to CE for deciding the matter in the light of Delegation of Financial Powers rules 2006. The Committee directed the department to get the record i.e. original tender register, cash book and finding of the approval/direction of Secretary (C&W) re-verified by Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 324)

2.4.1.9 Irregular payment due to execution of non BOQ items without approval of rate analysis – Rs 190.919 million

According to the instructions issued by the Finance Department, Vide No.RO(Tech)FD-18-23/ 2004, dated 21.09.2004, rate analysis for the

non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department.

Executive Engineer, Road Construction Division, Faisalabad awarded a work to the contractor on 08.01.2015 for Rs 3.646 million which was 14.38% below the Technically Sanctioned Estimate. The department got executed and paid the non BOQ items without approval of rate from the competent authority. Moreover, the department did not produce the rate analysis of the items.

Violation of rules resulted in irregular payment of Rs 190.919 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that excess over TSE would be regularized though revised estimate. The Committee kept the para pending for production of Revised TSE and approved rate analysis for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends regularization of the matter from the FD and production of relevant record to audit for verification.

(DP No. 1582)

2.4.1.10 Overpayment due to allowing higher rate – Rs 181.674 million

According to the instructions issued by the Finance Department, vide No.RO(Tech)FD-18-23/ 2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the

competent authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department.

2.4.1.10.1 Executive Engineer, Highway Division, Sargodha made payment for an item of work i.e. “*earthwork excavation in open cutting for sewers and main holes etc below sub soil water 4.1' to 8' depth below sub soil water*” @ Rs 9,232.64 %o cft, @ Rs 7,323.44 %o cft and @ Rs 4,250 %o cft. The said item of work was notified only for sewerage purpose. However, as per MRS chapter ‘earthwork’ item No.52 “*Earthwork in excavation of drains, irrigation channels through excavator / drag lines in all kind of soil and conditions (dry,wet,slush,daldal and under water)*” including its disposal and preparation of working pad for operation of machinery (Rate includes 100 ft lead) was notified @ Rs 2,126.00 %o cft in 2nd bi-annual 2014. This item was notified for the purpose of irrigation channels and was admissible in this case because the department had constructed the guide bank at site of work. Thus, item No. 52 @ Rs 2,126.00 %o cft was admissible instead of the item paid @ Rs 9,232.64 %o cft which was notified for the sewerage works instead of irrigation channels.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 37.351 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that the item for earth work excavation mentioned in MRS item no. 43 was rightly adopted considering the fact that stone work had to be carried out below the sub soil water level for the construction of apron of guide bank which was necessary for proper river training. The department further elaborated that item suggested by the audit, i.e. MRS item No.52 pertains to simple excavation of earth in the channels/drains and it could not be used in the case for construction of apron due to the fact that it does not cover the rate for shuttering etc to

achieve a correct section as provided in the structure/construction drawings. However, Audit rebutted that MRS item No.43 was meant for Public Health Work. Moreover, item at Sr.No.52 notified by the FD sufficiently caters to the requirement of the job of guide bank/cunette/river diversion.

The Chair, after having detailed discussion was of the view that item included in MRS Sr.No.43, adopted in the approved PC-I, was rightly proposed due to the reason that item reflected at Sr.No.52 does not serve the purpose for above said construction activity in the prevailing scenario. The Committee, considering the difference of opinion, pended the para with the direction to seek advice from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1157)

2.4.1.10.2 Executive Engineer, Highway Division, Jhelum in the execution of work "*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-III*" measured and paid an item of work "P/L of Plum concrete using 40% plum and 60% /C.C 1:3:6 type-D complete in all respect" including shuttering along with premium in 6 works. It was pointed out that shuttering was not admissible because the provision of shuttering is violation of clause 15 of contract agreement which states that the contractor shall supply at his own cost all material i.e. constructional plants, tools, appliances, implements, ladders, cordage, tackles, scaffolding and temporary works required for execution of the work.

Violation of the Finance Department's instructions resulted in overpayment of Rs 14.568 million relating to six works.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department stated that as no provision of cost of vertical shuttering was provided in the approved template of PCC 1:3:6, hence, cost of vertical shuttering had been paid. Audit argued that reply itself supported version of Audit version. Further, as per specifications, the payment of shuttering under the subject item was not admissible to the contractor. The Committee directed the department to effect the recovery and get it verified by audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1672)

2.4.1.10.3 Executive Engineer, Road Construction Division, Faisalabad awarded a work to the contractor on 06.01.2015 for Rs 1,967.00 million. The department prepared and adopted the Engineer Estimate instead of General Agreement. The department got sanctioned the rate analysis, executed and paid the item of work " SP-419 a Steel pipe railing @ Rs 13,610.85 LM instead of admissible rate of Rs 10,647 LM which resulted in excess rate of Rs 2,693.00 up to the quantity of 4580.167 cft amounting to Rs 13.574 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 13.574 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that input rate and quotation rate/market rate would be examined and due recovery, if any, would be made in due course of time. The Committee directed to get re-verification by Audit and effect the recovery if any. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1558)

2.4.1.10.4 Executive Engineer, Highway Division, Sahiwal got sanctioned the item “*P/L sub-base course of crush stone compacted complete*” at rate Rs 2,367 per cubic meter and Rs 2,689 per cubic meter for Samundari side and Sahiwal side respectively (i.e. 142 Km & 179 Km lead). The rate was sanctioned on excessive side by taking quantity of crush stone as 125 cubic meter for analysis of 100 cubic meter, and carriage factor as 125 instead of 120 for sub-base as per F.D instructions and analysis. Further as per F.D input rates, on which the estimate was based, the Drum Road Roller 3 wheel (E.Q.05) was to be taken for sub-base and base course and it had the rate of Rs 1,530 per hour. The admissible rate worked out to Rs 1,751 per cubic meter and Rs 2,060 per cubic meter for Samundari and Sahiwal side respectively.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 11.249 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that recovery of Rs 1.314 million in respect of loose stone had been effected vide T.E No. 1 dated 19.12.2017. The recovery had been verified by Audit subject to accountal in monthly account for December 2017. Audit contended that rate of Drum Road Roller 3 wheel EQ 05 was applicable for sub base and base as it was clearly mentioned in the input rates. Audit further stated that provision of dumper and lorry was also not justified because it was included in the rate of carriage. The Committee upheld the view point of Audit and reduced the para to Rs 9.935 million subject to accountal of recovery in monthly account and directed the department to take clarification from FD for the provision of Drum Road Roller 18 ton for sub base and base instead of Drum Road Roller 3 wheel EQ 05 and for provision of dumper/lorry or otherwise to effect recovery. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1002)

2.4.1.10.5 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L sub-base and base course complete*" at rate Rs 2,663.00 /cubic meter and Rs 3,242 /cubic meter for a sub work Part-B (feeding roads). Said rates were on higher side by taking excess quantity of crush stone as 125 cubic meter for analysis of 100 cubic meter and carriage factor as 125 cubic meter instead of 120 cubic meter for sub-base and 122 cubic meter for base course as per FD instructions and analysis. Further, as per input rates on which the estimate was based, the Drum Road Roller 3 wheel (EQ 05) was to be taken for sub-base and base course which had a rate of Rs 1,530 per hour. The admissible rate worked out to Rs 2,337 per cubic meter and Rs 2,886 per cubic meter for sub- base and base respectively. The excess rate resulted in overpayment.

Violation of the Finance Department's instructions resulted in overpayment of Rs 9.358 million due to excess rate.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that recovery of Rs 3.892 million in respect of loose stone had been effected. The recovery was verified by Audit subject to accountal in monthly account for December 2017. Audit contended that rate of Drum Road Roller 3 wheel EQ 05 was applicable for sub base and base as it was clearly mentioned in the input rates. Audit further stated that provision of dumper and lorry was also not justified because it was included in the rate of carriage. The Committee upheld the view point of Audit and reduced the para to Rs 5.467 million subject to accountal of recovery in monthly account and directed to take clarification from FD for the provision of Drum Road Roller 18 ton for sub base and base instead of Drum Road Roller 3 wheel EQ 05and for provision of dumper/lorry or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.888)

2.4.1.10.6 Engineer, Highway Division, Sahiwal got sanctioned the item "*Providing and casting in situ bored re-enforced concrete pile type-C nominal mix 1:1.5:3 using 10% extra 6.5 feet dia complete in all respect*" at rate of Rs 48,219 per running meter and paid @ Rs 54,487.47 (13% above). The rate analysis of said non-standardized item was neither produced nor was available in PC-I and TS estimates (original & revised). However, on the basis of FD input rates and template for 2nd bi annual 2013, the rate analysis worked out to Rs 41,195 per running meter. Hence the excess rate of Rs 7,024 per running meter resulted in overpayment.

Violation of Finance Department's instructions resulted in overpayment of Rs 9.001 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE and as per approved summary of Chief Minister. Audit contended that rate analysis was not produced for verification. The Committee directed the department to produce rate analysis for verification within 7 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.923)

2.4.1.10.7 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L reinforced cement concrete (including prescribed concrete) 1:1:2 elevated girder etc. complete*" at rate of Rs 14,398 /cubic meter and paid @ Rs 16,269.74 per cubic meter (13% above) by including excess hours of concrete batching plant, transit mixture and concrete pump for analysis of 50 cubic meter. As per general

specification item 401, the concrete mixture requires 60 to 90 seconds to mix and 30 minutes for pouring at site. So, 50 cubic meter material takes a maximum time of 2 hours including idle hours in batching plant capacity of 30 cubic meter per hour and 8 transit mixers (6 cubic meter) take maximum 2 hours for pouring. The admissible rate worked out was Rs 12,112 per cubic meter. The excess rate resulted in overpayment.

Violation of Finance Department's instructions resulted in overpayment of Rs 7.566 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE. Audit contended that the same issue had been sent to FD for clarification. The Committee directed the department to get clarification from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.915)

2.4.1.10.8 Executive Engineer, Highway Division, Sargodha in the estimate made provision of an item of work i.e. "*removing of asphaltic course by cold milling 5" to 5.5" thick*" for 251904 sft @ Rs 28.30 per sft amounting to Rs 7.128 million. The department did not prepare the rate analysis of said item of work nor got it approved from the competent authority.

Violation of the Finance Department's instructions resulted in irregular expenditure of Rs 7.128 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 18.12.2017. The department stated that the item of cold milling was sanctioned in the TS estimate. The non-standardized rate of the said item was not got approved from the FD. Audit pointed out that the department in the rate analysis of item “cold milling” incorporated inadmissible cost of man power, dumper, water & water lorry, delivery pump and compressor. The Committee referred the para to technical wing of FD for clarification of issue. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1140)

2.4.1.10.9 Executive Engineer, Road construction Division, Faisalabad awarded the work “*Construction of Canal Express Way from Gattwala Bridge to Sahianwala M-3 Interchange Faisalabad length 25.20 Km*” to the contractor M/s ZKB Builders (JV) on 08.01.2015 at an agreement cost of Rs 3,645.566 million with the TSE amounting to Rs 4,671.263 million (Construction cost Rs 4.330 million and allied charges Rs 340.977 million). The department got sanctioned, executed and paid an item “401(b) I Concrete Class A-2 (4000 psi)” for the quantity of 7626.052 cubic meter @ Rs 9,800 per cubic meter against the approved rate in the acceptance letter as Rs 9,000 per cubic meter. Furthermore, the department calculated the rate analysis of the item as Rs 12,674.99 instead of actual admissible rate of Rs 11,212.57. While making payment of 24th running bill, the department paid this item of work at the rate of Rs 9,800 per cubic meter which resulted in application of excess rate of Rs 800 per cubic meter.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 6.100 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that the issue had already been clarified by F.D vide No.Ro (Tech) FD-11.08.2016 to 28.09.2017. Audit explained that F.D clarification was for a particular work. The Committee directed to re-refer the matter to Finance Department for clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1585)

2.4.1.10.10 Executive Engineer, Highway Division, Mianwali made payment for an item of work i.e “*earthwork excavation in open cutting in very hard soil including the cost of dressing of surplus material*” for 6117450 cft @ Rs 5,842.71 % cft. However the department made another item of work i.e “making embankment through excavated material leveling and dressing” for 1771320 cft @ Rs 4,506.04 % cft. The first item was inclusive of dressing and within the free haul there was no need to pay any additional cost for reusing excavated material.

Violation of the Finance Department's instructions resulted in overpayment of Rs 5.707 million.

Audit pointed out the overpayment in September 2017. The department replied that both items were different in nature. The reply of the department was not tenable because the department did not utilize all the factors involved in the composite rate of first item.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that the rate of Rs 1,858 per % cft including mega project allowance and contractor cushion was correctly paid. During verification, Audit observed that the correct rate came to Rs 1,503 per % cft by incorporating the admissible rate of Rs 551.75 per % cft in place of the rate of item No. 13a i.e. Rs 910.80 per % cft. The difference of rate was Rs 355 % cft for a quantity of 8061577 cft. The Committee agreed with Audit and reduced the para to Rs 2.862 million and directed the

department to effect the recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 782)

2.4.1.10.11 Executive Engineer, Highway Division, Sargodha vide 9th running bill voucher No.108/S dated 17.6.2017 made payment for an item of work i.e. "*ploughing/levelling/recompaction of existing base course material to required camber and grade*" for 432131 cft @ Rs 2,031.00 % cft. The department was required to adopt the items of MRS i.e. dressing and levelling and compaction with power road roller instead of preparing non MRS items of work @ Rs 2,031.00 % cft. By adopting the MRS items rate comes to Rs 714.00 % cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 5.691 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that item of ploughing /leveling/re-compaction of existing base course material to required camber and grade was recommended by the RRMTI and accordingly sanctioned in the TS estimate. Audit contended that for the said job, items are available in the MRS. Therefore, preparation of non-standardized item instead of MRS item was not justified. The Committee directed to refer the para to technical cell of the Finance Department for clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1144)

2.4.1.10.12 Executive Engineer, Highway Division, Rawalpindi in the execution of work "*Khaadam-e-Punjab Rural Roads Program (KPRRP)*

Phase-III" for road "*Rehabilitation of road from Mohra Kania Chowk via Mohra Nagial Mera Shamash Tal Khalsa Lenth = 7.85 Km Tehsil Gujar Khan*" measured and paid an item of work "*RCC slab 1":1-1/2":3" type B rafts / strips foundation i.c carriage of bajri*" for quantity of 55870 sft @ Rs 360.25 per sft instead of admissible rate of Rs 272.30 per sft as per MRS 1st bi-annual 2016. Hence, the department paid excess rate of Rs 87.95 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 5.132 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. Department stated that the item RCC was approved in TS estimate and accordingly payment was made. Audit argued that rate of RCC was required to be as per notified rate in the MRS 1st bi annual 2016. The department during discussion requested to reconcile the record. The Committee directed the department to get the record re-verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.
(DP No. 845)

2.4.1.10.13 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "*Formation of embankment from borrow excavation in common material*" for a quantity of 22663 cubic meter @ Rs 465 per cubic meter (Rs 473.91 per cubic meter x 1.88% below) with lead of 8 Km vide Item No.108-C of the bill instead of actual rate of Rs 249 per cubic meter (Rs 253.97 per cubic meter x 1.88% below) by excluding the lead as the rate included the cost of hauling including all lead and lift. Hence, department paid higher rate of Rs 216 /cubic meter (Rs 465 – Rs 249).

Violation of the Finance Department's instructions resulted in overpayment of Rs 4.895 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rate did not include hauling and lead was required as per specification provided by the design consultant. The rate analysis was prepared on NESPAK format which was implemented after approval of summary from the Chief Minister, Punjab. The Committee referred the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1530)

2.4.1.10.14 Executive Engineer, Highway Division, Sahiwal made payment for the item, "*P/F iron guard railing of MS sheet 1/10 SWG to be filled on MS joint size 6"x 3"x1/3" in 4.5 feet long complete in all respect*" @ Rs 2,142.39 per RM amounting to Rs 4.505 million as non-standardized item but in the PC-I and TS estimate, the rate analysis was not available nor was produced. Without analysis, the rates of sub-items could not be verified.

Violation of the Finance Department's instructions resulted in unjustified expenditure of Rs 4.505 million.

Audit pointed out the matter in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE and as per approved summary of the Chief Minister. Audit contended that no rate analysis was produced for verification. The Committee directed the department to produce rate analysis for verification within 7 days. The

compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1008)

2.4.1.10.15 Executive Engineer, Highway Division, Bahawalpur approved an item "*Earth work for embankment in ordinary soil lead ½ Km compaction 100%*" for a quantity of 2955831 cft @ Rs 6,500.55% cft instead of admissible rate of Rs 6,190.20 % cft based on the items borrowpit, transportation and compaction. This resulted in overpayment of Rs 0.959 million. Further, it was observed that the rate of the item "Painting traffic lane 5" wide with reflective chlorinated rubber paint i/c glass beads complete" has been paid @ Rs 27.76 per rft, while the same item existed in MRS with Rs 9.85 per rft the excess rate resulted in overpayment of Rs 2.568 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 3.526 million.

Audit pointed out the overpayment in August 2016. The department replied that the item No.4 under chapter No.3 "earthwork" did not relate to road embankment. The item No.5 of chapter No.3 "earthwork" exists in the MRS Bi-Annual period (1st February 2015 to 31 July 2015) for District Bahawalpur. The said item was provided in the detailed estimate duly sanctioned by the competent authority. Moreover, Thermoplastic Paint for lane marking was used which had a longer life instead of Chlorinated Rubber paint. The payment was made to the contractor after getting approval from the competent authority and also said item exists in the detailed estimate duly sanctioned by the Chief Engineer (South), Punjab Highway Department Lahore. Reply of the department was not tenable because the item No. 4 "Barrowpit excavation undressed" was applicable where earth was brought from outside with lead and then compaction upto required percentage was added. So, the rate becomes Rs 7,474.85% cft. Further, the rate of dressing / leveling was included in the rate of compaction as per FD analysis / template.

Furthermore, the item existed in the MRS for execution on the roads. The specific approval of costly item instead of MRS item and departure from MRS item may be produced to Audit.

The para was also discussed in the SDAC meeting held on 12.12.2017. After discussion the para was settled to the extent of earth work and the provision of TP paint was deemed justified but its rates would be decided after recommendation from Finance Department. The Committee directed to refer the para to Finance Department for standardization of rate of T.P paint. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(2016-17) DP No. 1378

2.4.1.10.16 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "Granular back filling with sand" for a quantity of 42897.407 cubic meter @ Rs 670 cubic meter (Rs 725.57 cubic meter x 7.66% below) vide Item No.107-D(i), Sr. No.4 of the bill by taking incorrect quantities under sub head "Manpower", "Equipment" and "Material" instead of actual rate of Rs 588.39 cubic meter (Rs 637.21 cubic meter x 7.66% below) as worked out by Audit in the rate analysis. Hence, department paid higher rate of Rs 81.61 cubic meter (Rs 670 – Rs 588.39).

Violation of the Finance Department's instructions resulted in overpayment of Rs 3.500 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimate are for fair estimation of the project cost and the contractor quoted the rates for the particular item based on his own working and not on estimated rates. The

rate was approved by the competent authority and payment was made accordingly. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1531)

2.4.1.10.17 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L member laid in situ or pre-cast, pre-stressed RCC 1:1.5:3 type-B including complete in all respect*" at rate of Rs 12,535 per cubic meter and paid @ Rs 14,164.55 per cubic meter (13% above) by including excess hours of concrete batching plant, transit mixture and concrete pump for analysis of 50 cubic meter. As per general specification item 401, the concrete mixture required 60 to 90 seconds to mix and 30 minutes for pouring at site. So 50 cubic meter material takes maximum time of 2 hours including idle hours in batching plant capacity of 30 cubic meter per hour and 8 transit mixers (6 cubic meter) take 2 hours maximum for pouring. The admissible rate worked out by Audit was Rs 10,249.39 per cubic meter.

Violation of Finance Department's instructions resulted in overpayment of Rs 3.226 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE. Audit contended that the same issue had been sent to FD for clarification. The Committee directed to get clarification from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.918)

2.4.1.10.18 Executive Engineer, Road Construction Division, Gujranwala in the execution of work “*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-IV*” for road “*Rehabilitation of road from Lidher to Sialkot Lahore Motorway via Saib Village*” measured and paid an item of work “sub base” @ Rs 9,456.40 % cft with lead of 217 Km from Sikhanwali quarry instead of taking the shortest route of 117 Km from Dina quarry which is Rs 7,263.06 % cft (Rs 6,964.29 x 4.29% above). Hence, the department paid higher rate of Rs 2,192.91 % cft (Rs 9,456.40 – Rs 7,263.49).

Violation of the Finance Department’s instructions resulted in overpayment of Rs 3.162 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. Audit contended that the department measured and paid the item “sub base” with lead of 217 Km from Sikhanwali quarry instead of taking shortest route of 117 Km from Dina quarry. During discussion, the department admitted the view point of Audit. The Committee directed the department to effect the recovery and get it verified by audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1537)

2.4.1.10.19 Executive Engineer, Provincial Highway Division Bahawalpur approved an item “*Painting traffic lane 5” wide with reflective chlorinated rubber (CR) paint including glass beads complete in all respect*” for a quantity of 173360 rft @ Rs 27.76 per rft while the same item existed in the MRS item No. 34 Chapter No. 13 @ Rs 9.85 per rft. The application of excess rate Rs of 27.76 + 4.47% resulted in overpayment of Rs 3.141 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 3.141 million.

Audit pointed out the overpayment in August 2016. The department replied that Thermoplastic Paint for lane marking was used which had a longer life instead of Chlorinated Rubber paint. The payment was made to the contractor after getting approval from the competent authority and also said item exists in the detailed estimate duly sanctioned by the Chief Engineer (South), Punjab Highway Department Lahore. Reply of the department was not tenable because an economical item existed in the MRS for execution on the roads. The specific approval of costly item instead of MRS item was required.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that keeping in view the importance of road, TP paint lane marking was adopted which has longer life than CR paint. The Committee agreed with the view point of department up to the extent of provision of TP paint, however, the matter of rate of TP paint was referred to Finance Department for decision. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(2016-17) DP No. 1379

2.4.1.10.20 Executive Engineer, Highway Division, Sahiwal sanctioned the item "*Earth work in ordinary soil for embankment lead up to ½ km and 3 Km and compaction 95% AASHO dry density complete*" at rate of Rs 428 /cubic meter by taking excess hours of machine grader and tractor trolley as 6 hours and 4 hours instead of 4.80 and 3.20 hours respectively as already taken in the analysis of earth 85% compaction. The increase in compaction density did not affect the hours of said machines because the used earth quantity was same (562.52 cubic meter) in both cases. The admissible rate worked out to Rs 341.26 /cubic meter and 431.66 per cubic meter.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.921 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that usage of machinery for 85% to 95% compaction was not the same. Hours of machine grader and tractor trolley were 6 hours and 4 hours instead of 4.8 hours and 3.20 hours. Moreover rate for $\frac{1}{2}$ km was mis calculated by Audit. However the actual recovery of Rs 0.181 million will be made in the forthcoming bill. The Committee directed the department to get detailed verification of record. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.885)

2.4.1.10.21 Executive Engineer, Highway Division, Muzaffargarh executed the item "*Earthwork in ordinary soil for embankment lead upto 500' complete in all respect*" and paid at rate of Rs 7,000 % cft against the agreed rate of Rs 4,799.54% cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.582 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 05.12.2017. Department stated that work was awarded to the contractor with lead of 500 feet. However, giving due consideration to the fact that earth was not available within 500 feet revised estimate was got approved with one mile. Audit argued that once work was awarded with certain lead of cannot be changed at a later stage. The Committee decided that advice be sought from FD whether lead once mentioned in work order can be changed or

not. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 574)

2.4.1.10.22 Executive Engineer, Highway Division, Jhelum in work of “*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-III*” measured and paid “*P/L crushed stone (WBM) base course aggregate of specified thickness compacted as per 100% dry density*” at higher rate instead of admissible rate. The difference of rate is due to allowing of incorrect lead for the item.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.145 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department did not produce complete record to Audit for verification. The Committee directed the department to produce the complete record to Audit for verification within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1678)

2.4.1.10.23 Executive Engineer, Highway Division, Muzaffargarh measured and paid the item “*Earth work for embankment lead upto 500' compaction 100% dry density complete*” for quantity 835258 cft of road from Chungi No. 9 to Jhang road via basti Godar length 6.33 km. The earth was obtained from lead of 100', the rate for said lead was Rs 4,438 % cft (MRS 1st 2015, Rs 4,247.30 + 4.49%) whereas the rate was paid @ Rs 7,000 % cft. Allowing of excess rate resulted in overpayment.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.139 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 05.12.2017. The department stated that work was awarded to the contractor with mentioned lead of 500 feet. However, giving due consideration to the fact that earth was not available within 500 feet revised estimate was got approved with one mile. Audit argued that once work was awarded with certain lead it cannot be changed at a later stage. The Committee decided that advice be sought from FD whether lead once mentioned in work order can be changed or not. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 573)

2.4.1.10.24 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L sub-base course of crush stone compacted complete*" at rate Rs 2526 per cubic meter and Rs 2881 per cubic meter for Samundari side and Sahiwal side respectively (i.e. 142 Km & 179 Km lead). The sanctioned rate was on excessive side because taking of quantity of crush stone 125 cubic meter for analysis of 100 cubic meter, and carriage factor of 125 cubic meter instead of 120 for sub-base as per F.D instructions and analysis. Further as per F.D input rates, on which the estimate was based, the Drum Road Roller 3 wheel (E.Q.05) was to be taken for sub-base and base course and it had a rate of Rs 1537 per hour. The admissible rate worked out to Rs 1903 /cubic meter and Rs 2243 /cubic meter for Samundari and Sahiwal side respectively. Hence the excess rate resulted in overpayment of Rs 2.095 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.095 million due to excess rate.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that recovery of Rs 0.262 million in respect of loose stone had been effected. The recovery had been verified by Audit subject to accountal in monthly account of 12/2017. Audit contended that rate of Drum Road Roller 3 wheel EQ 05 was applicable for sub base and base as it was clearly mentioned in the input rates. Audit further stated that provision of dumper and lorry was also not justified because it was included in the rate of carriage. The Committee upheld the view point of Audit and reduced the para to Rs 1.833 million subject to accountal of recovery in monthly account and directed to take clarification from FD for the provision of Drum Road Roller 18 ton for sub base and base instead of Drum Road Roller 3 wheel EQ 05 and provision of dumper/lorry or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.900)

2.4.1.10.25 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*Earth work in ordinary soil for embankment lead up to 3 Km compaction 85% AASHO dry density complete*" at rate Rs 404 per cubic meter and paid @ Rs 456.52 per cubic meter by taking excess rate for 3 Km as Rs 116.05 /cubic meter instead of actual rate of Rs 108.79 per cubic meter. Further, contractor profit and overhead 20% was not admissible on transportation of earth based on MRS. The admissible rate worked out to Rs 365 per cubic meter.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.807 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE and as per approved summary of the Chief Minister. Audit contended that incorrect rate of transportation had been paid. The Committee directed the department to effect full recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1007)

2.4.1.10.26 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-IV*" for road "*Rehabilitation of road from G.T road to Kamonki Tatlaywali road via Mari Khoth, Mari Thakran & Raja Bhulla*" measured and paid an item of work "sub base" @ Rs 9,391.32 % cft with lead of 201 Km from Sikhanwali quarry instead of taking the shortest route of 117 Km from Dina quarry and thus applying the rate of Rs 7,263.06 % cft (Rs 6,964.29 x 4.29% above). Hence, the department paid higher rate of Rs 2,128.27 % cft (Rs 9,391.32 – Rs 7,263.05).

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.740 million.

Audit pointed out the overpayment in November 2017. The department did not furnish any reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that "sub base" was taken from Sikhanwali quarry as per administrative approve and technically sanctioned estimate. The Committee did not agree with the departmental point of view and directed to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1507)

2.4.1.10.27 Executive Engineer, Highway Division Jhelum made payment of Rs 8.747 million @ Rs 246.83 per cft (Rs 263.98 – 6.003% below) for Item “*P/L RCC 1:1.5:3 i/c carriage of bajri-Rigid Pavement*” against the rate of Rs 263.98 per cft taken in the comparative statement. As per estimate, the rate of the above item was Rs 211.55 P cft and on applying the 6.003% rebate, the admissible rate payable to the contractor came to Rs 198.85 P cft instead of paid rate of Rs 246.83 P cft. The higher rate of Rs 48 per cft (Rs 246.83 – Rs 198.85) has been paid.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 1.700 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department stated that correct rate had been paid. Audit did not agree with the departmental contention. The Committee directed the department to get the detailed verification of record by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1682)

2.4.1.10.28 Executive Engineer, Highway Division, Sahiwal got sanctioned the item “*P/L base course of crush stone compacted complete*” at rate of Rs 3124 per cubic meter and Rs 3479 per cubic meter for Samundari side and Sahiwal side respectively (i.e. 142 Km & 179 Km lead). The sanctioned and paid rate is on excess side because taking of quantity of crush stone 125cubic meter for analysis 100 cubic meter, and carriage factor 125cubic meter instead of 122 for base as per F.D instructions and analysis. Further as per F.D input rates, on which the estimate based, the Drum Road Roller 3 wheel (E.Q.05) was to be taken for sub-base and base course with a rate of Rs 1537 per hour. The admissible rate worked out to Rs 2,501 per cubic meter and Rs 2,817 per cubic meter for Samundari and Sahiwal side respectively.

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.693 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that recovery of Rs 0.168 million in respect of loose stone had been effected. The recovery had been verified by Audit subject to accountal in monthly account for 12/2017. Audit contended that rate of Drum Road Roller 3 wheel EQ 05 was applicable for sub base and base as it was clearly mentioned in the input rates. Audit further stated that provision of dumper and lorry was also not justified because it was included in the rate of carriage. The Committee upheld the view point of Audit and reduced the para to Rs 1.525 million subject to accountal of recovery in monthly account and directed to take clarification from FD for the provision of Drum Road Roller 18 ton for sub base and base instead of Drum Road Roller 3 wheel EQ 05and provision of dumper/lorry or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.897)

2.4.1.10.29 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "*Lean Concrete*" for a quantity of 544.812 cubic meter, 624 cubic meter& 583 cubic meter @ Rs 5,560 per cubic meter (Rs 6,701.74 per cubic meter x 17.049% below) vide Item No-401-F, Sr. Nos.36, 53 & 67 of the bill by taking Rs 16050 on account of carpenter under sub head "Manpower", without any shuttering under sub head "Material". Further, 25 helpers have been added for 24 hours against the assumed duration of 8 hours. The actual rate comes to Rs 4,772 per cubic meter (Rs 5,752.54 per

cubic meter x 17.049% below) as worked out by Audit in the rate analysis. Hence, department paid higher rate of Rs 788 per cubic meter.

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.380 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that rate analysis was based on standard format developed by the NESPAK, considering the fast track project where work is in progress round the clock. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1543)

2.4.1.10.30 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "Granular back filling with sand" for a quantity of 10171.233 cubic meter @ Rs 670 per cubic meter (Rs 725.57 per cubic meter x 7.66% below) vide Item No.107-D(i), Sr. No.66 of the bill by taking incorrect quantities under sub head Manpower, "Equipment" and "Material" instead of actual rate of Rs 588.39 per cubic meter (Rs 637.21 per cubic meter x 7.66% below) worked out by Audit in the rate analysis. Hence, department paid higher rate of Rs 81.61 per cubic meter.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.829 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimate are for fair estimation of the project cost and the contractor quoted the rates for the particular item based on his own working and not on estimated rates. The rate was approved by the competent authority and payment was made accordingly. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1528)

2.4.1.10.31 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*Earth work in ordinary soil for embankment lead up to 3 Km compaction 85% AASHO dry density complete*" at rate Rs 401 per cubic meter and paid @ Rs 453.13 per cubic meter by taking excess rate for 3 Km as Rs 117.28 per cubic meter instead of actual rate of Rs 109.79 per cubic meter and also included contractor profit and overhead 20% on it which was not admissible on transportation of earth based on MRS. The admissible rate worked out to Rs 362 per cubic meter.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.588 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that due recovery would be made from next bill. The Committee directed the department to effect full recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.899)

2.4.1.10.32 Executive Engineer, Highway Division, Sahiwal paid an item “*P/L expansion joint strip sealed movement up to 80 mm Western Europe or USA*” @ Rs 85,622.30 per RM. The rate of Rs 75,772 per RM was taken in TS estimate but no analysis along with quotation was produced for verification. During same period, the rate of Rs 70,772 per RM was approved and paid in other two projects i.e. Azadi Chowk Junction Lahore and Metro Bus Multan. Hence the excess rate of Rs 5,649.94 resulted in overpayment.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.578 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE. Audit contended that quotation and rate analysis were not got verified. The Committee directed the department to get complete record verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.895)

2.4.1.10.33 Executive Engineer, Road Construction Division, Gujranwala in the execution of work “*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*” measured and paid an item of work “*Granular back filling with sand*” for a quantity of 6619 cubic meter @ Rs 670 per cubic meter (Rs 725.57 per cubic meter x 7.66% below) vide Item No.107-D(i), Sr. No.18 of the bill by taking incorrect quantities under sub head Manpower, “Equipment” and “Material” instead of actual ones. The rate came to Rs 588.39 per cubic meter (Rs 637.21 per cubic meter x 7.66% below) as worked out by Audit in the rate analysis. Hence, department paid higher rate of Rs 81.61 per cubic meter (Rs 670 – Rs 588.39).

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.540 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimate are for fair estimation of the project cost and the contractor quoted the rates for the particular item based on his own working and not on estimated rates. The rate was approved by the competent authority and payment was made accordingly. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1549)

2.4.1.10.34 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "*Concrete class D-1(5000 Psi) pre-stress for girder*" for a quantity of 302 cubic meter @ Rs 14,538 per cubic meter (Rs 15,058.23 per cubic meter x 3.45% below) vide Item No.401-D, Sr. No.28 of the bill by using 6 hours for Concrete Transit Mixer (6 Cum) instead of actual rate Rs 12,882 per cubic meter (Rs 13,342.71 /cubic meter x 3.45% below) as worked out by Audit by taking 2 hours in the rate analysis as Concrete Batching Plant has the capacity of 30 cubic meter per hour, as such for 50 cubic meter progress, 2 hours should be taken. Hence, department paid higher rate of Rs 1,656 per cubic meter (Rs 14,538 – Rs 12,882).

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.500 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimate are for fair estimation of the project cost and the contractor quoted the rates for the particular item based on his own working and not on estimated rates. The rate was approved by the competent authority and payment was made accordingly. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1545)

2.4.1.10.35 Executive Engineer, Highway Division, Sahiwal got sanctioned the item "*P/L 1.5' thick clay all lead and lift compaction 85%*" at rate Rs 401/cubic meter and paid Rs 453.13 per cubic meter by taking excess rate for 3 km lead as Rs 117.28 per cubic meter instead of Rs 109.79 per cubic meter and the contractor profit and overhead 20% which was not admissible on transportation of earth based on MRS. The admissible rate worked out to Rs 362 per cubic meter.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.464 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE and as per approved summary of the Chief Minister. Audit contended that incorrect rate of transportation had been paid. The Committee directed the department to effect full recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.924)

2.4.1.10.36 Executive Engineer, Highway Division, Bahawalpur measured and paid an item “*Supplying and filling river a pit sand in sewer line*” @ Rs 5181.11% cft instead of admissible rate of Rs 494.10% cft based on MRS 1st bi-annual 2015 item No.41 Chapter No.3. Hence, allowing excess rate resulted in overpayment of Rs 0.440 million.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.440 million.

Audit pointed out the overpayment in August 2016. The department replied that the estimate was based on item No. 30 Chapter 7. The Audit pointed out the rate of supplying and filling of river pit sand within 5 chains excluding the lead which is not provided in the estimate. However the rate of objected item Rs 5,181.11 was paid erroneously instead of Rs 1,587.11. The actual recovery came out to Rs 0.337 million (9390×3594) (581.11 (-) 1587.11) which will be recovered in the next bill. Reply of the department was not tenable because the admissible rate was Rs 494.10% cft (Chapter-3 item 41) which was required to be paid. Hence, due recovery should be made.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that the contention of department regarding rate of item was not correct because the rate of item referred by audit has been provided in MRS within 5 chain (500 ft). The Committee did not agree with the departmental view point and directed to make recovery of balance amount of Rs 102,633 within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(2016-17) DP No. 1361

2.4.1.10.37 Executive Engineer, Road Construction Division, Gujranwala in the execution of work “*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*” measured and paid an item of work “*Pre cast curb stone (Non mountable)*” for a quantity of 3566 meter @ Rs 978 per meter (Rs 1,091.02 per meter x 10.36% below) vide Item at

Sr. No.86 of the bill by using incorrect quantities under sub head “Manpower” and “Material” instead of actual quantities. The rate comes to Rs 865 per meter (Rs 964.68 per meter x 10.36% below) as worked out by Audit in the rate analysis. Hence, department paid higher rate of Rs 113 per meter.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.402 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimate are for fair estimation of the project cost and the contractor quoted the rates for the particular item based on his own working and not on estimated rates. The rate was approved by the competent authority and payment was made accordingly. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1551)

2.4.1.10.38 Executive Engineer, Road Construction Division, Gujranwala in the execution of work “*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*” measured and paid an item of work “*Excavated unsuitable /surplus common material*” for a quantity of 65946.66 cubic meter @ Rs 346 per cubic meter (Rs 314.30 per cubic meter x 10% above) vide Item No-106-A of the bill by taking 8 hours for supervisor and helper instead of actual rate of Rs 344 per cubic meter (312.30 x 10% above) as worked out by Audit by taking 6 hours in the rate analysis as working hours of all the other items were taken for 6 hours or less than 6 hours. Hence, department paid higher rate of Rs 2 per cubic meter (Rs 346 – Rs 344).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.131 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the comparison between working hours of manpower and machinery is incorrect. The machinery was used to prepare the surface only whereas supervisor and helpers were required till final inspection to verify the required levels. The Committee directed to refer the case to the Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1532)

2.4.1.11 Irregular expenditure due to payment of base course without brick edging - Rs 160.255 million

As per section 552 of the specifications of roads and bridges, brick edging shall consist of a 9 inch wide brick on edge layer, contiguous to the pavement edge and in line with the profile of the base course with a 3 inch wide brick edging.

Executive Engineer, Highway Division, Sargodha got executed the item of work "*base course*" for a quantity of 2032114 cft and paid @ Rs 7660.00 % cft amounting to Rs 160.255 million. The said item was executed without allied item of work "brick edging".

Violation of rules resulted in irregular expenditure of Rs 160.255 million.

Audit pointed out the irregular expenditure in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that 24 ft carriageway has been executed as per sanctioned estimate, the lateral stability has been ensured by providing sub base of treated shoulder, whereas brick edging has to be provided at the edge of treated shoulder which is to be executed after asphaltic wearing course. Audit contended that brick edging was also not executed with the treated shoulders which required technical probe. The Committee directed the department to conduct technical probe of the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1142)

2.4.1.12 Overpayment due to application of higher rate – Rs 145.534 million

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

Executive Engineer, Road Construction Divisions, Faisalabad and Gujranwala got executed the items of work "Concrete Class A-1 to A-4 and D-1" 3000 psi to 5000 psi. The rate analysis of these items were prepared by taking 6 hours for Concrete Transit Mixer instead of 2 hours as concrete batching had the capacity of 30 cubic meter per hour. In this way higher rate of above items were got approved and paid accordingly.

Violation of Finance Department's instructions resulted in overpayment of Rs 145.533 million detail as under:

(Amount in Rs)

Sr. No.	DP No.	Name of Division	Qty. Cu.m	Excess rate paid	Amount
1	1529	RCD Gujranwala	11359	3552.00	40,347,168
2	1562	RCD Faisalabad	2651	7786.80	20,642,807
3	1544	RCD Gujranwala	11253	1654.00	18,612,450
4	1662	RCD Faisalabad	13430	1142.66	15,345,924
5	1547	RCD Gujranwala	7969.23	1638.00	13,053,599
6	1546	RCD Gujranwala	7429	1637.43	12,164,467
7	1566	RCD Faisalabad	3089	3694.00	11,410,297
8	806	RCD Faisalabad	7626.052	800.00	6,100,842
9	1550	RCD Gujranwala	1984.70	2503.00	4,967,704
10	1511	RCD Gujranwala	1764	1637.43	2,888,426
Total					145,533,684

Audit pointed out the irregularity in November 2017. The department did not reply.

The paras were discussed in the SDAC meeting held on 21.12.2017. The department stated that the rates included in the estimates were for fair estimation of the project cost and the contractor quoted the rates for the particular items based on his own working and not on estimated rates. The rates were approved by the competent authority and payments were made accordingly. The Committee directed the department to refer the case to Finance Department for seeking clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1529,1562,1544,1662,1547,1546,1566,806,1550 & 1511)

2.4.1.13 Irregular expenditure due to non-approval of rate analysis – Rs 132.963 million

According to the instructions issued by the Finance Department, Vide No.RO(Tech)FD-18-23/ 2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the

competent authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department.

Executive Engineer, Highway Division, Mianwali made payment of Rs 132.963 million for an item of work i.e “*Plum concrete using 60 % cement concrete 1:3:6 and 40 % plum including vertical shuttering*” for a quantity of 1175102 cft @ Rs 11,315 % cft. The department neither prepared rate analysis of the items nor sent it to the Finance Department for vetting and standardization.

Violation of the Finance Department’s instructions resulted in irregular expenditure of Rs 132.963 million.

Audit pointed out the irregularity in September 2017. The department replied that a proper rate analysis was prepared and technically sanctioned by the competent authority. The reply of the department was not tenable because no documentary evidence was produced to Audit.

The para was also discussed in the SDAC meeting held on 11.12.2017. Department stated that the rate of plum concrete by using 60% cement concrete 1:3:6 and 40% stone boulder was allowed in box culverts at different RDs for which proper analysis was prepared and got sanctioned. The Committee directed the department to refer the analysis of rate to Finance Department for vetting. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 800)

2.4.1.14 Non-recovery of cost of less used bitumen than approved Job Mix Formula – Rs 83.197 million

As per Finance Department’s Notification No. RO (Tech) FD-2-3/2004 dated 02.08.2004, the payment of carpet was to be made to the

contractor as per Job Mix Formula (JMF) or actual bitumen used in the work.

Executive Engineer, Highway Division, Faisalabad, Lahore, Dera Ghazi Khan, Muzaffargarh, Sahiwal, Jhelum and Bahawalpur got executed the items "*Providing and Laying plant pre-mixed carpet 2" using 4.5% bitumen*" and "*Providing and Laying plant premix carpet 2" thick with 4% bitumen contents*" and *1.5" thick with 4.5%*" bitumen contents and paid accordingly. But recovery on account of less use of bitumen was not made as the item of carpet was estimated with bitumen contents of 4.5% and 4% and awarded to the contractor accordingly but Job mix formula for laying of carpet issued by Road Research & Material Testing Institute, Lahore was 4.3% & 3.9%. The variation of 0.2% & 0.6% of bitumen ratio was required to be recovered along with 20% contractor overhead & profit and premium on the overpaid amount.

Violation of Finance Department's instructions resulted in non-recovery of Rs 83.197 million. (Annex-III)

Audit pointed out the non-recovery during July 2017. The department did not reply.

The paras were discussed in the SDAC meetings held in December 2017. The department admitted the recovery pointed out by Audit on account of less use of bitumen as per JMF approved by RR&MTI Lahore. The Committee directed the department to effect the recovery and get it verified by audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.91, 52, 89, 623, 405, 90, 443, 431, 575, 920, 94, 1483 & 1365
(16-17))

2.4.1.15 Overpayment due to allowing inadmissible preheating charges-Rs 64.124 million

As per Finance Department clarification issued vide letter No.RO(Tech)FD-11-8/22013, dated 30.07.2013, no preheating charges

shall be paid separately as the same were already included in the material/input rates of bitumen available on website.

Executive Engineer, Road Construction Division, Faisalabad got sanctioned, executed and paid an item of work “Asphaltic Base Course for Class A and B at different rates by including preheating charges, Equipment and Fuel charges. It was observed that preheating charges were already included in the rate analysis in the item of bitumen and separate payment for item resulted in overpayment of Rs 64.124 million

Violation of Finance Department's instructions resulted in overpayment of Rs 64.124 million.

Audit pointed out overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that rate of said item was prepared by the consultant and approved in the engineer estimate by the competent authority. Audit contended that incorrect rate of preheating was allowed by the department. The Committee directed the department to refer the matter to FD for clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of overpayment from the contractor.

(DP No. 1655)

2.4.1.16 Overpayment due to non-reduction in rate for using unpacked (bulk) bitumen - Rs 56.475 million

As per Finance Department letter issued on 2nd August, 2004, in case unpacked (bulk) bitumen is used in work then recovery @ Rs 4.50 per kilogram shall be effected from the payments made to the contractors.

Executive Engineer, Road Construction Division, Faisalabad awarded the different works to the contractor in January 2015. It has been observed that the department made payment of full rate for items of providing/laying premix bituminous carpeting and tack coat/prime coat

instead of deduction/recovery of Rs 4.50 per kg for consumption of unpacked/bulk bitumen used by the contractor.

Violation of Finance Department's instructions resulted in overpayment on account of use of bulk bitumen for Rs 56.475 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that payments were made as per JMF and no excess payments were made. Audit informed the Committee that no record was produced for verification of facts. The Committee directed the department to produce complete record to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends for early recovery from the contractor.

(DP No. 1656)

2.4.1.17 Overpayment due to excess measurement – Rs 40.647 million

As per para 2.7, 2.12, 2.86 of B&R Code read with Finance Department's letter No. Finance Department (D-II) 10(3)90 dated 30.06.1991, no change in specification / scope of work during execution of work can be made without prior approval of the competent authority that accorded administrative approval and sanction to technical estimate. Further as per minutes of the ADP Review meeting dated 16.03.2016 regarding deletion of concrete end blocks on KRRP roads.

2.4.1.17.1 Executive Engineers, Highways Divisions D.G Khan, Muzaffargarh, Sialkot, Rawalpindi and Minawali made payment for items of work "*Providing and Laying bituminous prime coat and Providing and Laying Bituminous carpet*" for execution on 12.50 ft width of road. However, the design of the Khadim-e- Punjab Rural Roads Programme (KPRRP) roads was approved with 12' width from 10' existing width of road. Moreover the department also laid base course on 12' wide road and

on 12 ft width of base course, the execution of 12.50' wide carpet on brick edging was not justified. Execution of 12.50' wide prime coat and carpet instead of 12' resulted in overpayment.

Violation of B&R Code and Finance Department's instructions resulted in overpayment of Rs 31.999 million (Annex-IV).

Audit pointed out the overpayment during 2017-18. The department did not reply.

The paras were also discussed in the SDAC meeting held in November 2017. Department stated that payment had been made as per approved TSE. It was apprised that earlier asphalt was allowed to be laid in 12.5 feet width in order to flush with the PCC end blocks. However competent authority approved the deletion of end blocks in a meeting held on 16.03.2016 which was intimated to the field formations on 22.03.2016. The Committee directed the department that recovery should be made if that work was executed after the intimation of the deletion of end blocks. However payment was justified if work was executed prior to said date.

The para was kept pending for verification of record with reference to the date of entries.

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

(DP No.567,569,426,588,442,568,625,849,778,626 & 852)

2.4.1.17.2 Executive Engineer, Highway Division, Dera Gazi Khan, measured and paid the items “*Prime coat*” for 7896 sft and “*P/L plant premixed carpeting*” for 17766 sft. The carpeting quantity was worked out on higher side due to multiplying the quantity of prime coat by the 2.25” thickness of carpeting wrongly. Due to wrong calculation of plant premixed carpeting for 9870 sft, the contractor was overpaid.

Violation of Finance Department's instructions resulted in overpayment for Rs 0.741 million.

Audit pointed out the overpayment in July 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 14.11.2017. The department stated that the thickness of “P/L plant premixed carpet had been taken as 2.25” and paid accordingly. The Committee did not accept the contention of the department and directed to effect the recovery. The Committee also directed Superintending Engineer, Highway Circle D.G Khan to take disciplinary action against the staff responsible for making wrong entries in the MB and against those who allowed such payment. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.423)

2.4.1.17.3 Executive Engineer, Road construction Division, Rawalpindi measured and paid an item of work “*P/L pitrun or bed run gravel sub-base course*” to the tune of Rs 6,488,233 @ 3,798 p% cft to the extent of 170832.94 cft by measuring RDs with thickness of 6" instead of 4" as per recommended design by the Road Research & Material Testing Institute, Punjab Highway Department.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.513 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that RR & MTI Lahore recommended the design of PCC road for built up area and there was no consideration of 4" thick sub base material. Audit contended and produced a copy of letter from RR & MTI Lahore in which 4" sub base in case of new construction was provided. The Committee after detailed deliberation directed to send reference to RR& MTI Lahore for clarification.

Audit recommends early compliance of Committee's directive.

(DP No. 1127)

2.4.1.17.4 Executive Engineer, Highways Division, Lahore approved an item of work i.e “*8mm thick steel liner*” @ Rs 4,1492 per m. The department in the rate analysis of said item of work included the cost of carriage and of loading and unloading @ Rs 5,000 and Rs 4,238 respectively. However the rate of heavy steel was notified for district Lahore at site of work. Therefore payment of carriage and loading and unloading was not admissible except for cost of erection. The inclusion of cost of carriage and loading and unloading in the rate analysis of said item of work resulted in overpayment.

Violation of Finance Department's instructions resulted in irregular expenditure of Rs 0.367 million.

Audit pointed out the loss in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit verified the rate analysis of 8mm steel liner wherein in addition to the composite rate of MRS, separate carriage, loading un-loading was included in the rate. Audit argued that MRS/input rates were at site rates therefore, short carriage was not admissible. The Committee upheld the view point of Audit and directed the department to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit stresses for early recovery.

(DP No. 50)

2.4.1.17.5 Executive Engineer, Highway Division, Dera Gazi Khan, measured and paid the item “*Tack coat*” for 3726 sft and “*P/L plant premixed carpeting*” for 8384 sft. The carpeting quantity was excess worked out on higher side due to multiplying the quantity of tack coat by

the 2.25" thickness of carpeting wrongly. Wrong calculation of plant premixed carpeting for 4658 sft (8384 - 3726) resulted in overpayment.

Violation of Finance Department's instructions resulted in overpayment for Rs 0.348 million.

Audit pointed out the overpayment in July 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 14.11.2017. The department stated that the thickness of "P/L plant premixed carpet had been taken as 2.25" and paid accordingly. The Committee did not accept the contention of the department and directed to effect the recovery. The Committee also directed Superintending Engineer, Highway Circle D.G Khan to take disciplinary action against the staff responsible for making wrong entries in the MB and against those who allowed such payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.
(DP No.420)

2.4.1.18 Overpayment due to application of incorrect rate – Rs 28.287 million

According to the item No.15 of the input rates of Equipment for the period 2nd bi annual, 2014 issued by the Finance Department for the District Faisalabad, the capacity of the Concrete Batching Plant used in the item of RCC concrete work with different ratio was 30 cubic meter per hour @ Rs 3,464.00 and mix the concrete for 50 cubic meter 1.67 hours required to complete the assignment. Further as per item 16 of equipment rate, the Concrete Transit mixer rate was Rs 2,271.00 per hour with 50 cubic meter in one hour.

2.4.1.18.1 Executive Engineer, Road Construction Division, Faisalabad awarded various works to the contractors. The department

prepared and adopted the Engineer Estimate instead of General contract. The department got sanctioned the rate analysis, executed and paid different items of work in excess of the admissible rates.

Violation of Finance Department's instructions resulted in overpayment of Rs 27.177 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that such issue had already been clarified by F.D vide No.RO (Tech) FD-11.08.2016 to 28.09.2017. Audit explained that F.D clarification was for a particular work. The Committee referred the FD clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1561)

2.4.1.18.2 Executive Engineer, Highway Mechanical Division, Lahore approved and paid rate of Rs 91 per running feet for item "*Supply of steel wire rope 24 mm dia for wire crates anchors 250 running feet/anchor*" instead of correct rate of Rs 65 per running feet as per input rates for 2nd bi-annual 2014.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.110 million.

Audit pointed out Overpayment in May 2017. The department replied that estimate of the work was technically sanctioned by the competent authority. The rates for the item were approved / sanctioned by S.E provisional Highway Circle Lahore. The reply was not tenable because incorrect rate of steel wire rope was applied for which no justification was given.

The para was discussed in the SDAC meeting held on 09.10.2017. The department stated that referred item No.06.029 was steel rope 1 inch dia whereas in the rate analysis steel wire rope 1 inch dia was taken and executed at site. Therefore specification is different. Moreover, similar issue was already settled in PAC meeting. The Committee directed the department to get the record re-verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery along with action against responsible.

(DP No. 132)

2.4.1.19 Irregular payment of price variation - Rs 28.223 million

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

Executive Engineer, Highway Division, Sargodha awarded a work to the contractor after calling tender in the month of November 2014. The department up to 32nd running bill made payment of price variation worth Rs 28.223 million on account of various items of work i.e. crush, steel G 60, HT wire, base course, sub base, cement, HSD and labour. In this connection, it is pointed out that the department did not prepare detail of quantities upon which the escalation and de-escalation was calculated.

Violation of rules resulted in irregular expenditure of Rs 28.223 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department did not produce the complete record i.e. statement of price variation to Audit for verification. The Committee directed the department to produce complete record to Audit for detailed re-verification. The

compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be regularized besides fixing responsibility.

(DP No. 1345)

2.4.1.20 Overpayment on account of de-watering - Rs 27.651 million

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

Executive Engineer, Highway Division, Sargodha made payment for an item of work i.e. "*earthwork excavation in open cutting for sewers and main holes etc below sub soil water 4.1' to 8' depth below sub soil water*" for 1882188 cft @ Rs 9,232.64 %o cft and made payment of Rs 27,651,295 for another item of work i.e. "dewatering arrangements" for 5666249 cft @ Rs 4.88 P cft. The first item was composite item which included the cost of removing water. Bore log was also not produced to Audit.

Violation of rules resulted in overpayment of Rs 27.651 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that item for earth work excavation (MRS 43) was rightly adopted considering the fact that stone work had to be carried out below the sub soil water level for the construction of apron of guide bank which was necessary for proper river training. Department further elaborated that item suggested by audit (MRS item No.52) pertains to simple excavation of earth in the channels/drains and it cannot be used in the case for construction of apron due to the fact that it does not cover the rate for shuttering etc to achieve a correct section as provided in the

structure/construction drawings. However, Audit argued that item of MRS No.43 is meant for Public Health Work. Moreover item at Sr. No. 52 notified by the FD sufficiently caters to the requirement of the job. The Committee considering the difference of opinion, pended the para with the direction to seek advice from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1342)

2.4.1.21 Loss due to delay in finalization of announcement of award for land acquisition - Rs 27.042 million

As per section 17(4) & 6 of the Land Acquisition Act 1894 the award was required to be issued within 6 months after issuance of notification under section 17(4) & 6.

Land Acquisition Collector Faisalabad, paid an amount of Rs 95,187,490 on account of cost of land and Rs 27041859 as compound interest @ 8% to the land owners due to late announcement of award for land acquisition after issuance of notification under section 17(4) & 6 of the Land Acquisition Act 1894. The award was required to be announced within 6 months after issuance of notification or date of possession of land.

Violation of rules resulted in loss of Rs 27.041 million due to delay in finalization of announcement of award for land acquisition worth.

Audit pointed out the loss in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit examined the record during verification and found that notification of section 17 (4) & (6) was published in gazette on 24.01.2012 and BOR granted approval on 03.10.2012 and award was announced by LAC Faisalabad on 10.10.2012, therefore, delay of three months was on the part

of Secretary, BOR. The Committee referred the case to PAC for deciding the final fate of the para. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 173)

**2.4.1.22 Unjustified payment due to use of low quality material -
Rs 20.659 million**

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

Executive Engineer, Highway Division, Rawalpindi made payment of Rs 20,659,276 for item of work "*P/L sub base course of pit run gravel specified thickness compacted*" without the necessary test. The sub base laid was found of inferior quality and poorly graded, containing very few percentage of coarser material. The local material used for sub base course was not according to standard approved thickness as reported by the consultant vide letter No 3126/103/ KPRRP-III/BIK/101/16 dated 09.08.2016.

Violation of Finance Department's instructions resulted in unjustified payment of Rs 20.659 million.

Audit pointed out the unjustified payment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that defective work had been removed subsequently and the consultant had verified the item after applying test. Audit pointed out that department did not get any relevant record verified. The Committee directed the department to get the record verified within 15

days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 827)

**2.4.1.23 Non-recovery due to non-imposition of penalty -
Rs 18.245 million**

Under clause 39 of the contract agreement upto 10% penalty of agreement cost is to be imposed if the contractor failed to complete the work within stipulated time period. Further, under clause 60 & 61 of the agreement the work of non-responsive contractor may be rescinded and got executed at the risk and cost of the original contractor.

Executive Engineer, Highway Division Jhelum did not impose the compensation of penalty on the contractor despite the fact that the time limit for the completion of work was 12 months which expired on 25.06.2016 and after that no time extension was granted to the contractor(as evident from record). The record revealed that the pace of work was not satisfactory and the contractor was creating hindrances in the execution of work as is evident from the correspondence i.e XEN letter No- 364/C dated 18.04.2017, and SDO No.391/J dated 10.05.2016 but penalty of Rs 18.245 million (Rs 182.457 M x 10%) was neither imposed nor recovered from the contractor.

Violation of contractual obligation resulted in non-recovery of Rs 18.245 million due to non-imposition of penalty.

Audit pointed out non-recovery / imposition of penalty in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department replied that contractor had not yet applied for time extension. As and when he applied, the same would be considered / recommended on merit. Audit contended that is was the responsibility of

the department to impose the penalty. The Committee upheld the view point of Audit and directed the department to impose the penalty on the contractor and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1687)

2.4.1.24 Irregular expenditure on generators - Rs 13.81 million

As per Rules 3.14 of D.F.R, the expenditure incurred is required to be charged against its proper head of account.

Executive Engineer, Highway Mechanical Division, Lahore booked an expenditure of Rs 13.808 million in the month of June 2015 & June 2016 on account of running and repair of generator installed in the offices of Chief Engineer, (North) and Superintending Engineer, Provincial Highway Circle Lahore. The expenditure was required to be charged to the contingency of the respective offices.

Violation of rules resulted in irregular expenditure of Rs 13.808 million.

Audit pointed out the irregular expenditure in May 2017. The department replied that estimates for running/repair of generators in the office of Chief Engineer were technically sanctioned by the competent authority and the budget was allotted by the competent authority. The reply was not tenable because expenditure was incurred in violation of rules.

The para was discussed in the SDAC meeting held on 09.10.2017. The department stated that allocation of funds for repair and maintenance of Generator was transferred by CE and were accordingly utilized by XEN, HMD, Lahore. Audit contended that the matter required detail verification of record. The Committee directed the department to get the

record re-verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 128)

2.4.1.25 Overpayment due to execution of work in violation of specification - Rs 11.310 million

As per specification for construction of road issued by RR&MTI sub base is not required on the granular sub grade. Soil belonging to granular classification does not require sub base course.

Executive Engineer, Highway Division, Mianwali made payment for an item of work i.e "*P/L sub base course*" for 317069 cft @ Rs 3,567 % cft amounting to a total of Rs 11.310 million, whereas sub base was not required on the granular sub grade.

Violation of rules resulted in overpayment of Rs 11.309 million.

Audit pointed out the overpayment in September 2017. The department replied that no granular sub grade was available at site. The reply of the department was not tenable because no documentary evidence was produced to Audit.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that sub-base course was required for leveling and strengthening the existing sub-grade due to heavy traffic. Audit informed the Committee that no sub-base course was required on granular sub grade. The Committee directed the department to refer the case to RR&MTI for clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 798)

2.4.1.26 Less recovery of cost of deposit work – Rs 11.226 million

As per Rule 7.130 of Departmental Financial Rules, no deposit work should be undertaken by the Divisional Officer without prior approval of the administrative head of department concerned. It should be clarified that party concerned has deposited the entire amount of the work.

Superintending Engineer, Provincial MM (Highway Circle) Lahore, an amount of Rs 102.039 million was lying recoverable from following Divisions for the execution of work i.e. “*Manufacturing of different type of sign boards, cat eyes and lane marking*” executed by XEN Provincial MM Division Lahore. The department did not make any effort for effecting recovery from the defaulters since long.

Violation of Finance Department’s instructions resulted in less recovery of Rs 102.039 million.

Audit pointed out the less recovery in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 09.10.2017. Audit verified the record and found that actual recoverable amount was Rs 77.678 million against which Rs 66.451 million had been recovered. The Committee reduced the para to Rs 11.226 million and directed the department to effect the recovery at the earliest. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery from the defaulters.

(DP No. 325)

2.4.1.27 Loss due to incorrect calculation of lead – Rs 7.983 million

As per 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. Moreover, according to condition No. 5 of the Finance Department letter No. RO (Tech) F.D 2-3/2004, dated 02.08.2004, the material of base, sub-base, CR masonry, stone boulders and stone pitching shall be carried from nearest Quarry and shortest route shall be used / adopted for carriage.

2.4.1.27.1 Superintending Engineer, Highway Circle, Gujranwala approved lead of 112 km in the work from Kirana Quarry to Kuthiala Sheikhan. Whereas, in the estimate of another work “Rehabilitation of Road from Kadhar to Mianwal via Khamb length 8 km Dist: M.B Din” the lead was taken as 102 km for the same site. In this way extra lead of 10 km was taken in the estimate of the work for the items Base Course and Triple Surface Treatment.

Violation of Finance Department’s instructions resulted in loss of Rs 6.599 million.

Audit pointed out the loss in April 2017. The department did not reply.

The paras were discussed in the SDAC meeting held on 11.10.2017. Audit contended that excess lead of 10 KM was taken from Kirana quarry to Kathilan Sheikhan and recovery of extra 10 KM lead was required to be effected from the contractor. The Committee directed the department to effect recovery from contractor and get it verified by Audit within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 147 & 138)

2.4.1.27.2 Executive Engineer, Highway Division, Sahiwal executed the item “*P/L sub-base, base course & TST*” and paid @ Rs 7,205.34 % cft, Rs 8,829.74% cft and 4,507.71% cft. The rates were worked out with lead 168 Km (from Sikhanwali quarry to site of work), whereas the actual distance was 103 Km. The admissible rate worked out to Rs 7,084.51% cft

for Sub-base and Rs 9,587.18% cft for base-course and Rs 4,497.89 % cft for TST.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.383 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that actual lead involved was 168 KM as per lead chart provided in the T.S estimate. Audit contended that actual lead from quarry to site of work for carriage of stone was 163 km. The Committee did not agree with the departmental reply and directed the department to get re-verification of record form Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.883)

2.4.1.28 Overpayment due to allowing of higher percentage – Rs 7.343 million

As per Finance Department Government of the Punjab clarification issued vide No. RO(Tech)FD 1-2/83-VI, dated. 29.03.2005, the final cost of tender / payment shall be the same percentage above / below as were at time of approval of tenders.

Executive Engineer, Highway Division, Sialkot made payment for a work of "KPRRP PHASE-II" to M/s Asad Contractors at 4.49% above against estimated cost put to tender i.e. Rs 513.462 million. The quantities as well as rates of all items paid in the last bill were compared with estimated rates and it was found that the contractor was getting 6.04% above. The total value of work done was paid as Rs 504.348 million instead of admissible payment of Rs 496.993 million. Thus an amount of Rs 7.342 million was overpaid.

Violation of Finance Department's instructions resulted in overpayment of Rs 7.342 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. Audit stated that work was allotted to contractor(s) at 4.49% above whereas in last running bill percentage was found 6.04%. Thus, excess payment was made. The department stated that payment was made as per approved rates in contract. There was no excess payment. Further, final bill is under process, recovery, if any, would be made as per final bill. The Committee directed the department to get the final bill verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1432)

2.4.1.29 Overpayment due to non-deduction of quantity of regular excavation – Rs 7.022 million

As per specification No.411-13 of Book of Specifications of Roads & Bridges, earth obtained as a result of regular excavation shall be reused / adjusted in the earth work for embankment.

Executive Engineers, Highways Divisions Lahore, R.Y Khan, D.G Khan, Bahawalpur, Mianwali, Multan, Sargodha, Faisalabad, Jhelum, Khanewal and Road Construction Division Rawalpindi, Gujranwala, Faisalabad got executed the item "*regular excavation dressed*" and paid accordingly. Further the item "*earthwork for making embankment with all lead*" was paid but the deduction of the quantity of regular excavation from the quantity of earthwork for embankment was not made.

Violation of specification resulted in overpayment of Rs 7.021 million.

Audit pointed out the overpayment during 2017-18. The department did not reply.

The paras were also discussed in the SDAC meetings held in December 2017. The department admitted that deduction of regular excavation would be made in the next bills of contractors. The Committee directed the department to effect recovery and get it verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 404, 928, 1719&1720)

2.4.1.30 Excess payment due to incorrect calculation– Rs 6.553 million

As per sub clause 55(1) of agreement, any variation (increase or decrease) to the extent of 5% or more in the price of materials mentioned in sub-clause 55(2) will be adjusted to the extent of the actual verification. Further, as per Rule 7.16 read with Rule 7.17(b) of DFR, all payments for work or supplies are based on the quantities recorded in the measurement book. It is incumbent upon the person taking the measurements to record the quantities clearly and accurately.

Executive Engineer, Road Construction Division, Faisalabad, Audit observed that an amount of Rs 1.562 million was recovered as price variation against the expenditure of Rs 294.288 million upto 13th running bill for different items whereas actual amount required to be deducted was Rs 8.116 million.

Violation of contractual obligations resulted in excess payment of Rs 6.553 million.

Audit pointed out the excess payment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that recovery of de-escalation had been made. The Audit informed that record regarding recovery of de-escalation was not produced to Audit. The Committee directed to get verification of record by Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1575)

2.4.1.31 Irregular payment for miscellaneous items without making record entries - Rs 5.696 million

Payments for all work done otherwise than by daily labour or on lump sum contract and for all supplies are made on the basis of measurements recorded in measurement books, Form D.F.R (W) 20, in accordance with rule 7.17(b) of DFR.

Executive Engineer, Road Construction Division, Faisalabad awarded a work to the contractor. The department paid 16th & running bill to the contractor during the month of March 2017, wherein an amount of Rs 5.696 million was paid against miscellaneous items on lump sum basis without making record entries. The department did not produce the measurement book of record entries. Payment without recording entries in Measurement Book as well as provision in the TS estimate stood irregular.

Violation of rules resulted in irregular payment of Rs 5.696 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that recording a large number of record entries of a big project in the MBs was impossible therefore, detailed record entries duly verified by consultant NESPAK were made part of record. The

explanation of the department was not accepted by the Committee and it referred the para to F.D. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1588)

2.4.1.32 Non-recovery of machinery charges – Rs 4.871 million

As per rule 4.7(1) of Punjab Financial Rules Vol-I, it is the responsibility / primary duty of the department / authority to watch that all revenue due to Government is correctly assessed, realized and credited to Government account.

Executive Engineer, Mechanical Division, Rawalpindi executed certain works on the request of Road Construction Sub Divisions Rawalpindi, Murree, and Highway Division Rawalpindi but an amount of Rs 4.871 million was still outstanding to be recovered on account of machinery / carriage and hire charges.

Violation of rules resulted in non-recovery of machinery charges amounting to Rs 4.871 million.

Audit pointed out the non-recovery in March 2017. The department replied that an amount of Rs 0.667 million had been recovered however, the department was pursuing for the balance recovery. The reply of the department was not tenable as the department did not produce record of recovery for verification.

The para was discussed in the SDAC meeting held on 11.10.2017. The department stated that an amount of Rs 3.959 million was recovered from other District Divisions but its accountal in monthly account was not verified by Audit. However, an amount of Rs 0.344 million was still recoverable from other department. The Committee reduced the para upto Rs 0.344 million subject to verification of accountal of effected recovery of Rs 3.959 million in the relevant monthly account and directed the

department to expedite the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of hire charges and its verification from Audit.

(DP No. 115)

2.4.1.33 Loss due to provision of old material of brick as sub base instead of new sub base Rs 4.869 million

As per rule 2.33 of Punjab Financial Rules (PFR Vol-I), every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part.

Superintending Engineer, Highway Circle, Gujranwala provided in the estimates of various works/schemes an item "*relying of dismantled existing brick edging*". The rate of this item was on higher side than the rate of new sub base while if the department had recovered cost dismantled road edging and had then added the rate of new base course, actual, economical rate would have been arrived.

Violation of rules resulted in loss of Rs 4.868 million.

Audit pointed out loss in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.10.2017. Audit pointed out that the department was required to effect cost of old material instead of relaying as sub base course. The Committee directed the department to either work out the actual recovery on account of old material and effect if under intimation to Audit or otherwise to get the matter condoned from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 175)

2.4.1.34 Non-auction of unserviceable machinery and non repair of repairable machinery – Rs 4.432 million

As per para No. 4.35 (3) of Buildings and Roads Department Code, stores which are completely unserviceable should either be written off or sold through auction after obtaining sanction of survey report.

Executive Engineer, Highway Mechanical Division, Lahore did not auction 6819 empty tar drums available in the divisional store. Audit observed that a huge number of drums were laying in store from many years and losing their book value/ getting deteriorated day by day. The department did not take any action for disposal of drums through open auction to avoid loss to government and earn huge revenue.

Violation of rules resulted in overpayment of Rs 4.432 million.

Audit pointed out loss in May 2017. The department replied that survey report for auction empty tar drums was under preparation and shall be submitted to the competent authority for approval. The reply was not tenable because empty tar drums were lying in store for many years but the department took no action for their disposal through open auction to earn handsome revenue and avoid loss to government.

The para was discussed in the SDAC meeting held on 09.10.2017. The department stated that auction of empty tar drums was under process. The Committee directed the department to expedite the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early disposal of tar drum through open auction.

(DP No. 133)

2.4.1.35 Unjustified Expenditure without approval of rate analysis - Rs 3.975 million

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

Executive Engineer, Highway Division, Sahiwal executed the item "*P/F iron guard railing of MS sheet 1/10 SWG to be filled on MS joint size 6"x 3"x1/3" in 4.5 feet long complete in all respect*" and paid @ Rs 2,322.21 per RM for Rs 3,974,688 as non-standardized item but in the PC-I and TS estimate, the rate analysis was not available nor produced. Without rate analysis the rate, the sub-items could not be verified. This resulted in unjustified expenditure.

Violation of Finance Department's instructions resulted in unjustified expenditure of Rs 3.974 million.

Audit pointed out the unjustified expenditure in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that payment was made as per provision of TSE and as per approved summary of C.M. Audit contended that rate analysis was not produced for verification. The Committee directed the department to produce rate analysis for verification within 7 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 902)

2.4.1.36 Non-recovery of government taxes - Rs 3.950

(A) Non-deduction of withholding tax - Rs 2.704 million

According to Income Tax Ordinance 2001, Income Tax @ 10% is required to be deducted from the amount of interest payable.

2.4.1.36.1 Land Acquisition Collector Faisalabad, paid compound interest @ 8% to the land owners due to late payments, however 10% income tax was not deducted from the payments.

Violation of rules resulted in non-deduction of withholding tax worth Rs 2.704 million.

Audit pointed out the non-deduction in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit informed the Committee the income tax on compound interest was required to be recovered @ 10% vide CBR Notification dated 27.12.2004. The Committee directed the LAC to effect recovery of income tax @ 10% from the effectees at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 162)

(B) Non-recovery of Sales Tax – Rs 1.246 million

As per Punjab Revenue Authority Finance Department instructions dated 25.04.2014, 16% Punjab Sales Tax (PST) is chargeable on Services provided by the Engineering Consultants w.e.f 1st July 2013.

2.4.1.36.2 Executive Engineer, Road Construction Division, Rawalpindi did not recover 16% PST from the consultants as per above rule.

Violation of Finance Department's instructions resulted in non-recovery of PST of Rs 0.764 million from the consultants.

Audit pointed out the non-recovery in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that actual recovery came to Rs 0.606 milion instead of Rs 0.765 million and that recovery of Rs 43,905 had been effected. The Committee directed the department to make balance recovery of Rs 561,681 and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit advises recovery besides disciplinary action against defaulters.

(DP No. 1135)

2.4.1.36.3 Executive Engineer, Highway Division, Rawalpindi did not recover 16% Punjab Sales Tax (PST) from the consultant due to use of wrong method of deduction of the tax from the bill.

Violation of Finance Department's instructions resulted in non-recovery of Punjab Sales Tax amounting to Rs 0.480 million from consultant and likely overpayment of Rs 4.62 million upto the final payment.

Audit pointed out the non-recovery in September 2017. The department did not furnish any reply.

The para was discussed in the SDAC meeting held on 11.12.2017. Department stated that contract was awarded to the consultant by applying 16 % PST. Audit argued that no record was produced for verification. The Committee directed the department to get record of deduction of PST verified by Audit.

Audit recommends recovery besides disciplinary action against defaulters.

(DP No. 817)

2.4.1.37 Loss due to non-reduction of rate as per Contractor's undertaking - Rs 3.566 million

As per undertaking of contractor M/s Popular Goods Transport Limited dated 22.03.2016 regarding acceptance letter No.2414/CB dated 31.07.2015 for carriage of bitumen in drums from Attock Petroleum Karachi to different highway divisions of Gujranwala Region, the rate of carriage was to be reduced from Rs 9420 per ton to Rs 7500 per ton for supply of 752 ton Bitumen.

Superintending Engineer, Highway Mechanical Circle, Lahore, awarded the work to contractor as per his proposal. The payment was required to be made after reduction of rate but the same was not done.

Violation of contractual obligation resulted in loss of Rs 3.566 million.

Audit pointed out the loss during May 2017. The department did not any reply.

The para was discussed in the SDAC meeting held on 09.10.2017. The Committee directed the department to produce the final bills for verification of contractor's reduced rate (as per undertaking) of Multan and Gujranwala Regions and get it verified by Audit within one week. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the loss from person(s) at fault.

(DP No. 166)

2.4.1.38 Loss due to non-recovery of material after cold milling - Rs 3.526 million

As per item No 213.2 of NHA specifications, a complete mechanism was explained to recycle the milled material.

Executive Engineer, Highway Division, Sargodha in the estimate made provision of an item of work i.e “*removing of asphaltic course by cold milling 5” to 5.5” thick*” for 251904 sft. The department did not make provision of reusing the 110208 cft bajri retrieved after cold milling.

Violation of rules resulted in loss of Rs 3.526 million.

Audit pointed out the loss in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that item cold milling was sanctioned in TS estimate and specification of NHA was not applicable. Audit contended that specifications of item of cold milling were not available in the specifications of bridges and roads. Therefore, specification of NHA is applicable for said item whereby the milled material was required to be reused before bringing the new material at site. The Committee referred the para to RRMTI for clarification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1138)

2.4.1.39 Overpayment due to wrong calculation – Rs 3.361 million

As per 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.

Executive Engineer, Highway Division, Rawalpindi in the execution of work “*Construction of Kallar Syedan Bye Pass Road (Road Portion) Length = 3.29 Km Group-I*” measured and paid an item of work “Making embankment in ordinary soil i/c $\frac{1}{2}$ Km lead” for quantity of 672170 cft @ Rs 5,000 %o cft amounting to Rs 3,360,850 instead of actual quantity which comes to (-) 323708 cft. Thus, the payment of Rs 3,360,850 for a quantity of 672171 cft stands unjustified and is an overpayment to the contractor.

Violation of rules resulted in overpayment of Rs 3.360 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that excavated material of 761742 cft was reused out of 1573804 cft and balance quantity 812062 cft could not be transported due to nullah. Audit pointed out that as per condition No.2 of AA, the credit of available material was to be made to scheme. The Committee upheld the point of Audit and directed the department to make recovery within two months. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 820)

2.4.1.40 Irregular execution of item of earth work – Rs 2.878 million

As per TS Estimate condition No-ix “The responsibility of the items and their quantities as depicted in the estimate lies upon the executing staff i.e Executive Engineer, Sub Divisional Officer and Sub Engineer concerned who have surveyed the area and prepared the estimate and have certified through independent certificate attached with the estimate that the provisions made in the estimate are as per site measurements / requirements”.

Executive Engineer, Highway Division Jhelum in execution of work “*Khaadam-e-Punjab Rural Roads Program (KPGRP) Phase – IV District Jhelum*” measured and paid “Earthwork for excavation embankment with all lead and lift (in ordinary soil) @ Rs 5,054.85 % cft for Rs 2,877,969 without any provision in the revised estimate. The payment stands irregular and may either be justified or recovery be effected.

Violation of rules resulted in irregular payment of Rs 2.877 million to the contractor.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. Audit informed the Committee during verification that department did not produce the complete record for verification. The Committee directed the department to produce the complete record to Audit for re-verification within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1692)

2.4.1.41 Overpayment due to application of higher rate – Rs 2.784 million

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

Executive Engineer, Highway Division, Sahiwal got approved rate analyses of the items “*Providing & Erection at site Information Board, Project Board and Delineator Board*” of different sizes and paid @ Rs 28550, Rs 87400, Rs 28450, Rs 13100 and 82780 each respectively. The rate analyses were prepared by taking excess rate of GI sheet, GI pipe 3” dia, M.S angle iron and reflective sheet / tape.

Violation of Finance Department’s instructions resulted in overpayment of Rs 3.069 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department stated that the payments for the subject boards had been made to Executive Engineer Mechanical Division Lahore. However recovery amounting to Rs 0.285 million had been effected in respect of sub para # 66. The same had been verified by Audit. The Committee directed to get the accountal for sub para No. 66 verified by Audit and to shift the other paras to XEN Mechanical Division Lahore for effecting due recovery. The para was reduced to Rs 2.784 million. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 903,1013,1015,1012 & 934)

2.4.1.42 Unjustified payment of rehabilitation and shifting allowance in addition to disturbance allowance - Rs 2.756 million

As per Rule 2.10 of Punjab Financial Rules Volume-I, same vigilance should be exercised in respect of expenditure incurred from government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Land Acquisition Collector, Faisalabad paid an amount of Rs 2.756 million on account of rehabilitation and shifting in addition to assessed cost of structure besides 25% disturbance allowance in violation of Land Acquisition Act 1894 for construction of Underpass at Abdullah Pur Chowk Faisalabad. This resulted into unjustified payment of Rs 2.756 million.

Violation of rules resulted in unjustified payment of Rs 2.756 million as rehabilitation and shifting allowance in addition to disturbance allowance.

Audit pointed out the unjustified payment in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. The department explained that the matter was subjudice in civil court of Faisalabad. When the decision is finalized, it will be implemented. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 317)

2.4.1.43 Non recovery of damages from contractor – Rs 2.240 million

Government of the Punjab, Irrigation Department, Kasur Drainage Sub Division, Lahore wrote an office letter No.894/1-M, dated 22.02.2016 addressed to Sub Divisional Officer, Provincial Highway Sub Division, Kasur regarding unauthorized lifting of earth from banks of Raiwind Main Drain, U/S and D/S of Bridge at RD 64+900.

Executive Engineer, Highway Division, Lahore awarded the work "*Rehabilitation and Improvement of road from Kot Radha Kishan to Mudkey via Bhagyarmar length 8.60 Km District Kasur*", to a contractor in November 2015 under KPRP Phase-II. The contractor was paid 13th and last bill during February 2017. The contractor lifted the earth for the above

work for making embankment from the bank of Main Drain which caused significant damages to the bank of Main Drain. The SDO Kasur Drainage Sub Division also asked to recover the damages from the contractor for using the material/earth but Provincial Highway Division failed to recover the loss.

Violation of rules resulted in non-recovery of Rs 2.239 million.

Audit pointed out the non-recovery in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. The department stated that rectification had been done by the contractor. The Committee directed the department to get the record regarding rectification of drain verified by Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 85)

2.4.1.44 Loss due to payment of compound interest and non-recovery of income tax thereon - Rs 1.702 million

As per Rule 2.10 of Punjab Financial Rules Volume-I, same vigilance should be exercised in respect of expenditure incurred from government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

LAC Faisalabad approved compound interest of Rs 1.547 million for payment to land owners. Audit was of the view that the land was acquired in 12/2008 but the award was announced in 12/2011. The responsibility for three years delay in announcing award was on the part of the department. This resulted in loss due to payment of compound interest. Further it was seen that while making payment of compound interest, income tax @ 10% amounting to Rs 154,741 was also not deducted.

Violation of rules resulted in loss of Rs 1.547 million due to payment of compound interest and non-recovery of Rs 0.154 million as income tax on compound interest.

Audit pointed out the loss in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit informed the Committee that during verification of record it was found that notification of section 17 (4) & (6) was published in gazette on 28.02.2011 and BOR granted approval on 16.09.2011 and award was announced by LAC Faisalabad on 02.12.2011, therefore, one month delay was on the part of Secretary, BOR and two months delay on the part of LAC Faisalabad. Moreover, the income tax on compound interest was required to be recovered @ 10% vide CBR Notification dated 27.12.2004. The Committee directed the Chief Engineer Highway Circle to investigate the matter and submit fact finding report for delay and directed LAC to effect recovery of income tax @ 10% from the effectees at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 158)

2.4.1.45 Irregular payment on account of unapproved rate – Rs 1.535 million

According to rule 2.10(a) of Punjab Financial Rules, Vol. 1, a Government servant should exercise the same vigilance for incurring expenditure from Government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

Executive Engineer, Highway Division, Lahore got executed an item of work i.e “Finishing of existing Kerb Stone 14” height @ Rs 174.44 Per rft for Rs 1.535 million. Moreover, the department also paid another item of work “Painting of Existing Kerb Stone” for 15190 rft @

Rs 1,449.55 per % Nos. amounting to Rs 0.220 million which was in addition to the said item of work.

Violation of rules resulted in irregular payment of Rs 1.535 million.

Audit pointed out the loss in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit informed the Committee that the department had not produced the relevant record during verification. The Committee directed the department to get the relevant record verified by Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 93)

2.4.1.46 Non-recovery of pre-shipment inspection and TA/DA charges – Rs 1.408 million

According to Para No. IV of Finance Department's Notification No.RO(Tech)FD.18-29/2004, dated 30.3.2006, 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 and the Finance Department.

Superintending Engineer, Provincial Highway (Machinery Maintenance) Circle Lahore, approved/awarded the work "*Supply, Installation, Testing, Commissioning of Escalators for Pedestrian Overhead Bridge from District Court to New Judicial Complex, Rawalpindi*" to M/s Merin Pvt Ltd during May 2016 for Rs 31.080 million. The department procured Escalators / imported items made by Schindler from Turkey. No import document i.e. bill of entry, bill of lading and proforma invoice etc. & inspection note was available on

record showing pre-shipment inspection in country of origin. Cost of pre-shipment inspection by two persons included in rates was also not recovered from the contractor.

Violation of Finance Department's instructions resulted in non-recovery of Rs 1.408 million on account of cost of pre-shipment inspection charges.

Audit pointed out the non-recovery in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 09.10.2017. The Committee directed the department to work out and recover the actual cost of 2 persons on account of pre-shipment inspection in Turkey and get it verified by audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery from the contractor besides fixing responsibility against the person(s) responsible.

(DP No. 326)

2.4.1.47 Overpayment due to recording excess quantity and deduction of less area - Rs 1.264 million

As per 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.

Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Repair/Rehabilitation of road from Pull Babbar to Hospital Chowk in Tehsil Nowshera Virkan*" measured and paid an item of work "*P/L crushed stone aggregate sub-base*" of 0.833' thickness instead of actual 6" thickness. Further, a less quantity of 7880 cft @ Rs 16,039.49 was deducted from item "*earthwork making embankment*".

Violation of rules resulted in overpayment of Rs 2.606 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department stated that as per PC-1/TS estimate 0.833' (10") thickness was entered and paid to the contractor. Further the less deducted quantity of earth would be adjusted in next bill. Audit stated that in nomenclature of voucher, bid and MB, the thickness was 0.5' (6"). The Committee reduced the para to Rs 1.264 million and directed the department to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1716)

2.4.1.48 Overpayment due to excess quantities – Rs 1.010 million

As per 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.

Executive Engineer, Highway Division, Jhelum measured and paid an item "*Rigid Pavement*" @ Rs 244.58 per sft instead of Rs 231.35 per sft due to taking of excess quantity of steel in the rate analysis of the above item.

Violation of rules resulted in overpayment of Rs 1.010 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department initially admitted the recovery but later changed the stance by quoting that calculation and provision had been taken as per design of rigid pavement. Audit contended that dia of steel was 3/8" therefore factor

of 0.375 instead of 0.67 was to be applied for calculation of quantity of steel. The Committee directed the department to get the record verified by audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1693)

2.4.1.49 Irregular payment without recording entries in the measurement books

According to rule 7.29 of DFR, "before signing the bill, Sub-Divisional Officer should compare the quantities/ amount 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". All payments are based on record entries recorded in the MBs. Furthermore, as per instruction No.7 in the preface of Measurement Book, record entries/ measurements provide the basis for making payment on account of work done by the contractor. As 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.

Executive Engineer, Road Construction Division, Faisalabad awarded two works to different contractors in January 2015. It was pointed out that record entries of the work done were not made in the MBs as only abstracts of cost were entered in the MBs with no detail of record measurement. It was observed that the department allowed payment for the work done without recording of entries in the measurement books by the Sub-Engineers and exercising of check measurements by the Sub-Divisional Officer as well as the Consultant Engineer.

Violation of rules resulted in irregular payment due to non-recording of entries in the MBs.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that recording a large number of record entries of a big project in the MBs was impossible, therefore, detailed record entries duly verified by consultant NESPAK were made part of record. The explanation of the department was not accepted by the Committee and it referred the para to Finance Department for condonation. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1568)

Internal Control weaknesses

2.4.1.50 Undue financial benefit due to non-obtaining of additional performance security – Rs 683.143 million

As per Clause-26-A of the contract agreement, in case the total tendered amount is less than 5% of the approved estimation (DNIT) amount, the lowest bidder will have to deposit additional performance security from a Scheduled Bank.

2.4.1.50.1 Executive Engineer, Road Construction Division, Faisalabad awarded a work to the contractor on 08.01.2015 for Rs 3645.565 million which was 14.38% below the TS estimate amount of Rs 4239.770 million. According to condition 19 of the acceptance letter, additional performance security was to be adjusted from the amount of mobilization advance. However, neither the department obtained the additional performance security from the contractor, nor security deposit register was produced for Audit verification.

Violation of contractual obligation resulted in non-obtaining of additional performance security worth Rs 594.204 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that the record regarding obtaining of additional performance security would be produced within a week. The Committee directed the department to produce additional performance security to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1563)

2.4.1.50.2 Executive Engineer, Road Construction Division, Gujranwala did not get the revalidation of bank guarantee No-HMBL/GLE/LG/148-16 issued on 13.06.2016 which expired on 12.03.2017.

Violation of contractual obligation resulted in undue financial favour to the contractor.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the work for which bank guarantee was issued had been physically completed and the contractor had finished his obligation/ responsibility. The Committee directed the department to get the final bill verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(Para No. 1541)

2.4.1.50.3 Executive Engineer, Highway Division, Jhelum awarded a work Rehabilitation & Improvement Of Road from Misri More To Khewra via PD Khan District Jhelum Group-01 under "Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-III" and but did not get revalidation of performance guarantees amounting to Rs 31.937 million

(16.433+15.504) which expired on 5.03.2017 and 28.01.2017 while the works were still in progress.

Violation of contractual obligation resulted in undue financial favour of Rs 31.937 million to the contractor.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department replied that works had successfully been executed and nothing was outstanding against the contractors. Audit argued that performance security under the rules should remain in force for 3 (three) months after the completion of work which was not done in the subject cases. The Committee directed the department to seek condonation from the FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1671)

2.4.1.50.4 Executive Engineer, Road Construction Division, Gujranwala did not get revalidation of bank guarantee No-LG16900100004252 issued on 12.02.2016 which expired on 30.09.2016. The work was still in running position as evident from the letter of EE dated 25.09.2017.

Violation of contractual obligation resulted in undue financial favour of Rs 18.276 million to the contractor due to non-revalidation of performance guarantee.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. The department stated that the work for which bank guarantee was issued

had been physically completed and the contractor had finished his obligation/ responsibility. The Committee directed the department to get final bill verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(Para No. 1540)

2.4.1.50.5 Executive Engineer, Road Construction Division, Rawalpindi awarded the work "*Rehabilitation of road Gujar Khan Bewal road, Tehsil Gujar Khan*" on 14.05.2015 with time limit of 12 months for Rs 45.509 millin against the estimated cost of Rs 48.608 million which was Rs 3.097 million i.e. 6.37% below the estimated cost but did not obtain additional performance security amounting to Rs 3.097 million.

Violation of contractual obligation resulted in undue financial benefit to contractor amounting to Rs 3.097 million.

Audit pointed out the irregularity in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department produced the bank guarantee amounting to Rs 3.100 million which had expired on 30.06.2015. The Committee did not agree with the contention of the department and directed to produce up to date valid bank guarantee. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1121)

2.4.1.51 Execution of below specification work due to use of bitumen procured from Attock refinery – Rs 201.776 million

As per C&W notification No SOHII(C&W)/5-23/96 dated 8th July, 1999 read with No RO(Tech)FD 2-3/2012 Vol-I dated 30.03.2015 there

was ban on use of bitumen, purchased from Attock Oil Refinery Rawalpindi.

Executive Engineer, Road Construction Division, Faisalabad awarded the work to the contractor on 06.01.2015 for Rs 1,967.00 million. The department got sanctioned, executed and paid an item of work “*Asphaltic Base Course Class-B*” @ Rs 15,963.39 per 187.50 cubic meter and “*Asphaltic wearing course*” @ Rs 16,800.00 per 187.50 cubic meter, prime coat and tack coat etc. It was observed that the department used the bitumen from Attock Refinery, Morgah Rawalpindi instead of National Refinery, Karachi (as evident from the invoices produced by the contractor) whereas the Communication and Works Department had banned the use of bitumen procured from Attock Refinery, Rawalpindi. The use of bitumen procured from Attock Refinery was observed as irregular and warrants recovery from the contractor.

Violation of Finance Department’s instructions resulted in irregular payment of Rs 201.775 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that as per written contract, condition-B of the acceptance letter contractor was asked to use bitumen from Attock Refinery. The Committee directed to get detailed verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1589)

2.4.1.52 Non-utilization of dismantled material – Rs 144.791 million

According to para 9(i) of chapter 18.1 of book of specifications 1967, the dismantled material is the property of the government, it should

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

Executive Engineers, Provincial Highway Divisions Lahore, Bahawalpur, Mianwali, Sahiwal, Jhelum, Sargodha, Okara & Road Construction Division, Rawalpindiand Lahore & Faisalabad got executed the items of work “*Dismantling of RCC*” “*Dismantling of road pavement*”, “*Dismantling of existing road edging*” and “*Dismantling bricks or flagged flooring without concrete foundation*” but the dismantled material was neither deducted from quantity of sub base course brought from outside sources nor recovered from the contractors.

Violation of rules resulted in non-recovery of Rs 144.791 million.
(Annex-V)

Audit pointed out the non-recovery during 2017. The department did not reply.

The paras were discussed in the SDAC meeting held in December 2017. The department in some cases replied that the remaining material would be relaid as sub base in next running bills whereas in other cases, the department admitted the recovery. The Committee directed the department to get the record re-verified from Audit within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.
(DP No. 69,1484,809,1104,873,1344(16-17),1400(16-17),1401(16-17), 1592,1353,1293 & 1158)

2.4.1.53 Overpayment due to non-adjustment of available earth – Rs 108.399 million

As per Section 410-11 of Book of Specification of 1971, “*regular exaction dressed*” may be deducted/adjusted with the item of work “*earth work embankment in ordinary soil*”.

2.4.1.53.1 Executive Engineer, Highway Division, Mianwali made payment for an item of work i.e “*earthwork for making embankment with lead*”, and other items of work i.e structural excavation, excavation in open cutting and regular excavation. But the department did not utilize the available earth received after said excavations and brought earth from outside with lead instead of utilizing the available earth at site of work.

Violation of specification resulted in overpayment of Rs 24.930 million.

Audit pointed out the overpayment in September 2017. The department replied that all works were in progress; when these get completed, all kind of deductions of earth will be made. The department, hence, admitted the recovery pointed out by the Audit.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that earth obtained from excavation of structure was deducted from ‘Earthwork for making embankment’ in the estimate and then embankment was paid. Audit stated that no deduction was shown on MB. The department stated that overall measurement would be made showing all the required deduction at the end. The Committee directed the department to get the record verified by Audit after making final deduction. The compliance of committee’s directive was not reported till finalization of this report.

Audit recommends early compliance of Committee’s directive.

(DP No. 801)

2.4.1.53.2 Executive Engineer, Highway Division, Jhelum in the execution of work measured and paid “*Earth work for making embankment in all type of soil modified AASHTO density 95% To 100 % compaction i/c all lead & lift*” but did not deduct the quantity of regular excavation/structural excavation/rigid pavement from the quantities of the earthwork for making embankment.

Violation of specification resulted in overpayment of Rs 13.673 million due to non deduction of available earth.

Audit pointed out the non-recovery in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department replied that recovery would be made from the next running bills of the contractor. The Committee directed the department to effect recovery at the earliest. The compliance of committee's directive was not reported till finalization of this report.

Audit recommends early recovery.

(DP No. 1674)

2.4.1.53.3 Executive Engineer, Highway Division, Sargodha made payment for an item of work i.e. "*excavation in foundation of building and other structure*" for 5988451 cft and "*earthwork excavation for cunnette*" for 17008336 cft and "*earthwork for making embankment*" for 5109077 cft @ Rs 5,650.00 % cft. The available earth received from excavation in foundation was required to be used and payment should have been made for only labour rate for the said item of work i.e. Rs 3,243.31% cft (Rs 2,982.55 + 4.16% + 4.40%). However, the department made payment of said item of work i.e "*earthwork for embankment*" @ Rs 5,650.00 % which was 2,406.69 % cft excess rate.

Violation of specification resulted in overpayment of Rs 12.295 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The record provided by the department did not support its version. The Committee directed the department to get detailed verification by Audit.

The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1346)

2.4.1.53.4 Executive Engineer, Road Construction Division, Faisalabad, awarded different works to the contractor. The department got sanctioned, executed and paid an item "*Excavation in foundation of buildings and other structures*". It has been pointed out that the department did not deduct/recover the 2/3 available earth received from the item "Earthwork Excavation in foundation" towards execution of "Earth work for making embankment".

Violation of specification resulted in unjustified payment of Rs 11.522 million.

Audit pointed out the irregularity in November 2017. No reply was furnished by the department.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that in sub Para No. 50 recovery amounting to Rs 288,388 had been effected. Audit verified the recovery. The Committee reduced the para to Rs 11,233,612 and directed the department to effect recovery of balance amount and get it verified from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1576)

2.4.1.53.5 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of Flyover on G.T road at Aziz Cross District Gujranwala*" measured and paid an item of work "Formation of embankment from structural excavation in common material" for a quantity of 7437 cubic meter against estimated provision of

65170 cubic meter @ Rs 144 per cubic meter vide item No. 108(D) of the bill whereas payment of another item “*Formation of embankment from borrow excavation in common material*” for a quantity of 22663 cubic meter @ Rs 465 per cubic meter vide Item No-108(C) instead of using already available earth at site from structural excavation which was 57663 cubic meter (86494 cubic meter x 2/3rd).

Violation of specification resulted in overpayment of Rs 10.538 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department stated that a huge quantity of excavated earth was dumped for landscaping of loops and other horticulture areas whose detail quantification is under process and shall be adjusted in next IPC. Audit stated that the department had committed to adjust the required earth. The Committee kept the para pending for re-verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1696)

2.4.1.53.6 Executive Engineer, Road Construction Division, Rawalpindi in the execution of work “*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-IV*” for road “*Rehabilitation/Const. of Link road from Habib Chowk to Changa Maira upto Mohra Bhattian Tehsil Gujar Khan,*” measured and paid an item of work “Earthwork for making embankment i/c all lead and lift complete 95% to 100% compaction” for a quantity of 1243600 cft worked out as 60% of X-Sectional estimated quantity of 2072670 cft @ Rs 8,200.83 % cft but as per estimate a quantity of 793470 cft on account of road crust and other items was not deducted.

Violation of specification resulted in overpayment of Rs 6.507 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department made deduction on account of “Road Crust” from “Earthwork for making embankment” 260868 cft instead of actual quantity of 464196 cft. The department was directed to make further recovery of 203328 cft on account of road crust. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1108)

2.4.1.53.7 Executive Engineer, Highway Division, Sargodha made payment for an item of work i.e. “*earthwork for making embankment*” for 26039228 cft and 5109077 cft and 175200 cft. But the department did not deduct the quantity of road crust 1865397 cft (sub base, base course, carpeting, road edging etc).

Violation of specification resulted in overpayment of Rs 5.176 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 20.12.2017. The department admitted the observation and explained that deduction would be made on payment of balance quantity of earthwork. Audit contented that department did not produce complete record to Audit in support of its reply. The Committee directed the department to get detailed verification by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1337)

2.4.1.53.8 Executive Engineer, Highway Division, Dera Gazi Khan made payment for an item i.e "*Excavation in foundation of building*" for quantity of 1016136 cft 2/3 of this earth 677424 cft was required to be reused on the same work but the department did not utilize the available earth and paid earth brought from outside in contravention to rule ibid.

Violation of specification resulted in overpayment of Rs 5.170 million.

Audit pointed out the overpayment in July 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 14.11.2017. The department committed that 2/3 quantity of excavated earth to the tune of 677424 cft would be adjusted in the next running bill and got verified by Audit. The Committee directed the department to effect recovery and get it verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 401)

2.4.1.53.9 Executive Engineer, Road Construction Division, Rawalpindi in the execution of work "*Widening / Improvement & Rehabilitation of Kahuta Punjab Azad Pattan Road, Kahuta (Group-1)*" measured and paid an item of work "*Earthwork for making embankment i/c all lead and lift complete 95% to 100% compaction*" for a quantity of 774634 cft @ Rs 11,466.77 % cft vide item No. 24 of the bill against the X-Sectional quantity of 1549267.60 cft in the estimate, 50% quantity 774634 cft was released to the contractor but earth obtained from excavation in open cutting for hard soil and ordinary soil vide item No. 13 & 14 for 303220 cft and 71472 cft was not deducted from the item "*earthwork embankment*".

Violation of specification resulted in overpayment of Rs 4.296 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 18.12.2017. Audit informed the Committee that the department did not produce complete record for verification. The Committee directed the department to get the record verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1234)

2.4.1.53.10 Executive Engineer, Highway Division, Rawalpindi in the execution of work "*Widening/improvement of Rawalpindi chakri road (Mohra chapri) to motorway interchange (Group-II)*" measured and paid an item of work "*Earthwork for embankment in ordinary soil*" for quantity of 2369119 cft @ Rs 7,823.50 % cft. The item "*Regular excavation dressed in trench*" was also executed and paid for quantity of 539633 cft but the available earth obtained from regular excavation was not deducted from the earthwork for embankment.

Violation of specification resulted in overpayment of Rs 4.221 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that estimate was administratively and technically sanctioned by the competent authority and work was executed accordingly. Audit argued that no relevant record was produced for verification. The Committee directed to get the record verified by Audit

within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 831)

2.4.1.53.11 Executive Engineer, Provincial Highway Division Bahawalpur measured an item "*Regular excavation dressed*" for a quantity of 510071 cft and paid @ Rs 5,236.29%. Further, the item "*Earth work embankment lead ½ mile*" was executed at P-59 & 60 of MB No. 3182 for 146000 cft, at P-13 & 14 of MB No. 3115 for 847500 cft and paid without deducting the available earth from regular excavation as well as from excavation of road structure i.e. culverts and drain.

Violation of specification resulted in overpayment due to non-deduction of earth Rs 2.670 million.

Audit pointed out the non-recovery in August 2016. The department replied that the quantity of earth was 1413500 cft upto C.C 20th& Running bill vide Vr. No.24/BN dated 16.05.2016 against the approved quantity i.e 1690135 cft. The payment for quantity of earth for regular excavation was less than the quantity of agreement of the contractor. The quantity of earth had been calculated as per detailed survey and X-Section & payment to the contractor will be made after entering the final levels/X-Sections of the completed work. Reply of the department was not tenable. The due deductions were not made from the quantity of earthwork embankment.

The para was discussed in the SDAC meeting held on 12.12.2017. Department stated that quantity of earth had been calculated as per detailed survey and X-Section payment to the contractor would be made after entering the final levels/X-Sections of the completed work. The Committee directed to get the record verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(2016-17) DP No. 1382

2.4.1.53.12 Executive Engineer, Highway Division, Rawalpindi in the execution of work "*Rehabilitation / Widening of Rural roads under Khadam-e-Punjab Roads Programme (KPRRP) Phase-II (Part-A)*" for road "*Reh.of road from Jatha Hathial to Kharrakan vis Trahia Length = 14 Km*" measured and paid an item of work "Earthwork for making embankment 95% to 100% compaction" for quantity of 1880768 cft @ Rs 6787.00% cft. The items "excavation for structure" and "excavation in open cutting" were also executed and paid for quantity 174428.70 cft and 258649 cft respectively but the total available earth 374935 cft obtained from excavation was not deducted from the earthwork embankment.

Violation of specification resulted in overpayment of Rs 2.544 million.

Audit pointed out the overpayment in September 2017. The department did not furnish any reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that estimate was administratively and technically sanctioned by the competent authority and work accordingly executed. The Audit argued that as per specification the earth received from cutting was required to be reused. The Committee upheld the point of Audit and directed the department to make recovery within one month. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 850)

2.4.1.53.13 Executive Engineer, Highway Division, Rawalpindi in the execution of work "*Widening / Improvement of Chakri Adda Harniawala via Bilwal Road i/c Bridge over Sill River – (Group-I)*" measured and paid an item of work "*Making embankment in all type of soil i/c lead ½ mile*"

for quantity of 939950 cft @ Rs 5,670 %o cft. The item “*excavation for structure*” was also executed and paid for quantity 340801 cft but the available earth 227201 cft obtained from excavation was not deducted from the earthwork embankment.

Violation of specification resulted in overpayment of Rs 1.288 million.

Audit pointed out the overpayment in September 2017. The department did not furnish any reply.

The para was discussed in the SDAC meeting held on 11.12.2017. Department stated that estimate was administratively and technically sanctioned by the competent authority and work accordingly executed. The Audit argued that as per specification the earth received from cutting was required to reuse. The Committee upheld the point of Audit and directed to make recovery within one month. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 832)

2.4.1.53.14 Executive Engineer, Highway Division, Rawalpindi in the execution of work “*Khaadam-e-Punjab Rural Roads Program (KPRRP) Phase-III*” for road “*Rehabilitation of road from Mohra Kanial Chowk via Mohra Nagial Mera Shamash Tal Khalsa Lenth = 7.85 Km Tehsil Gujar Khan*” measured and paid Items No.11, 15 & 26 of the bill for “excavation for structure to all type of soil and in open cutting for total quantity of 141776 cft. Beside this, the item “Earthwork for making embankment i/c all lead and lift 95% to 100% compaction” was also executed and paid @ Rs 6,728.57 %o cft but the available earth obtained from excavation was not deducted from the embankment.

Violation of specification resulted in overpayment of Rs 0.996 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that estimate was administratively and technically sanctioned by the competent authority and work accordingly executed. The Audit argued that as per specification the earth received from cutting was required to reuse. The Committee upheld the point of Audit and directed to make recovery within one month. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 844)

2.4.1.53.15 Executive Engineer, Highway Division, Sialkot executed the item "*Excavation in open culling for drains*" for quantity of 219184 cft and another item, "*E/Work in ordinary soil for embankment all lead lift 100% compaction*" was measured 1178084 cft and paid without deducting the available earth from cutting of drain as per T.S estimated provision. This non-deduction resulted in overpayment.

Violation of specification resulted in overpayment of Rs 0.845 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 21.12.2017. Audit stated that earth available was not utilized. Department stated that actual quantity of available earth to be utilized is 65635 cft and the amount against the same quantity will be recovered in next running bill. Para was kept pending for verification of recovery/adjustment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1409)

2.4.1.53.16 Executive Engineer, Highway Division, Rawalpindi in the execution of work “*Rehabilitation / Widening of Rural roads under Khadam-e-Punjab Roads Programme (KPRRP) Phase-II (Part-A)*” for road “Reh. of road from Basali More to Jabbar Darwesh Length = 12 Km” measured and paid an item of work “Earthwork for making embankment 95% to 100% compaction” for quantity of 1444521 cft @ Rs 6,787.09% cft. The item “excavation for structure” was also executed and paid for quantity of 180832.70 cft but the available earth 120555 cft obtained from excavation was not deducted from the earthwork embankment.

Violation of specification resulted in overpayment of Rs 0.818 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that estimate was administratively and technically sanctioned by the competent authority and work accordingly executed. The Audit argued that as per specification the earth received from cutting was required to be reused. The Committee upheld the point of Audit and directed the department to make recovery within one month. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 853)

2.4.1.53.17 Executive Engineer, Highway Division, Rawalpindi in the execution of work “*Widening/improvement of Rawalpindi chakri road (Mohra chapri) to motorway interchange (Group-II)*” measured and paid an item of work “*Earthwork for embankment in ordinary soil*” for quantity of 2369119 cft @ Rs 7,823.50 % cft. But the department only deducted 48000 cft (earth) on account of structure excavation from the quantity of earthwork embankment instead of 134314 cft.

Violation of specification resulted in overpayment of Rs 0.675 million.

Audit pointed out the overpayment in September 2017. The department did not furnish any reply.

The para was discussed in the SDAC meeting held on 11.12.2017. The department stated that estimate was administratively and technically sanctioned by the competent authority and work accordingly executed. The Audit argued that as per specification the earth received from cutting was required to be reused. The Committee upheld the point of Audit and directed the department to make recovery within one month. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 830)

2.4.1.53.18 Executive Engineer, Road Construction Division, Gujranwala in the execution of work "*Construction of road from Nandipur to G.T road left side Rejbahnurpur*" measured and paid an item of work "*earthwork for making embankment*" for a quantity of 2850464 cft @ Rs 7,578.55 % cft. A quantity of 10200 cft has been deducted on account of drain as per record entry instead of actual quantity of 40279 cft (i.e. 2/3rd of available earth 60418.75 cft x 2/3rd) as result of structural excavation. Hence, the department made less deduction of earth for 30079 cft (40279 cft – 10200 cft).

Weak supervisory and financial controls resulted in overpayment of Rs 0.228 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 27.12.2017. The department replied that the recovery would be made in next running

bill. The Committee deferred the para for verification of recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1701)

2.4.1.54 Undue financial benefit to contractor due to unjustified payment of mobilization advance - Rs 13.485 million

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

Executive Engineer, Highway Division, Sargodha opened the tenders of said work in November 2016 and awarded work to the contractor on 18.11.2016 vide acceptance letter No.9332/c dated 18.11.2016 and paid to contractor up to 9th running bill up to 06/2017. The department granted and paid mobilization advances to the contractor Rs 13.484 million at the stage of 9th running bill. Granting and payment of mobilization advance at this stage was unjustified when the work was run in full swing.

Violation of rules resulted in undue financial aid to contractor Rs 13.484 million.

Audit pointed out overpayment in September 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 12.12.2017. The department stated that mobilization advance was sanctioned and granted against bank guarantee as per rules. Audit contended that the mobilization advance was granted in the 9th running bill which was not justified because the mobilization advance was granted to mobilize the manpower and machinery for execution of work and after execution of work when the work was in full swing grant of mobilization advance was

not justified. The Committee kept the para pending for want of condonation from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1158)

**2.4.1.55 Irregular diversion of contingency to other works –
Rs 13.105 million**

According to Sr. No.13 of Delegation of Financial Powers Rules 2006 in respect of Communication and Works department, diversion of contingencies can only be made in the sanctioned estimate for purchase of new items, provision for which could not be made in the original estimates, e.g. stationery, surveying equipment, testing instruments, computers, printers, plotters and scientific drawing instruments required for the preparation of estimates, furniture and equipment for site office, etc. for the same work/ estimate.

2.4.1.55.1 Superintending Engineer, Highway Circle Rawalpindi sanctioned diversion of contingency with different amounts on account of land compensation payment, shifting of water supply line of cantonment & TMA, construction of pipe culverts, shifting of utility service, installation of road light etc. As per criteria ibid, the Superintending Engineer was authorized to divert provision for contingencies of a sanctioned estimate only for purchase of items mentioned in said rules. Therefore, diversion to any other purpose was not allowed. Moreover, no results/reports/T.S. estimate/completion reports of the work and allied record of land compensation payment were found available in record to verify the facts.

Violation of rules resulted in irregular diversion of contingency amounting to Rs 6.771 million.

Audit pointed out the irregular diversion in March 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.10.2017. Audit verified the record and found that diversion of contingency for purchase of Generator, UPS, Batteries and shifting of water supply lines for site office amounting to Rs 3.227 million was justified. However, providing and fixing of road light, construction of pipe culvert and payment of LAC amounting to Rs 3.544 million were not justified under delegation of financial power Rules 2006 and work were required to be executed through original contractor to whom the work awarded. The Committee reduced the para to Rs 3.544 million with directions that department may get the record re-verified from audit that this minor work was not included in the original scope of the contractor. Further the department may produce record regarding payment of land compensation which was enhanced due to actual price assessed by DPAC within two weeks or otherwise get condonation from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 105)

2.4.1.55.2 Superintending Engineer, Highway Circle Rawalpindi sanctioned diversion of contingency with different amounts on account of consultancy charges/liability etc. whereas the same was the part of T.S. estimate. As per criteria ibid, the Superintending Engineer was authorized to divert provision for contingencies of a sanctioned estimate only for purchase of items mentioned in said rules. Therefore, diversion to any other purpose was not allowed. Moreover, no results/reports/T.S. estimate/completion reports of the work were found available in record to verify the facts.

Violation of rules resulted in irregular diversion of contingency amounting to Rs 4.800 million.

Audit pointed out the irregular diversion in March 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.10.2017. Audit verified the record and found that diversion of contingency for the payment of consultant does not fall under Sr.No.13 & 14 of Delegation of Financial Power Rules 2006. However, during discussion department stated that against the provision of contingency of Rs 2.300 million the actual payment was made to the consultant for Rs 0.179 million. The Committee reduced the para upto Rs 2.679 million and directed the department to get the matter regularized from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 104)

2.4.1.55.3 Executive Engineer, Highways Division, Khanewal awarded the work to the contractor in June, 2015. During the execution of work the department paid an amount of Rs 3.338 million on account of load testing of piles at 725 ton for Rs 1.692 million and at 675 ton for Rs 1.645 million in 12th running bill to the contractor in May 2017, in violation of rules ibid. Audit observed that the department has extended an undue favour to the contractor because neither it was provided in DNIT, nor got sanctioned in TSE. Furthermore said payment cannot be a part of contract agreement, so payment of Rs 3,337,598 + 4.167% Mega allowance i.e. Rs 0.139 million to the contractor was unjustified.

Violation of rules resulted in an undue payment of Rs 3.476 million.

Audit pointed out the undue payment in October 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated to the committee that payment was made by diverting the contingency by the competent authority. Audit contended that contingency for the execution of work cannot be diverted. The Committee directed the department to produce Revised Technical

Sanctioned Estimate to audit for verification .The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1264)

2.4.1.55.4 Superintending Engineer, Highway Circle Rawalpindi sanctioned diversion of contingency with different amounts on account of temporary diversion of drainage structure, damage to cause way, damage to water supply line etc. The department without identifying the responsible for the damages made payment through diversion of contingency. As per criteria ibid, the Superintending Engineer was authorized to divert provision for contingencies of a sanctioned estimate only for purchase of items mentioned in said rules. Therefore, diversion to any other purpose was not allowed. Moreover, no results/reports/T.S. estimate/completion reports of the work were found available in record to verify the facts.

Violation of rules resulted in irregular diversion of contingency amounting to Rs 2.986 million.

Audit pointed out the irregular diversion in March 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 10.10.2017. Audit during verification pointed out that nature of works diverted from contingency were regarding repair of damage structure, cause way, water supply line etc., which were required to be rectified at the risk and cost of original contractor who damaged the structure during execution of work. The Committee directed the department to get the record re-verified from Audit that damages were not made by the original contractor within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 97)

2.4.1.55.5 Superintending Engineer Highway Circle, Sargodha, made diversions of contingency of Rs 2.019 million from the provision of contingencies of works on account of purchase of stationery items for acquiring land and purchase of tender forms, shifting of electric poles & transformer, sub-soil investigation and purchase of Samsung Galaxy Tab-4 Laptops & UPS. Diversions of contingencies for these items were not justified because these were not unforeseen items. Their provision was required to be made in T.S estimate of respective schemes.

Violation of rules resulted in irregular diversion of contingencies for Rs 2.019 million.

Audit pointed out the irregularity in April 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 11.10.2017. Audit verified the record and found that diversion of contingency for shifting of electric poles and installation of transformer, purchase of stationery / tender forms printing / purchase of lap tops / tabs / UPS / batteries for site office amounting to Rs 1.294 million was justified under Sr. No.13 & 14 Delegations of Financial Power Rules 2006. However, diversion on account of soil investigation was not justified. The Committee reduced the para to Rs 0.726 million and directed the department to get the record re-verified within two week. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 248)

2.4.1.56 Irregular procurement and non-reduction in rate due to non-supply of heavy duty escalators – Rs 4.662 million

As per agreement/ bidding documents the contractor was required to supply escalators as per specifications/technical provisions for escalator works, i.e. "*Heavy duty VVVF inclined moving escalators with 30 years*

life with fully outdoor/exposed type escalator” shall be furnished in conformity with latest standards/code editions with British Standards/European Norms-BS/EN-13015:2008 version along with “Automatic control i.e. Automatic (stand alone) with LCD display of all parameters for Control/Monitoring – individual control, station control, remote monitoring and control of all stations at one location etc on escalators”.

During scrutiny of the record of Superintending Engineer, Provincial Highway (Machinery Maintenance) Circle Lahore, it was found that the work “*Supply, Installation, Testing, Commissioning of Escalators for Pedestrian Overhead Bridge from District Court to New Judicial Complex, Rawalpindi*” was awarded to the contractor M/s Merin Pvt Ltd during May 2016 for Rs 31.080 million. The escalators were of lower specification but rates were paid for the escalator with rich specification indicated in the contract document. Audit pointed out that in the contract document weather exposed/out-door heavy duty public transport escalators were to be installed. The contractor installed Model 9300AE which is semi outdoor/covered-outdoor with F-type handrail profiles (which are used in indoor escalators) design-F balustrade/cladding made of SS304. As per contract agreement the compatible model was 9700AE Schindler with design-I balustrade, cladding made of SS316 which was fully outdoor/weather exposed.

Violation of contractual obligations resulted in non-reduction of Rs 4.662 million (Rs 31.080 million x 15%) from the price of escalators on account of being below-specification.

Audit pointed out the irregularity in May 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 09.10.2017. Audit verified the record and found that as per supplier Merin (Pvt.) LTD, letter No.ESC/RP/JC/2015/002 dated 14.03.2016, the escalator model 9300 AE was covered outdoor type escalator instead of fully outdoor as per BOQ / estimate of the work supply and installation of escalator at

judicial complex, Rawalpindi. The Committee directed the SE to inspect the site and if any deviation found from approved specification, it should be recovered from contractor. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 171)

2.4.1.57 Unjustified provision of excess contingencies- Rs 3.600 million

As per instructions of the Finance Department issued vide No. FD(M-II)1-6/2000 dated 02.07.2007 the cost of running of inspecting vehicles would be directly charged to the current establishment budget under operating expenses of the officers concerned. Accordingly the estimates of cost of running of inspecting vehicles on out-turn basis will be excluded from the estimates of the contingencies of the project or M&R work.

Executive Engineer, Road Construction Division, Faisalabad awarded the work to the contractor on 08.01.2015 for Rs 5,896.994 million (revised). The department prepared and adopted the Engineer Estimate instead of General Documents Agreement. The department got sanctioned TSE and paid an amount of Rs 3.600 million on account of running of 48 Nos vehicles @ Rs 75,000 each. However, the department did not produce the paid invoices and any other accounts record to ascertain the authenticity of the amount paid.

Violation of Finance Department's instructions resulted in unjustified payment of Rs 3.600 million and non-production of record for audit verification.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was discussed in the SDAC meeting held on 28.12.2017. The department stated that the said record was under the custody of

DEO/EDO (F&P) and the same would be produced on receipt from them. The Committee kept the para pending for production of record for audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1565)

Others

**2.4.1.58 Non-recovery due to use of sub-standard bricks -
Rs 4.622 million**

As per Clause-28 of Contract Agreement, all material and workmanship shall be of the respective kind described in the contract and in accordance with the instructions of the Engineer-Incharge and shall be subjected from time to time to such tests as the Engineer-Incharge may direct. Further, as per remarks against item numbers 3,4 & 5 under chapter-7 (brick work) the composite rate is to be reduced by 7% and 14% if 2nd or 3rd class bricks are used.

Executive Engineers Highway Divisions Lahore, Faisalabad, Okara, R.Y Khan Multan, Bahawalpur, Khanewal and Road Construction Division Faisalabad got executed the items of "Pacca Brick work 1:6 in cement mortar" and "Providing and laying road edging" with use of bricks of smaller size / lesser compressive strength as per lab test reports. In some cases, the department did not conduct required lab tests. Resultantly, the structure was not constructed as per specification due to use of sub-standard bricks which resulted in overpayment to the contractor.

Violation of contractual obligations and C&W specifications resulted in non-recovery of 7% of composite rates of pacca brick works amounting to Rs 4.622 million. The detail is as under:

Sr. No.	Name of Division	DP No.	Amount recoverable @ 7%
1	HD Lahore	59	1,252,160
2	HD Faisalabad	1497	853,930
3	HD Okara	1271	845,460
4	HD R.Y Khan	346	624,820
5	RCD Faisalabad	1665	622,230
6	HD Bahawalpur	543	240,870
7	HD Multan	1084	104,510
8	HD Khanewal	1249	78,120
		Total	4,622,100

Audit pointed out the non-recovery in 2017. The department did not reply in DP No. 59, 1497, 1271 and 1665. In DP No. 346, 543, 1084 and 1249 department replied that the bricks used in road structure, as brick masonry work executed by the contractor and measurements recorded in MB are in cubical contents (length x width x height) i.e unit rate of brick work 1:4 was % cft. The item of brick work is completed as per approved design and scope irrespective of lesser size of bricks. The payment has been released to the contractor after site verification of field staff and consultant. Reply of the department was not tenable, because as per instructions of the Finance Department, the rate was required to be reduced on account of substandard size or strength of bricks in accordance with the test reports of the RRMTI, Lahore.

The paras were also discussed in the SDAC meetings held in October and December 2017. The department reiterated its earlier replies. The Committee directed the department to get the record regarding payment for bricks work verified by audit within 30 days or otherwise effect recovery @ 7%. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 59,1497,1271,346,1665,543,1084,1249)

2.4.2 BUILDINGS DEPARTMENT

Non production of record

2.4.2.1 Non-production of record – Rs 173.561 million

As per section 14(02) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office or department shall afford all facilities and provide all record for audit inspection.

2.4.2.1.1 Executive Engineer, Building Division No.1 Faisalabad awarded different works to the contractors. During the currency of audit, various requisitions for producing the relevant record in support of payments were issued to the department but no record was made available.

Violation of rules resulted in non production of record pertaining to works worth Rs 122.703 million.

Audit pointed out the non production of record in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. During verification, department again did not produce any record. The Committee took it seriously and directed the department to produce the complete record to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1748)

2.4.2.1.2 Executive Engineer, Buildings Division, Sargodha allotted two groups of a work Group-1 and Group-2 vide acceptance letter No. 1630/AC dated 11.06.2010 and acceptance letter No. 711/SC dated 11.06.2014 respectively. Both the groups of said work were still in

progress. However the department awarded the left over work as new work to another contractor vide acceptance letter No. E.E. No.125/PC, dated 25.01.2017. However, the department did not produce the record of said groups i.e PC-I, T.S estimate, agreement, comparative statements, MB's and final bills along with all test reports.

Violation of rules resulted in non production of record pertaining to works worth Rs 50.858 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department stated that the observation of non-production of record was incorrect as Audit had framed 04 Nos. paras pertaining to this work. Audit pointed out that paras were framed on the basis of history of the work mentioned in the new estimate. However, original records of these works were not produced. The Committee directed the department to get the record re-verified within one week besides issuance of warning by the S.E to the concerned officers. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 861)

Irregularity and non compliance

2.4.2.2 Non recovery on account of de-escalation in price of diesel and steel - Rs 196.650 million

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

Executive Engineers, 1st, 3rd, 4th, 5th, 6th, 7th and GOR Lahore Buildings Divisions of Lahore, and Buildings Divisions of Sahiwal, Rahim Yar Khan, Faisalabad, Sialkot, Narowal, Jhang, Dera Ghazi Khan, Bahawalpur Districts, awarded various works to the different contractors. The base price of diesel and steel at the time of tenders was on higher side which decreased during the execution of works. The department did not recover the cost on account of de-escalation from the contractors.

Violation of contractual obligations resulted in non-recovery of Rs 196.650 million (Annex-VI).

Audit pointed out the non-recovery during July to November, 2017. The department did not reply.

The paras were also discussed in SDAC meetings held in September to December 2017. The department explained that price variation statement would be prepared at the time of finalization of the contract to calculate actual recovery. The Committee directed the department to effect recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DPNo.998,368,1727,1725,1768,1851,1845,1830,1877,1869,1374,1393,1392,1454,1455,1194,1164,1173,1174,1464,1166,1023,987,988,975,976,952,938,939,705,706,700,699,688,689,675,666,667,668,669,640,653,504,473,472,470,468,465,466,463,457,458,393,271,272,270,187,1438(2016-17),1416(2016-17),1304(2016-17),1305(2016-17),1276(2016-17),1307,(2016-17) 1303(2016-17)

2.4.2.3 Overpayment due to application of incorrect rate – Rs 195.411 million

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

2.4.2.3.1 Executive Engineers of various Buildings Divisions approved rate analyses of a non-standardized item “*Providing/fixing fair face gutka cladding of various sizes*” at higher rates by taking excess number of bricks, material, labour, and allowing inadmissible items i.e scaffolding/electric cutter charges, G.I wire, nails, carriage and cement plaster etc.

Violation of Finance Department’s instructions resulted in overpayment of Rs 42.527 million (Annex-VII).

Audit pointed out the overpayment during July to November 2017. The department did not reply.

The paras were discussed in SDAC meetings held during September to December 2017. The Department explained that the matter regarding standardization of providing / fixing fair face Gutka was already under discussion/approval of Technical Committee of Finance Department. Whenever decision is finalized, it would be implemented accordingly. The Committee directed the department to seek clarification from Finance Department at the earliest. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

DP Nos. 1323,1596,1735,1732,1803,1785,1774,1765,1368,1867,1182,1177, 1187,1169,1162, 1206,1056,997,972,951,940,759,750,728,685,678,670,664,657,647,511,482,484,487,490, 496, 478, 471,469,464,461, 452,312,273,209,70,35,36,37,38,183,34,6,4,1462 (2016-17),1459 (2016-17), 1455 (2016-17),1448 (2016-17), 1413 (2016-17), 1295 (2016-17)

2.4.2.3.2 Executive Engineers, Buildings Divisions prepared and got approved higher rate of non-standardized items i.e. “*Porcelain tiles*”, “*China Verona tiles*”, “*Tuff tiles*”, and “*Kerb stone*”. The analyses of non-standardized items were sanctioned by taking excess labour, inadmissible carriage and application of higher input rates of material as per template of the Finance Department.

Violation of Finance Department's instructions resulted in overpayment of Rs 33.299 million (Annex-VIII).

Audit pointed out the overpayment during July to November 2017. The department did not reply.

The paras were discussed in SDAC meetings held during September to December 2017. In some cases, the department explained that recovery, if any, would be made and in some cases, requested for re-verification of record. In remaining cases, the department explained that rates were approved by the competent authority in the light of Finance Department template. The Committee directed the department to effect the recovery and to get the record verified in other cases. As far as remaining cases were concerned, the department was directed to seek clarification from Finance Department at the earliest. The Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DPNos. 366,1798,981,1792,1793,1794,1778,1749,1797,1799,1834, 1829,1361,1168, 1197,1204, 990,727,693,663,648,479,262,1311(2016-17),1772,1763,1388,1469,1459,1470,1460,746,691,1359, 498,1759,1357, 1200,1163,1022,954,945,462,379,1333(2016-17), 672,467,1436(2016-17)

2.4.2.3.3 Executive Engineers, Buildings Divisions prepared and got approved higher rate of non-standardized items i.e. "*providing and fixing glazed aluminium window, door etc.*" and sanctioned higher rates in technical sanction estimate instead of the admissible rate. The department sanctioned higher rate by allowing higher input rates, extra labour and by taking extra quantities.

Violation of Finance Department's instructions resulted in overpayment of Rs 23.874 million. The detail is as under:

Sr. No	DP	Name of Division	Amount Overpaid (Rs)
1	1743	BD, Faisalabad	3,197,000
2	1836	5th BD, Lahore	6,347,309
3	1840	5th BD, Lahore	2,820,266
4	1201	BD, Narowal	1,650,538
5	943	BD, Sahiwal	8,418,455
6	731	BD Mianwali	856,288
7	656	BD Muzaffargarh	150,662
8	274	BD GOR, Lahore	434,176
Total			23,874,694

Audit pointed out the overpayment in July to November 2017. The department did not reply.

The paras were discussed in SDAC meetings held during September to December 2017. The department explained that cases were under process in Finance Department for revision. The Committee directed the department to seek clarification from Finance Department at the earliest. The Compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP Nos. 1743,1836,1840,1201,943,731,656,274)

2.4.2.3.4 Executive Engineer, Buildings Division, Bahawalpur awarded different works to the contractors. The department got sanctioned and executed different non-standardized items on higher rates than admissible under the templates of the Finance Department, Government of the Punjab. Violation of the instructions of Finance Department was made to give undue benefit to the contractors.

Violation of Finance Department's instructions resulted in overpayment of Rs 9.126 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. The department explained that the payments were made in accordance with the approval of rates by the competent authority and were got sanctioned in estimate. Audit stated that no record was available with representative of the department who attended Audit office for verification. The Committee directed the department to produce the record for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of overpaid amount from the contractor.

(DP No.392)

2.4.2.3.5 Executive Engineer, Buildings Division, Sargodha made payment for a non standardized/MRS item of work i.e "*P/l structural pad*". The department prepared the rate analysis of said item of work by adding extra quantity of material, carriage and labour. However, the department was required to review the analysis of rate by taking actual quantities of material, carriage and labour (Drum Road Roller).

Violation of Finance Department's instructions resulted in overpayment of Rs 8.285 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department explained to the Committee that analysis of rate for structural pad was approved by the competent authority. Audit pointed out that department incorporated in the rates analysis extra quantity of stone, sand and Drum Road Roller. The Committee directed the department to get the record re-verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be investigated and responsibility may also be fixed.

(DP No. 528)

2.4.2.3.6 Executive Engineer, Buildings Division, Faisalabad awarded a work to the contractor. The department paid 23rd running bill in June 2017. The department got sanctioned an item of work “*Preparing surface and painting 3 coats*” at the rate of Rs 9.77 per sft. The department approved the above item of work @ Rs 10.63 per sft. On the contrary the department paid the above item to the contractor on higher rates of Rs 25 per sft instead of approved rate of Rs 10.63 per sft.

Violation of Finance Department’s instructions resulted in over payment of Rs 8.194 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. During verification, department did not produce any record. The Committee directed the department to produce the complete record to Audit for verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery from the contractor.

(DP No.1750)

2.4.2.3.7 Executive Engineer, 5th Building Division, Lahore prepared and got approved the rate analysis of the item “P/F teak wood chowkat for windows 7-1/2” x 2-1/2” i/c architectural moulding all along the chowkat i/c cost of hold fast, clamps, nails also etc termite proofing using biflex, FMC or Dursabance chemical complete as per architectural drawing and as approved by the engineer incharge” for Rs 2,712 per sft and paid @ Rs 2,256 per sft as non-standardized item. The rate was observed as excessive due to application of higher rate and wastage of 1st

class Teak Wood and labour. The admissible rate worked out to Rs 1,295.16 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 7.782 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at such higher rate. Further, the recovery for excess labour rate was also not made. The department explained that rate has been revised by the FD. The Committee pended the para for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1835)

2.4.2.3.8 Executive Engineer, Buildings Division, Sahiwal got sanctioned the item "P/F metal/wire netting M.S $\frac{1}{4}$ " x $\frac{1}{4}$ " square bar mesh and M.S flat 2" x $\frac{1}{4}$ " complete in all respect" @ Rs 450 per sft which does not match with the nomenclature of the item i.e GI wire net and $\frac{1}{4}$ " x $\frac{1}{4}$ " square bar net.. In rate analysis prepared by the department the rate of Rs 250 per sft of sub item No. 2 relevance in F.D input rates as well as in MRS. However, the rate of item No. 2 based on square bar net size 7' x 6' has been worked out by Audit on the basis of analysis as Rs 206. The excess rate resulted in overpayment.

Violation of the Finance Department's instructions resulted in overpayment of Rs 7.585 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained to the committee that rate paid to contractor was according to AA/acceptance/TSE. Audit informed the Committee that no record was produced in support of departmental reply. The Committee directed the department to produce complete record to Audit for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.994)

2.4.2.3.9 Executive Engineer, Buildings Division, Lodhran awarded a work to the contractor in November 2015. The department sanctioned a non scheduled rate of the item "*Providing and fixing of Iron grating in windows, C-Windows, Varandah opening comprising of MS angle.....etc*" @ Rs 746 per sft and approved the rate in contract agreement as Rs 959.92 instead of admissible rate of Rs 682.38.

Violation of Finance Department's instructions resulted in overpayment of Rs 5.712 million.

Audit pointed out the overpayment in September 2017. Department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department admitted the recovery in two cases and one para was referred to Finance Department for clarification. The Committee directed the department to make recovery and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of overpaid amount from the contractor.

(DP No.641)

2.4.2.3.10 Executive Engineer, Buildings Division, Sahiwal prepared and got approved analysis of the non- standardized item “*Providing and fixing of Oak Wood solid door 1-1/2” thick i/c cost of brass hinges.....etc*” for Rs 1502 per sft by allowing excess rate of French polish, Brass hinges, Brass tower, Sliding bolt and labour. The admissible rate worked out to Rs 1059 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 3.762 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and explained to the committee that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD’s template and effect recovery accordingly. Para was kept pending for re-verification of rate analysis and actual recovery. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.944)

2.4.2.3.11 Executive Engineer, 4th Buildings Division, Lahore prepared and got approved rate analysis of the item “*P/L cutting, bending, placing & fixing m.s steel deformed bar G- 60 (Karachi Steel Mill)*” for Rs 63.81 /kg. The total composite rate was derived as Rs 2,931.32 per CWT (cubic weight) and per Kg rate Rs 58.63 was worked out by dividing the total amount with 50 instead of 50.8023 for converting CWT to Kg. Hence the actual rate comes to Rs 57.700 /Kg (Rs 2,931.32 ÷ 50.8023). The admissible rate worked out to Rs 62.80 /Kg. The excess rate Rs 1.01 /kg resulted in overpayment.

Violation of the Finance Department's instructions resulted in overpayment of Rs 3.079 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that rough cost estimate was prepared by NESPAK and approved by competent authority. The Committee kept the para pending for re-calculation of labour and effecting recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1791)

2.4.2.3.12 Under the administrative control of Secretary C&W, estimate of work "rehabilitation/improvement of Sunder-Raiwind Road length 10.66 Km district Lahore" was approved for Rs 295.223 million. The item of lane marking with T.P paint 6" wide was provided and paid for 254345 rft @ Rs 35 per rft instead of admissible rate of Rs 23.25 per rft. Excess rate of Rs 11.75 per rft was included in estimate. Thus the contractor was paid inadmissible amount of Rs 2.988 million.

Violation of Finance Department's instructions resulted in over payment of Rs 2.988 million.

Audit pointed out the overpayment in May 2017. The department replied that as per B&R Code, Administrative Approval was only a concurrence of Government to execute a specific job and not approval of rate. Responsibility for payment rests with concerned executing agency. Reply of the department was not tenable because rate was approved on higher side in estimate which resulted in overpayment after acceptance of tender at higher rate.

The para was also discussed in SDAC meeting held on 12.10.2017. The Committee directed the department to transfer the audit para to XEN,

HD, Lahore for annotated reply as ultimately the payment of TP paint was made by the concerned division. The Committee transferred the para to the executing division for effecting recovery and getting it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.223)

2.4.2.3.13 Executive Engineer, Buildings Division, Sahiwal prepared and got approved rate analysis of the item "*Providing and fixing M.S. sheet hollow pressed frame of door full jamb width (chowkat only) of 16 SWG welded with M.S. flat 6"x 1¼" x 1/8" M.S. holdfast 9"x1"x1/8" filling chowkat with cement concrete 1:2:4 and embedding holdfast in cement concrete 1:2:4, complete in all respects, single rebate and double rebate*" for Rs 187.50 per sft to Rs 295 per sft as non-standardized items whereas in the MRS, rate is Rs 122.20 per sft & 146.61 per sft. Incorrect and uneconomical rate resulted in overpayment of Rs 2.976 million.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.976 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and explained that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. Para was kept pending for re-verification of rate analysis and actual recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.946)

2.4.2.3.14 Executive Engineer, Buildings Division, Dera Gazi Khan prepared and got approved the non- standardized item “*P/F safety jangla front of steps 5/8" square bar 4" c/c vertical bar U shape 8"etc*” @ Rs 506 per sft (against which contractor quoted Rs 526.24 per sft) by allowing excess rate of M.S. flat, steel and excess labour. The admissible rate worked out to Rs 436.80 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 2.903 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. During verification department did not produce the relevant record. The Committee directed the department to get detailed verification from audit within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.500)

2.4.2.3.15 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item “*P/F 2" thick solid teak wood paneled doors, having bottom rail 8-1/4" wide, middle / lock rail 6-1/2"etc*” complete as per architectural drawing and as approved by the engineer incharge (without locks and finger plates) for Rs 3,559 per sft and paid @ Rs 3,000 per sft as non-standardized item. The rate was higher due to excess rate and wastage of 1st class Teak Wood and labour. The admissible rate worked out to Rs 1,882.96 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 2.654 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated: 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at the enhanced rate. Further, recovery of the excess labour rate was also not made. The department explained that rate has been revised by the FD. The Committee kept the para pending for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1839)

2.4.2.3.16 Executive Engineer, Buildings Division, Sahiwal got sanctioned the item "*S/E of razor wire fence 24" on boundary wall with M.S angle iron 1½" x 1½" x1/4" Y-shape with 2 No. G.I wire No 6 complete*" @ Rs 426 per rft by allowing the excess rate of MS angle iron, welding and labour charges by mis-calculation of razor wire etc. The admissible rate worked out to Rs 332 per rft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 2.451 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and stated that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.993)

2.4.2.3.17 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item "*P/F 7-1/2" x 1-3/4" Teak Wood architrave around window chowkat i/c cost of fixing, polishing etc complete as per architectural drawing i/c termite proofing using biflex, FMC or Dursabane chemical complete as per architectural drawing and as approved by the engineer incharge*" for Rs 1,292 per sft and paid @ Rs 1,075 per sft as non-standardized item. The rate was higher due to excess rate and wastage of 1st class Teak Wood and labour. The admissible rate worked out to Rs 727.83 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.992 million.

Audit pointed out the overpayment in November 2017. Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated: 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at the enhanced rate. Further, recovery of the excess labor rate was also not made. The department explained that rate has been revised by the FD. The Committee pended the para for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1837)

2.4.2.3.18 Executive Engineer, Buildings Division, Sahiwal prepared and approved analysis of the non- standardized item "*Providing and fixing of Oak Wood solid door 1-1/2" thick i/c cost of brass hinges.....etc*" for Rs 1,502 per sft which was higher due to allowing excess rate of French polish, Brass hinges, Brass tower, Sliding bolt and labour. The admissible rate worked out to Rs 1103.12 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.865 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and explained to the committee that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.978)

2.4.2.3.19 Executive Engineer, Buildings Division, Muzaffargarh got executed the non- standardized items “*Making and fixing iron grating in windows verandah opening comprising frame of M.S angle iron 2"x2"x3/8"etc.*” and “*Making and fixing windows, c.window M.S. angle iron 1-1/2"x1-1/2"x1/4"etc.*” for quantity 8193.76 sft and 600 Sft and paid @ Rs 1,025.44 per sft and Rs 600 per sft respectively by allowing excess rate of labour and scaffolding, excess rate of hinges and sliding bolt . The admissible rate worked out to Rs 814.32 per sft and 484.64 per sft respectively.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.799 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Further the rate analysis of the item would be revisited and if any recovery is due, it would be made. The Committee directed the department to make actual recovery and get it verified from

Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.694)

2.4.2.3.20 Executive Engineer, Buildings Division, Sargodha made payment for a non MRS item of work i.e “*structural pad*” at higher rate of Rs.3849.00 per % sft as the department incorporated extra quantity of stone and sand and Drum Road Roller in the rate analysis. Actual rate of the item comes to Rs.2601.00 per % sft. Moreover the rate analysis was also not approved by the competent authority.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.693 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department stated that analysis of rate for structural pad was approved by the competent authority. Audit pointed out that the department incorporated extra quantity of stone, sand and Drum Road Roller in the rates analysis. The Committee directed the department to get the record re-verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be investigated and responsibility may also be fixed.

(DP No. 527)

2.4.2.3.21 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item “*P/F teak wood chowkat for door 4-1/2" x 3-1/2" having architectural feature as per existing assembly chowkats i/c cost of M.S holdfast, nails, screws etc also etc termite proofing using bifex or FMC or Dursabane chemical complete*

as per architectural drawing and as approved by the engineer incharge” for Rs 1,955 per sft and paid @ Rs 1,800 per sft as non-standardized item. The rate was higher due to excess rate and wastage of 1st class Teak Wood and labour. The admissible rate worked out to Rs 647.92 per sft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 1.683 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at the enhanced rate. Further, the recovery of excess labor rate was also not made. The department explained that rate has been revised by the FD. The Committee pended the para for verification within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1838)

2.4.2.3.22 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item “*P/F ornamental teak wood architrave around teak wood chowkat of door 9” wide and 2-3/4” max thickness i/c polishing etc complete i/c termite proofing using biflex or FMC or Dursabane chemical complete as per architectural drawing and as approved by the engineer incharge”* for Rs 3,860 per sft and paid @ Rs 3,212 per sft as non-standardized item. The rate was higher due to excess rate and wastage of 1st class Teak Wood and labour. The admissible rate worked out to Rs 1,341.66 per sft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 1.490 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated: 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at the enhanced rate. Further, the recovery of excess labor rate was also not made. The department explained that rate has been revised by the FD. The Committee pended the para for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1841)

2.4.2.3.23 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item "*P/F ornamental teak wood architrave around teak wood chowkat of door 7" wide and 2" max thickness i/c polishing etc complete i/c termite proofing using biflex or FMC or Dursabane chemical complete as per architectural drawing and as approved by the engineer incharge*" for Rs 2,111 per sft and paid @ Rs 1,756 per sft as non-standardized item. The rate was higher due to excess rate and wastage of 1st class Teak Wood and labour. The admissible rate worked out to Rs 752.63 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 1.333 million.

Audit stated that during verification of teak wood analysis of rate, the department neither provided original copy of A&C (input rates) No.1 dated: 23.08.2016 nor detail of Rs 14,000 i.e back up data to arrive at the enhanced rate. Further, the recovery of excess labour rate was also not made. The department explained that rate has been revised by the FD. The Committee pended the para for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1842)

2.4.2.3.24 Executive Engineer, Buildings Division, Faisalabad awarded a work to a contractor. The department got executed a non standardized item “*Providing and fixing razor wire 24 inch dia spiral type four pointed out razors made of 26 SWG G.I. Sheet etc*” measured and paid to the contractor for the quantity of 3397 rft @ Rs 300 per rft. It has been pointed out that the department got executed the non schedule item which does not exist in the TSE. Further, the department did not produce the rates analysis of the item duly approved by the competent authority.

Violation of Finance Department’s instructions resulted in overpayment of Rs 1.019 million.

Audit pointed out the irregularity in November 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 27.12.2017. During verification, department did not produce any record. The Committee directed the department to produce the complete record to Audit for verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery from the contractor.

(DP No.1739)

2.4.2.3.25 Executive Engineer, Buildings Division, Muzaffargarh executed the non- standardized item “*Making & fixing of steel locker 2ft deep comprising chowkat of angle iron 1-1/2"x1-1/2"1/4"etc.*” for 3450 sft quantity and paid @ Rs 1,277.12 per sft by including excess rate of handle, paint and labor charges for welding taken per kg instead of Rs 984.77 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 1.008 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Further the rate analysis of the item would be revisited and if any recovery is done, it would be effected. The Committee directed the department to make actual recovery and get it verified from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 696)

2.4.2.3.26 Executive Engineer, 5th Buildings Division, Lahore prepared and got approved the rate analysis of the item "*P/F Iron Fence Made of ¾"x ¾ square Bar 5" C/C 5'-7" high fixing ornamental cone on top of every bar..... complete in all respect*" for Rs 620 per sft and paid @ Rs 647.78 per sft as non-standardized item. The rate was higher due to excess material rate. The admissible rate worked out Rs 505.22 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.990 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. Audit stated that as per 1st bi-annual 2016, Lahore, the rate for iron patti per kg was Rs 74 instead of Rs 78.70 and the department also did not submit the rate analysis of non-MRS item to technical cell of FD for standardization. The department stated that the applied rate was Rs 78.70 per kg. The Committee directed the department to get the record re-verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1833)

2.4.2.3.27 Executive Engineer, Buildings Division, Narowal prepared and got approved the non-standardized item “*P/L structural pad made of selected granular material mixture of 50% sand and 50% gravel compacted up to 95% dry density complete*” @ Rs 59 /cft. The rate was excess due to taking extra lead of 7 km and compaction of sand at site of work and labour rate. The admissible rate worked out to Rs 41.03 /cft but payment was made @ 56.88 /cft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 0.830 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. The department partially admitted the recovery. The Committee directed the department to effect actual recovery & get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1184)

2.4.2.3.28 Executive Engineer, Buildings Division, Sargodha made payment Rs 0.816 million for a non MRS item of work i.e “*razor wire fence*” 2534 rft @ Rs 322.00 per Rft. The department did not get approval of the rate analysis from the competent authority. The department also did not get approved the design/cross section of said item of work.

Violation of Finance Department’s instructions resulted in irregular expenditure of Rs 0.815 million.

Audit pointed out the irregularity in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained to the Committee that analysis of non-standardized item in question was already approved in the TS estimate. Audit pointed out that no relevant record was produced for verification. The Committee directed the department to get the record verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be investigated and responsibility may also be fixed.

(DP No. 868)

2.4.2.3.29 Executive Engineer, Buildings Division, Narowal prepared and got approved the non-standardized item "*P/L structural pad made of selected granular material mixture of 50% sand and 50% gravel compacted up to 95% dry density complete*" @ Rs 61 /cft. The rate was excess due to taking compaction of sand for site of work and labour rate. The admissible rate worked out to Rs 44.30 /cft but payment was made @ 57.34 /cft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.683 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. The department partially admitted the recovery. The Committee directed the department to effect actual recovery & get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No. 1186)

2.4.2.3.30 Executive Engineer, Buildings Division, Dera Gazi Khan measured and paid a non-standardized item “*P/L structural pad made with selected granular fill material 50% sand and 50% gravel compacted 95%*” for quantity of 75,627 cft @ Rs 3,719 % cft by taking carriage rate of 1st chain and plate compactor provided in MRS and input rates of 1st bi annual 2016 instead of admissible rate 3,020.16 %cft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.654 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. The Department explained that the inclusion of 1st chain @ Rs 101.75 % cft was because of the fact that the site condition was congested and the material brought at site of work was away from the execution site so, the competent authority accorded sanction for further one chain. The Committee did not agree with the view point of department as the department could not produce the record measurement of additional payment of 1st chain on the demand of Audit. The Committee directed the department to effect full recovery and get it verified from Audit within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.474)

2.4.2.3.31 Executive Engineer, Buildings Division, Sialkot prepared and got approved rate analysis of the non-standardized item “*P/L 1/2" (6"x12") sand stone thick cladding laid 3/4" thick cement sand motor 1:2" etc*” for Rs 175 per sft and paid @ Rs 182.79 per sft. The rate was higher because of taking excess quantity of cement and labour paid. The admissible rate worked out to Rs 154 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.654 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. Audit was of the view that incorrect rate analysis was prepared. The department stated that rate analysis was correct. The Committee referred the para to Finance Department for clarification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No. 1471)

2.4.2.3.32 The Superintending Engineer, Buildings circle, DG Khan sanctioned analysis of rate of a non standardized item "*P/F razor wire having double sharp 04 Nos. pointer razors @ 1 1/4" c/c in circular shape 24" ring fixed with 02 Nos bars 1/2"x1/2" square welding horizontally and 1 No post of angle iron 1 1/2" x1 1/2" x 3/16" vertically 24" clear height*" for Rs 354 per Rft on the basis of rates for 2nd Bi-annual, 2014. The Superintending Engineer, Buildings Circle, Bahawalpur for the same item sanctioned rate of Rs 302 per Rft on the basis of rates for 2nd Bi-annual 2015. The department approved excess rate of Rs 52 per rft which resulted in loss of Rs 0.639 million to the government.

Violation of Finance Department's instructions resulted in loss of Rs 0.639 million to the govt.

Audit pointed out the loss in February 2017. The department replied that the rate of Razor cut wire was applied @ Rs 220 per kg as compared to Rs 175 per kg applied by the Building Circle Bahawalpur. This difference was due to remote locality. The reply was not tenable as Bahawalpur and DG Khan both are almost at the same distance from Multan. Therefore, difference of rate in material i.e Razor cut wire @ Rs 45 per kg was not justified.

The para was also discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. No record was produced to Audit for verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends to make the loss good.

(DP No.1)

2.4.2.3.33 Executive Engineer, Buildings Division, Sahiwal prepared and got approved analysis of the item "*P/F of MS Sheet hollow pressed frame chowkat of 16 SWG welded with MS flat 6" x 1¼ " x 1/8"* MS hold fast hinges 4"(100mm) embedded with 1:2:4 concrete complete 10" & 15" wide" for Rs 223 per sft as non-standardized which was higher because of taking excess rates of MS sheet, MS Flat and hinges as Rs 115 per Kg, Rs 82.5 per Kg and Rs 90 each instead of admissible rate of Rs 70 per Kg, Rs 74.17 Per Kg and Rs 45 each respectively (Input rates Ist Bi-annual 2016 District Sahiwal). The admissible rate worked out to Rs 152.57 and 193.32 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.601 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and stated that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.970)

2.4.2.3.34 Executive Engineer, Buildings Division, Sargodha made provision of 31953 cft for an item of work i.e “*earthwork for making embankment*” in DNIT and awarded to the contractor @ Rs 4,674.00 % cft. However in the 1st running bill the department made payment for quantity of 164500 cft @ Rs 8,200.00 % cft. The department made payment with higher rate of Rs 3526.00 % cft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.580 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department explained that rate of item “*earthwork for making embankment*” with lead of 2 miles @ Rs 8,727.45 % cft was sanctioned. Audit pointed out that the rate of said item was approved @ Rs 4,674 % cft but higher rate was paid. The Committee directed the department to effect recovery within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(PDP No. 865)

2.4.2.3.35 Executive Engineer, Buildings Division, Muzaffargarh executed the non- standardized item “*making and fixing iron grated door comprising frame of M.S chowkat 2-1/2" x 2-1/2" x 3/8" angle iron 2" x 2" x 3/8"etc.*” and paid @ Rs 1,216.80 per sft by allowing excess rate of labour and incorrect multiplication in analysis. The admissible rate worked out to Rs 801.84 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 0.544 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Further the rate analysis of the item would be revisited and if any recovery is due, it would be effected. The Committee directed the department to make actual recovery and get it verified from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 695)

2.4.2.3.36 Executive Engineer, 1st Provincial Buildings Division, Lahore executed the item “*P/F M.S. Sheet Hallow pressed frame of door, windows (Chowkat)*” and paid @ Rs 188 per sft for 7667 sft for 9" wide, whereas in MRS, said item M.S. Sheet Chowkat was also available in Chapter No. 12 item No.15 at rate of Rs 120.65 per sft. Thus, allowing of excess rate resulted in overpayment of Rs 516,372 (Rs 188 – Rs 120.65 =67.35 per sft).

Violation of Finance Department's instructions resulted in overpayment Rs 0.516 million.

Audit pointed out the overpayment in October 2016. The department did not reply.

The para was also discussed in SDAC meeting held in November 2017. The department explained that provision of the item P/F M.S Sheet Hallow pressed frame of door existed in detailed technical sanction estimate and DNIT. Audit contended that no record was produced by the department for verification. The Committee directed the department to produce the relevant record and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early justification / recovery.

DP No. 1297 (2016-17)

2.4.2.3.37 Executive Engineer, Buildings Division, Sargodha made payment for following items of work at higher rate:

(Amount in Rs)					
Item of work	Rate paid (Rs)	To be paid (Rs)	Diff. (Rs)	Qty	Amount
Gutka	100.00	79.00	21.00	5482 sft	115,122
Aluminum window	567.00	525.00	132.70	2608 sft	345,299

Violation of Finance Department's instructions resulted in overpayment of Rs 0.460 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department explained to the committee that analysis of rate of fair face gutka was under consideration in Finance Department and analysis of aluminum window would be worked out keeping in view the rates of MRS. The Committee kept the para pending till the final decision of the FD in the matter of gutka and directed the department to revise the analysis of aluminum window. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 530)

2.4.2.3.38 Executive Engineer, Building Division, Sahiwal prepared and got approved analysis of the item "*P/F MS grill of 3/8" x 3/8" sq.bar including MS flat 3/4" x 3/16"* for frame in window, hold fast 9" long complete" for Rs 286 per sft as non-standardized by including excess rate of M.S square bar as Rs 82.67/Kg instead of admissible rate of Rs 55.165 per Kg and labour. The admissible rate worked out to Rs 223.52 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.435 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and explained that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.957)

2.4.2.3.39 Executive Engineer, 7th Buildings Division (M&R), Lahore prepared and got approved rate analysis of the item “*P/F 22" deep Wardrobe consists of brick work RCC shelves i/c M.S pipe 2-1/2" x 1" frame of 3/4" thick laminated sheet shutter and wood gola size 3/4" x 1/2" all around leaves i/c C.P fitting handle lock catcher and painting 3-coats complete in all respect and as approved by the Engineer Incharge*” for Rs 619 per sft and made payment @ Rs 600 per sft as non-standardized item. The rate was higher because of allowing excess rate of Pacca brick work, RCC, Fabrication of mild steel, cement plaster and excess labour paid. The admissible rate worked out to Rs 516.31 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.330 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. Department did not produce the complete record. The Committee directed for re-verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.1880)

2.4.2.3.40 Executive Engineer, Buildings Division, Muzaffargarh prepared and got approved a non-standardized item “*P/F iron grating of 2" x 2" x 3/8" angle iron frame of M.S flat 2" x 3/8" x 3/4" square bar 4" etc.*” @ Rs 943 per sft against which contractor quoted Rs 985.15 per sft . The approved rate was higher due to excess rate of M.S flat and M.S square bar. The admissible rate worked out to Rs 680.43 per sft.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 0.305 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate analysis prepared by this division was as per template of Finance Department with different specifications and accordingly provided in the estimate duly technically sanctioned by the competent authority. Audit explained that rate analysis of the item of work was prepared on higher side. The Committee directed the department to produce the rate analysis and get it verified from Audit within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No. 676)

2.4.2.3.41 The Executive Engineer, Buildings Division, Rawalpindi got executed a work “Improvement/ Rehabilitation of Wild Life Park Bansra gali, Murree (Group-1)” measured and paid a non-standardized item of work “Construction of ungulate enclosure 9 No (9000 Rft) etc” @ Rs 2,072 per rft. Further the department applied the higher rate for the item “*Fabrication of heavy steel work etc*” as Rs 12,154.55 % Kg instead of admissible rate of Rs 10,128.46 % Kg as per MRS 2nd bi annual 2013. The corrected rate was worked out to Rs 2,026 per rft but payment was released @ Rs 2,065 per rft. Hence, department paid excess rate of Rs 39 per rft (Rs 2,065 – Rs 2,026) to the contractor.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.301 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The Department admitted the recovery. The Committee directed the department to make recovery and get it verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.757)

2.4.2.3.42 Executive Engineer, Provincial Buildings Division, Rahim Yar Khan approved the item "*P/F M.S pressed steel chowkat for 16 SWG i/c cutting welding hold fast single rebate 9" wide*" as non-MRS item @ Rs 183.73. As per input rates of M.S. Sheet 16 SWG, the rate worked out to Rs 134 per sft. The excess rate resulted in overpayment of Rs 297,982.

Violation of Finance Department's instructions resulted in overpayment due to excess rate of Rs 0.297 million.

Audit pointed out the overpayment in July 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that composite rate including cutting, welding hold fast single rebate 9" was paid, whereas audit compared it with rate of material only. The Committee deferred the para for detailed verification by audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1444 (2016-17)

2.4.2.3.43 Superintending Engineer Provincial Buildings Circle, Gujranwala provided the item P/l RCC Pipes Class II conforming to ASTM specification in respect of 12 i/d and 15 i/d i.e item No. 3 of Chapter 21. It was observed that rates for same nature of Class II RCC pipes of 6 i/d and 9 i/d i.e item No. 2 of Chapter 21 were lower than same dia of pipes of Class L placed in item No. 1 of Chapter 21. Actual rates comes to Rs 59.65 and 98.75 respectively for 6 i/d and 9 i/d instead of Rs 112.85 and 290.75(RCC pipes of class L placed in item No. 1).

Violation of Finance Department's instructions resulted in loss of Rs 0.296 million.

Audit pointed out the loss in April 2017. The department did not reply.

The para was to be discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. The representative of division/circle did not attend the Audit office for verification of PDPs, despite clear instruction from the Administrative Department (C&W). The Committee directed that disciplinary action be initiated against officers / officials at fault under PEEDA Act, 2006. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 237)

2.4.2.3.44 Executive Engineer, 1st Provincial Buildings Division, Lahore approved the rates of certain items on higher side by taking excess input rates from 1st bi-annual 2015 for the items and paid at 4.44% above the T.S. rates. The allowing of excess rate resulted in overpayment of Rs 281,847.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.282 million.

Audit pointed out the overpayment in October 2016. The department did not reply.

The para was also discussed in SDAC meeting held in November 2017. The department explained that actual recovery would be made after applying correct input rate. The Committee directed the department to make actual recovery and get it verified from audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1279 (2016-17)

2.4.2.3.45 Executive Engineer, Buildings Division, Muzaffargarh, got sanctioned the item “P/L dry rammed crush stone for foundation (50% crush stone 3/8” to 1” and 50% sand as desired in BSR Report)” @ Rs 7,061% cft (rate analysis not produced). In T.S estimate and agreement, the source of crush was not mentioned. However, the crush lead was taken from Kirana quarry to Muzaffargarh and admissible rate worked out to be Rs 6,225% cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.280 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that payment to the contractor had been made as per agreed rates which were approved by the competent authority. The Committee directed the department to produce rate analysis and get it verified from Audit within 15 days, or otherwise recovery would be made. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.681)

2.4.2.3.46 Executive Engineer, 2nd Provincial Buildings Division, Lahore approved the item “*P/F stainless steel non-magnate stair railing 2 ¾ high consisting 2" dia 18 SWG steel pipe welded over vertical balustrade of 1 1/2" wide of MS tikki 3" dia etc*” @ Rs 2,500 per rft on higher side by including some quantities/rates of sub-items of the rate analysis in excess i.e. M.S. Tikki rate labour of black smith & helper (in duplicate) and for polishing of steel railing. Further, the quotations of stainless and balustrade were not produced. The admissible rate becomes Rs 2294 per rft. The excess rate resulted in overpayment of Rs 0.267 million.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.267 million.

Audit pointed out the overpayment in November 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that rate of stainless steel was according to prevailing market rates. Audit contended that the department did not produce the rate analysis. The Committee directed the department to get the rate analysis re-verified. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

DP No.1454 (2016-17)

2.4.2.3.47 Executive Engineer, 6th Provincial Buildings Division, Lahore prepared analysis of item “*Fabrication and fixing of flat bar comprising stainless steel ASTM-304 etc.*” It was revealed that estimated rate of the above item was worked out to Rs 875 per Kg against which the contractor quoted Rs 941.29 per Kg (Rs 875 x 104.50 %) and payment of Rs 1.381 million vide item No. 4 was made to the contractor. As per rate

analysis, the actual estimated rate came to Rs 738 per Kg ($932.23 \div 1.263$) and the payable rate worked out to Rs 771 (Rs 738 + 104.50 %). Excess rate of Rs 170.15 per Kg (Rs 941.29 – 771) resulted in overpayment of Rs 0.257 million (Rs 170.15 per Kg x 1511 Kg).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.257 million.

Audit pointed out the overpayment in November 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department submitted that the recovery of Rs 0.157 million was made vide transfer entry No 01 and adjusted in the monthly account for 01/2017. Audit contended that the department ignored the wastage while calculating rate. The Committee directed the department to recover the amount of wastage @ Rs 25 per kg for wastage. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1335 (2016-17)

2.4.2.3.48 Superintending Engineer, Provincial Buildings Circle, Sargodha got approved, in technically sanctioned estimate, an item of work "*P/L structural pad made with selected granular fill material 50% pit run/bed run and 50% sand duly compacted 95% and complete in all respect*" @ Rs 4,424 per % cft for estimated quantity of 28068 cft as non-standardized item by making a rate analysis on the basis of rates of 2nd bi-annual 2015 of District Sargodha, wherein for material component, department took the costly item of stone ballast 1-1/2" to 2" gauge @ Rs 1,250 % cft instead of cheaper item available in input rates for same purpose i.e. Pit run/bed run @ Rs 325 per % cft (as per item No.18.004 of material in put rates of 2nd bi-annual 2015 of District Sargodha). The actual rate worked out to Rs 3,586 per % cft instead of Rs 4,424 and thus an excess rate of Rs 838 per % cft was paid.

Violation of Finance Department's instructions resulted in loss of Rs 0.243 million ($4424-3586=838+3.64\% = 868.50 \times$ estimated Quantity 28068 cft) which may either be recovered or justified.

Audit pointed out the overpayment in April 2017. The department replied that the contention of Audit was void as the audit had derived the rate analysis by adopting the rate of pit run material without knowing the availability of pit run gravel in the area. If pit gravel was used, its cost would be manifold as it would be carted from Texla. The department had worked out the correct analysis on the basis of nearest material availability. Therefore, the recovery pointed out by the audit was not justified. Reply of the department was not tenable as there were lots of Nullahs between Sargodha District and Khushab District where pit run/bed run gravel was easily available. As the scheme falls in Sargodha District, so there was no need to cart the pit run/bed run gravel.

The para was to be discussed in SDAC meeting 25.09.2017 to 27.09.2017. The representative of division/circle did not attend the Audit office for verification despite clear instructions from the Secretary of Administrative Department (C&W). The Chair showed displeasure at this blatant disregard of higher authorities and SDAC forum. The Committee directed that disciplinary action be initiated against officers / officials at fault under PEEDA Act, 2006. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.40)

2.4.2.3.49 Executive Engineer, Buildings Division, Sahiwal prepared and got approved analysis of the item "*P/F of MS Sheet hollow pressed frame chowkat of 16 SWG welded with MS flat 6" x 1¼ " x 1/8" MS hold fast hinges 4"(100mm) embedded with 1:2:4 concrete complete 10" & 15" wide*" for Rs 223 per sft as non-standardized item which was higher because of taking excess rates of MS sheet and hinges as Rs 115 per Kg, and Rs 90 each instead of admissible rate of Rs 91.50 per Kg and Rs 40

each (Input rates 2nd Bi-annual 2014 District Sahiwal respectively). The admissible rate worked out to Rs 179.65 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.240 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and explained to the Committee that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.955)

2.4.2.3.50 Executive Engineer, Buildings Division, Muzaffargarh, got sanctioned the item "*P/L structural pad of granular material 50% and mixed with sand 50% compacted up to 95% complete*" @ Rs 4,405.46 per % cft by including excess quantity of sand, excess carriage and excess rate of coolly. The admissible rate worked out to Rs 3,803.88 per % cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.220 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Further the rate analysis of the item would

be revisited and if any recovery was due, it would be effected. The Committee directed the department to make actual recovery and get it verified from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.713)

2.4.2.3.51 Executive Engineer, 4th Buildings Division, Lahore prepared and got approved rate analysis of the item "*P/F M.S grill of 3/8" x 3/8" square bar i/c M.S flat 3/4" x 3/16" for frame in window 6 Nos hold fast 9" long and painting complete in all respect*" for Rs 256.25 per sft and paid @ Rs 267.73 per sft as non-standardized item. The rate was higher due to application the rate of Rs 78.10 per kg of M.S flat to M.S bars whereas the rate of Rs 54 per kg of M.S bars existed in input rates under item No. 6.012. The admissible rate worked out to Rs 218.36 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.213 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that the item required extra molding and casting and the rate was paid correctly. The committee kept the para pending for want of re-verification of record. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1762)

2.4.2.3.52 Executive Engineer, Provincial Buildings Division, Rahim Yar Khan approved the item "*MS sheet hollow pressed frame of door (chohwkat only) of 16 SWG with MS flat 1 1/4" x 1/8" (7 Nos.) i/c 9" M.S flat 1" x 1/8" hold fast with screw 4" complete*" at rate of Rs 253.76 per

sft. In this Non-MRS rate, the rates of some sub-items and labour were taken on higher side. The approval of excess rate resulted in overpayment of Rs 0.083 million. (Group No. 1). Similarly, excess rate caused overpayment of Rs 0.056 million in Group No. 2.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.139 million.

Audit pointed out the overpayment in July 2016. The department did not reply.

The para was also discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. No justification/record was produced to Audit for verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1482 (2016-17)

2.4.2.3.53 Executive Engineer, Buildings Division, Muzaffargarh prepared and got approved the non-standardized item "*P/L structural pad made of selected granular material mixture of 50% sand and 50% gravel compacted up to 95% dry density complete*" @ Rs 7,061% cft. The rate was excess due to inclusion of extra carriage for site of work and labour rate. The admissible rate worked out to Rs 5,925.84% cft but payment was made @ Rs 7,255.04 % cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.190 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent

authority and paid accordingly. Further the rate analysis of the item would be revisited and if any recovery is due, it would be effected. The Committee directed the department to make actual recovery and get it verified to Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 687)

2.4.2.3.54 Executive Engineer, Buildings Division, Dera Gazi Khan got sanctioned a non-standardized item "*Providing and fixing razorwire double sharp 24" dia 2 Nos. M.S bars and one No. post 24" clear height and 9" embedded in PCC 1:2:4 complete*" @ Rs 348 per rft by allowing higher input rate of MS angle iron and razor wire and carriage etc. The admissible rate worked out to Rs 297 per rft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.189 million.

Audit pointed out the excess rate in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. Department explained that competent authority had approved the non-scheduled rate and payment was made accordingly. The audit argued that the department allowed higher input rates of item angle iron, razor wire and carriage etc. The Committee directed the department to review the non-scheduled rate for actual recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.491)

2.4.2.3.55 Executive Engineer, Buildings Division, Muzaffargarh prepared and got approved the non-standardized item "*Dry rammed crush stone in formation 50% and sand 50% complete*" @ Rs 5,442.90% cft.

Said rate was in excess due to inclusion of excess carriage & 20% profit on carriage and excess labour. The admissible rate worked out to Rs 4,636 per % cft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.188 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Further the rate analysis of the item would be revisited and if any recovery was due, it would be effected. The Committee directed the department to make actual recovery and get it verified from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No. 702)

2.4.2.3.56 Executive Engineer, 6th Provincial Buildings Division, Lahore made payment for an item of work "*P/F tempered glass (UAE Origin) 12 mm thick*". In the rate analysis, the wastage factor of 15% instead of admissible factor of 5% had been added. With 5% wastage, the estimated rate of the item came to Rs 865.22 per sft instead of Rs 900 per sft taken by the department. The payable rate to the contractor was worked out to Rs 904.15 per sft instead of Rs 940.41 per sft. Excess rate of Rs 36.26 per sft resulted in overpayment of Rs 188,298.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.188 million.

Audit pointed out the overpayment in November 2016. The department did not furnish any reply.

The para was also discussed in SDAC meeting held on 13.12.2017. Department submitted that glass was available in sheets which were to be cut to required size and then tempered, the actual wastage was more than 15%. Audit contended that 5% wastage was admissible. The Committee after detailed discussion allowed 12% wastage and directed the department to recover remaining 3% from contractor within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1337 (2016-17)

2.4.2.3.57 Executive Engineer, Provincial Buildings Division, Rahim Yar Khan approved an item "*P/F M.S pressed steel chowkat for 16 SWG i/c cutting welding hold fast single rebate 9" wide*" as non-MRS item @ Rs 176.04 per sft, against the admissible rate of Rs 134 per sft.(as per input rates)

Violation of Finance Department's instructions resulted in overpayment of Rs 0.174 million.

Audit pointed out the overpayment in July 2016. The department did not reply.

The para was also discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. No justification/record was produced to Audit for verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1480 (2016-17)

2.4.2.3.58 Executive Engineer, Buildings Division, Dera Gazi Khan prepared and got approved analysis of the non- standardized item "*Making and fixing the steel grated door of M.S angle iron 2" x 2" x 3/8" welded*

with 2" x 3/8" M.S flat & 3/4" sq.bar, hold fast & painting complete" for Rs 916.38 per sft by allowing excess rate of M.S angle iron and flat and gusset plate 1/4" thick instead of admissible rate @ Rs 814.32 per sft. Further the item of same specification was available at S.No 30 chapter-25 at rate of Rs 694.60 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.173 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. Department did not produce the record of relevant item No. 49 of the acceptance letter of the work which was objected in Audit para but produced the record of another similar item. The Committee directed the department to get the record re-verified within 07 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.477)

2.4.2.3.59 Executive Engineer, Buildings Division, Narowal prepared and got approved rate analysis of the non- standardized item "*P/F of M.S. sheet hollow pressed moulded steel chowkat of 16 SWG with M.S flat 6" x 1 1/2" x 1/8" and cement concrete 1:2:4 complete "5" wide, 10" wide and 15" wide*" @ Rs 196.31 per sft, Rs 205 per sft and Rs 226.59 per sft respectively (rate analysis not produced). The admissible rate as per F.D template of same specification with difference of 16 SWG instead of 20 SWG was worked out to Rs 112.82 per sft, 150.43 per sft and 179.68 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.169 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. Department explained that payment was made according to technically sanctioned estimate which was approved by the competent authority i.e Chief Engineer. The Committee directed the department to get the approved rate analysis verified by the audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1160)

2.4.2.3.60 Executive Engineer, Buildings Division, Dera Gazi Khan (in two works) prepared and got approved a non-standardized items "*P/L structural pad made with selected granular fill material 65% sand and 35% gravel compacted*" at rate Rs 2,685.10 per % cft .The rate was excess due to inclusion of first chain rate Rs 101.75 per % cft and excess quantity of sand. The admissible rate was Rs 2,759.24 per % cft but payment was made @ Rs 2,804.48 per % cft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.165 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. The department explained that inclusion of 1st chain @ Rs 101.75 per % cft was done because of the site condition being congested and the material brought at site of work was away from the execution site so, the competent authority accorded sanction for further one chain. The Committee did not agree with the view point of department as the department could not produce the record measurement of additional payment of 1st chain on the demand of Audit. The Committee directed the department to effect the full recovery and get it verified from Audit within

30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 459)

2.4.2.3.61 Executive Engineer, Buildings Division, Dera Gazi Khan measured the two items "*P/F M.S grill consisting of 1"x1"x M.S angle iron frame 16-SWG M.S Squire....etc*" and "*P/F M.S grill fixed in corridor opening consisting of M.S angle iron frame 1-1/2"x1/2"x3/16" and 3/8"x3/8"etc*" and paid @ Rs 265 per sft and Rs 260 per cft respectively instead of actual rate of Rs 250.68 per sft quoted by the contractor (as per comparative statement).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.148 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. The department explained that the rates for item-I was for ground floor @ Rs 269 per cft, 1st floor @ Rs 240 and 2nd floor @Rs 269 per cft and 2nd item @ Rs 283 per cft for all floors. But the comparative statement wrongly shows the rate @ Rs 240 per cft for all items. However, the acceptance letter was issued as per T.S. estimate rates. The Audit argued that corrigendum in this regard was required to be issued. The Committee upheld the viewpoint of Audit and directed the department to do the needful within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 460)

2.4.2.3.62 Executive Engineer, Buildings Division, Lodhran got executed an item" *Supply and Erection of Car Parking Shed 10 x 18 size*

each consisting of GI corrugated galvanized sheet 20 SWG..... The department approved higher rate of Rs 335 per sft instead of admissible rate of Rs 310 per sft. Payment to the contractor was made @ Rs 342 per sft which was on higher side than the admissible rate of Rs 316 (310 + 2%).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.131 million.

Audit pointed out overpayment in September 2017. Department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that correct labour rate of Rs 35 per cft was included in the rate analysis of item. Audit explained that no evidence in support of its statement was produced to Audit. The Committee kept the para pending for re-verification from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.628)

2.4.2.3.63 Executive Engineer, Buildings Division, Sahiwal got sanctioned the item "*P/F razor wire fence 24" dia on boundary wall with M.S angle iron 1½" x 1 ½"x1/4" Y-shape and 2-No G.I wire No.06 including fixing etc*" @ Rs 396 per rft by allowing higher input rate of MS angle iron and calculation of razor wire. The admissible rate worked out to Rs 336.32 per rft. Further, the item, "*P/L tuff paver 60mm having 7000 PSI of 80% grey and 20% colour complete*" was paid as Rs 83.56 per sft which was higher because of inclusion of excess rate of tuff paver and excess labour cost.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.129 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department admitted the recovery and stated that recovery would be made if the contractor failed to get NS item sanctioned from the competent authority. Audit stressed for early recovery. The Committee directed the department to prepare rate analysis according to the FD's template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.959)

2.4.2.3.64 Superintending Engineer Provincial Buildings Circle, Sargodha got approved in technically sanctioned estimate an item of work “*P/L structural pad made with selected granular fill material 50% pit run/bed run and 50% sand duly compacted 95% and complete in all respect*” @ Rs 3,849 per 100 cft for estimated quantity of 17338 cft as non-standardized item by preparing a rate analysis on the basis of rates of 2nd bi-annual 2015 of District Sargodha, wherein for material component, department had taken the costly item of stone ballast 1-1/2” to 2” guage @Rs 1,250 per % cft instead of cheaper item available in input rates for same purpose i.e. Pit run/bed run @ Rs 325 per % cft as per item No.18.004 of material in input rates of 2nd bi-annual 2015 of District Sargodha. The actual rate worked out to Rs 3,182.4 per % cft instead of Rs 3,849 & thus an excess rate of Rs 666.6 per % cft (3849-3182.4) was paid.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.119 million ($3849 - 3182.4 = 666.6 + 2.70\% = 684.60 \times$ estimated Quantity 17338 cft).

Audit pointed out the matter in April 2017. The department replied that detailed reply would be submitted subsequently.

The para was to be discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. The representative of division/circle did not attend the Audit office for verification of PDPs, despite clear instruction from the Secretary of Administrative Department (C&W). The Chair showed displeasure at this disregard of higher authorities and SDAC forum. The Committee directed that disciplinary action be initiated against officers / officials at fault under PEEDA Act, 2006. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends making the loss good.

(DP No.39)

2.4.2.3.65 Executive Engineer, Buildings Division, Dera Gazi Khan prepared and got approved the non- standardized item "*P/F of M.S grated door consisting of 2" x 2" x 3/8" angle iron frame and ¾" square bar 4" C:C and painting complete in all respect*" @ Rs 752 per sft (analysis not produced) whereas the admissible rate as per F.D template of same specification was worked out to Rs 673.55 per sft.

Violation of the Finance Department's instructions resulted in overpayment of Rs 0.104 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. During verification the department did not produce the relevant record based on audit para. The Committee directed the department to review the non-scheduled rate for actual recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.492)

2.4.2.3.66 Executive Engineer, Buildings Division, Dera Gazi Khan prepared and got approved the non- standardized item "*Providing and*

fixing graded door of M.S. angle ironetc” @ Rs 877 each against which contractor quoted Rs 1,104.58 each by allowing incorrect rate of angle iron frame and M.S flat, Gusset Plate and excess labour. The admissible rate worked out to Rs 783 each.

Violation of the Finance Department’s instructions resulted in overpayment of Rs 0.098 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. During verification of record, the department admitted the recovery. The Committee directed the department to effect recovery and get it verified from audit within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.494)

2.4.2.3.67 Executive Engineer, Provincial Buildings Division, Rahim Yar Khan measured an item “*Providing / applying sand tex coating complete in all respect*” @ Rs 26.40 by including labour charges and profit on it, whereas, it was observed that in quotations, the labour charges complete in all respect were included in the rate. Same item was executed in Group No.7 without including the labour. Hence, the inclusion of labour charges was unjustified and resulted in overpayment of Rs 96,211.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.096 million.

Audit pointed out the overpayment in July 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that during preparation of rate analysis, the

labour charges could not be included due to human error. The audit explained that the labour charges were not to be included in rate analysis of such items. The Committee upheld the viewpoint of Audit and directed the department to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1415 (2016-17)

2.4.2.4 Loss due to application of rates of incorrect MRS biannual – Rs 83.214 million

As per para-c of notification issued by the Finance Department vide No.RO(Tech)FD 2-3/2004 dated 4.8.2004, the Chief Engineer on the basis of inputs rates placed on website of the Finance Department should fix the rate of each item of work for rough cost estimate for Administrative Approval and for TSE.

2.4.2.4.1 Executive Engineer, Buildings Division No.1, Multan awarded different works to the contractors. The department paid incorrect rate of the items of work than admissible as per MRS 2nd biannual, 2016 for District Multan.

Violation of Finance Department's instructions resulted in loss to Government worth Rs 57.564 million.

Audit pointed out the loss in September 2017. The department replied that the payment was made as per technically sanctioned estimate duly sanctioned by the competent authority hence no loss to Govt. was involved. The reply was not tenable because the department had not fully appreciated the audit observation. As it was evident from the record, the department had applied incorrect rates which resulted in overpayment.

The para was also discussed in SDAC meeting held on 19.12.2017. The department explained that correct rate regarding para no. 28 was paid; regarding para No. 57, pointed out recovery was made vide TE No. 1 in

December 2017 regarding para No. 59, incorrect rate was written in MB inadvertently and regarding remaining paras No. 55,58,61,69,70 and 71, the recovery would be made in the next running bill. Audit intimated that no record was produced for verification. The Committee kept para pending for verification of record of recoveries. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of overpaid amount besides fixing responsibility upon the person(s) at fault.

(PDP No.1066)

2.4.2.4.2 Executive Engineer, Buildings Division, Rawalpindi in the execution of work "Establishment of Institute of Urology and Transplantation (Main Building) Phase-I, Rawalpindi" measured and paid an item of work "*Fabrication of mild steel reinforcement etc.*" for quantity of 1664813.51Kg @ Rs 12,151.13 % Kg amounting to Rs 188,040,686 instead of admissible rate of Rs 10,551.54 % Kg (Rs 10,129 + 4.167% mega allowance) as per MRS 1st bi annual 2012 vide Item No-9 Chapter- 6 after adding mega project allowance. Hence, department paid excess rate of Rs Rs 744.38 % Kg (Rs 11,295.92 – Rs 10,551.54).

Violation of Finance Department's instructions resulted in overpayment of Rs 12.948 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that the rate analysis of item of heavy steel of grade 60 was prepared as it was not available in the MRS. Audit raised the objection of paying the item available under MRS as non-scheduled item. The Committee directed the Department to get the record verified in detail. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.768)

2.4.2.4.3 Executive Engineer, Buildings Division, Sargodha awarded a work to the contractor on 17.06.2016 estimate of which was technically sanctioned on 25.02.2016 during the period of MRS 1st bi annual 2016. But the department awarded the work on the basis of rates notified in MRS 2nd biannual 2015. Rates of in 2nd bi annual 2015 were higher than the rates of 1st bi-annual 2016.

Violation of Finance Department's instructions resulted in overpayment of Rs 7.238 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that the estimate was framed on the same bi-annual rates which were in vogue at that time. Audit contended that the rates of steel and other items in 1st bi-annual 2016 were cheaper than the rates of 2nd bi-annual of 2015. The Committee directed the department to get the record re-verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be investigated and responsibility may also be fixed.

(DP No. 512)

2.4.2.4.4 Executive Engineer, Buildings Division, Sargodha awarded a work to the contractor on 17.06.2016 in the period of MRS 1st bi annual 2016 but made payment for an item of work i.e "*fabrication of mild steel*" on the basis of rates of 2nd bi annual 2015 instead of 1st biannual 2016 (which were lesser).

Violation of Finance Department's instructions resulted in overpayment of Rs 3.017 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that at the time of tendering difference of rates of two bi-annuals was considered. Audit informed the Committee that tendering process was done in 1st biannual 2016. Therefore, the TS estimate should have been revised accordingly to save the public money. The Committee directed the department to get the comparative statements for two bi-annuals verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Matter needs to be investigated and responsibility may also be fixed.

(DP No. 531)

2.4.2.4.5 Executive Engineer, 7th Provincial Buildings Division, Lahore awarded a work to the contractor during the month of June 2016 at an agreement cost of Rs 159.245 million. The department paid 6th and running bill in March 2017 up to Rs 122.865 million. The contractor submitted his bid on the basis of 1st biannual, 2015, however due to delay in process of award of work, the contractor submitted his undertaking to execute the work on the basis of 1st bi annual 2016 on bid price of Rs 152.387 million instead of 2nd bi annual 2015 i.e. Rs 155.099 million. It was observed that the department paid non schedule items to the contractor for which rates were calculated on the basis of MRS 1st bi annual, 2016 which resulted in loss of Rs 1.463 million.

Violation of Finance Department's instructions resulted in loss to Government for Rs 1.463 million.

Audit pointed out the loss during audit in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. No record was produced to Audit for

verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss sustained by government due to award of work on higher rates and to fix responsibility and get it verified from audit.

(DP No.287)

2.4.2.4.6 Superintending Engineer Provincial Buildings Circle, Gujranwala sanctioned incorrect rates of various items in sub heads Boring of Tubewell and Tuff Tiles of the work "Construction of judicial Complex at Wazirabad G-5" instead of correct rates for the period 2nd bi-annual 2013.

Violation of Finance Department's instructions controls resulted in loss of Rs 0.547 million.

Audit pointed out the loss in April 2017. The department did not reply.

The para was to be discussed in SDAC meeting held during 25.09.2017 to 27.09.2017. The representative of division/circle did not attend the Audit office for verification despite clear instruction from the Administrative Department (C&W). The Chair showed displeasure at this disregard of higher authorities and SDAC forum. The Committee directed that disciplinary action be initiated against officers / officials at fault under PEEDA Act, 2006. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 236)

2.4.2.4.7 Superintending Engineer, Provincial Building Circle, Gujranwala provided the rates of pumping machinery based on quotation for the period 1st bi-annual 2014 whereas the rates of 2nd bi-annual 2013

were applicable for the work. The rate for pumping machinery based on quotation dated 21.04.2014 was Rs 1.775 million instead of rate based on quotation for the period 2nd bi-annual 2013 which was Rs 1.478 million for the same specification as seen in another work i.e Establishment of emergency services rescue centers 1122 at Wazirabad, Kamoke and Nowshera Virkan based on quotation dated 10.11.2013.

Violation of Finance Department's instructions controls resulted in loss of Rs 0.297 million.

Audit pointed out the loss in April 2017. The department did not reply.

The para was to be discussed in SDAC meeting held during September to October 2017. The representative of division/circle did not attend the Audit office for verification of PDPs, despite clear instruction from the Secretary of Administrative Department (C&W). The Chair showed displeasure at this disregard of higher authorities and SDAC forum. The Committee directed that disciplinary action be initiated against officers / officials at fault under PEEDA Act, 2006. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 238)

2.4.2.4.11 Executive Engineer, Buildings Division, Sahiwal executed the item "*earthwork for making embankment with 100' (30 meter) including ploughing and mixing with blade grade or disc harrow or other suitable equipment and compaction by mechanical means at optimum moisture content and dressing to designed section, complete in all respects 95% to 100% maximum modified AASHTO dry density*" for the quantity 35760 cft and paid @ Rs 8,189.50 per % cft instead of actual rate Rs 4,247.30 per % cft as per MRS 1st annual 2015, Chapter No. 3, item No. 5 (i). The higher rate Rs 3,942.2 per % cft resulted in overpayment.

Violation of Finance Department's instructions controls resulted in overpayment of Rs 0.140 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained that lead of 3 miles was admissible for transportation of earth. Audit informed the Committee that lead of 100' was admissible for the "earth work for making embankment" according to TSE. Moreover, no record was produced by the department in support of its contention. Hence, recovery was due. The Committee directed the department to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved.

(DP No.991)

2.4.2.5 Unjustified payment of price variation to the defaulting contractors - Rs 52.571 million

As per clause-55, 8, of agreement, "No escalation shall be allowed to the contractor in respect of period extended for the completion of work due to his own fault".

2.4.2.5.1 Executive Engineer, Buildings Division No.1, Multan awarded different works to the contractors. The contractors could not complete the work as the works were still in progress inspite of the lapse of more than 8 years. Further the department paid to the contractor an amount of Rs 52.571 million as price variation. The amount is observed as unjustified due to the following reasons:-

- i) Details of record entries made in the measurement books were not produced;
- ii) Time extension in completion of work was not provided;
- iii) Price escalation/de escalation statements were not available;

- iv) Payment was made beyond the limit of provision of contingencies made in the contractor agreement.

Violation of contractual obligation resulted in unjustified payment of Rs 52.571 million.

Audit pointed out the irregularity in September 2017. The department submitted that the record was available which could be verified. However, the department did not produce the relevant record for audit verification.

The para was also discussed in SDAC meeting held on 19.12.2017. The department stated that recovery on account of de-escalation in prices had been made to the extent of sub para No 37 whereas the remaining recovery would be made in the next bills of the contractors. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery from the contractor.

(DP No.1059)

2.4.2.5.2 Executive Engineer, Buildings Division, Jhelum awarded the work "Construction of judicial complex (Residential portion) at Pind Dadan Khan" to the contractor amounting to Rs 75.225 million on 11.06.2011 with a time limit of twenty four (24) months which expired on 10.06.2013 but the work was incomplete and the department had also declared the contractor defaulter and rescinded the work at the risk & cost of the original contractor vide its letter No-3497-98 dated 14.07.2015. But the department also paid price variation of Rs 3.274 million to the contractor, which was unjustified.

Violation of contractual obligation controls resulted in unjustified payment of Rs 3.273 million.

Audit pointed out the unjustified payment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 26.12.2017. The department stated that revival of agreement had been made by the competent authority. Audit contended that funding position, correspondence file, letter of declaring defaulter and rescinding the work and fresh time extension were not produced. The Committee upheld the view point of audit and pended the para with the direction for the department to get re-verification within 30 days or otherwise to probe the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1627)

2.4.2.5.3 Executive Engineer, 4th Building Division, Lahore awarded a work on 24.5.2006 with time of completion 24 months i.e upto 24.5.2008 for Rs 533.800 million. The final payment vide 38th /F bill for Rs 738.790 million was made vide Vr. No 136 dated 20.6.2017. It was observed that during 2010-11 many items were substituted and new items were added. The rates of these substituted items were derived on the basis of input rates of 2010-2011 of Finance Department. The payment up to 24th / R bill was made for Rs 441.532 million up to January 2010. Audit observed that a huge payment of Rs 297.258 million was made against the additional and substituted items based on the rates of 2010-2011 during the extended period (complete record was not produced). The price variation of H.S. Diesel was also paid on the cost of these items, on the base rate of April 2006 from bill No. 27th /R to 38th /F. Audit viewed that the price variation of H.S Diesel on the cost of these items cropped up in 2010-11 and was to be paid on the relevant base rate of 2010-11 i.e. Rs 78.33 per liter instead of base rate of 2006. Due to wrong base rate of diesel, the payment of Rs 2.904 million of diesel price escalation was unjustified.

Violation of contractual obligation controls resulted in unjustified payment of Rs 2.904 million.

Audit pointed out the matter in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that price variation was allowed on the basis of record entries made in the MB. Audit pointed out that the department did not produce the relevant MB for audit verification. The Committee directed the department to produce the requisite record to Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1800)

2.4.2.6 Unjustified expenditure without approval of rate analysis - Rs 52.617 million

According to Secretary Communication and Works letter No.PA/SECY (C&W)/2008, dated 17.11.2008, "it has been observed that price of non-schedule (NS) items is substantially higher than the market price. Tendency of increased use of non-schedule items is a major reason of increased cost of buildings constructed by the C&W. The tendency of use of non-schedule items is to be curbed. Superintending Engineers should ensure active involvement in preparation of cost estimate with a view to reduce/eliminate all non-schedule items as far as possible. Any unnecessary use/inclusion of these items will be viewed adversely".

2.4.2.6.1 Executive Engineer, Building Division, Narowal made payment of Non-MRS items of work without approval of rate analysis from the competent authority as no analyses were on record . Without analysis, the rates of such items could not be verified.

Violation of rule resulted in unjustified expenditure of Rs 33.133 million.

Audit pointed out the matter in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. The department did not produce the rate analysis approved by the competent authority regarding items under questioned. The Committee kept the para pending for verification of approved rate analysis. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1208)

2.4.2.6.2 Executive Engineer, Buildings Division, Sahiwal made payment of non-standardized items (4 Nos) of a work amounting to Rs 8.665 million without approval of rate analysis from the competent authority. Without approval of rate analysis, the payment stands irregular.

Violation of rule resulted in irregular expenditure of Rs 8.665 million.

Audit pointed out the irregularity in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained to the committee that rate analysis of both items was approved by the Competent Authority in DNIT/TS estimate on 14.4.2017. Audit informed the Committee that approved rate analysis was not produced for detailed scrutiny. The Committee directed the department to get verification of approved rate analysis within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.980)

2.4.2.6.3 Executive Engineer, 7th Provincial Buildings Division, Lahore awarded a work to the contractor and made payment of Rs 6.865 million for non standardized items of work. However, the department neither prepared the rate analysis on the basis of input rates notified by the Government nor got it approved from the competent authority.

Violation of rule resulted in irregular expenditure of Rs 6.865 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 25.09.2017. Audit examined the rate analysis during verification of various items and found that department had added 20% contractor profit instead of 11% as per Finance Department instructions and further, contractor's profit was also allowed on 17% GST. The Committee directed the department to work out the actual recovery and effect the same from contractor. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.309)

2.4.2.6.4 Executive Engineer, 4th Building Division, Lahore made payment of a non-standardized item of work without approval of rate analysis from the competent authority as no analysis was on record. This resulted in irregular expenditure.

Violation of rule controls resulted in irregular expenditure of Rs 3.539 million.

Audit pointed out the irregularity in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that quantity of cement, sand and labour was

taken as per FD template. However the department did not produce record in support of its reply. The Committee kept the para pending for re-verification of rate analysis. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1811)

2.4.2.6.5 Executive Engineer, Building Division, Muzaffargarh measured and paid the non- standardized item "*Providing and installation of street light pole of G.I. pipe 6" dia 10' long 04" dia 6' long etc.*" @ Rs 22,985.60 each for quantity of 18 Nos. without preparation and approval of analysis of rate by the competent authority. In the absence of analysis of rate, the correctness of rates could not be confirmed and payment stands irregular.

Violation of the Finance Department's instructions resulted in irregular payment of Rs 0.413 million.

Audit pointed out the lapse in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that rate was approved by the competent authority and paid accordingly. Audit explained that rate analysis of the item was not produced during verification of record. The Committee directed the department to produce the rate analysis and get it verified from Audit within 15 days otherwise recovery would be made. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.711)

2.4.2.7 Non-recovery of Punjab Sales Tax - Rs 43.967 million

As per Punjab Revenue Authority Finance Department instructions issued vide No.PRA/22477 dated 25.04.2014, sales tax @ Rs 16% is

required to be deducted from the payments made to the engineering consultants w.e.f 1st July 2013.

Executive Engineers, Buildings Divisions, Sialkot, Gujranwala, Rawalpindi, Mianwali, Muzaffargarh, DG Khan and Rahim yar Khan made payments to the consultants for supervisions of different works but 16% Punjab Sales Tax was not deducted, rather 16% Sales Tax was added in the remuneration of the consultants.

Violation of Finance Department instructions resulted in non-recovery of Rs 43.967 million (Annex-IX).

Audit pointed out the non-recovery during July to November 2017. The department did not reply.

The paras were also discussed in SDAC meetings held in September to December 2017. The department apprised the participants that the PST @ 1% was not deductible on M&R works due to non provision of contingencies in M&R works. Audit did not agree with the department as the FD Notification dated 05.10.2016 clearly stated deduction of the tax on M&R works too. In some cases, department explained that notification was not received in the office. In some cases, the department admitted the recovery of Punjab Sales Tax and would be made in next running bill. The Committee directed the department to make early recovery and get it verified from Audit within 30 days.

Audit recommends early recovery.

(DP No. 526,1299,1312,1380,1320,771,736,708,497,703,1419(2016-17), 1819)

2.4.2.8 Non-imposition of penalty on account of delay in completion of work - Rs 43.23 million

As per clause 39 read with clause 8 of contract, the contractor will be liable to pay compensation @ 10% of contract amount if he fails to complete the work within stipulated time.

2.4.2.8.1 Executive Engineer, Building Division Multan, allotted a work to the contractor on 07.02.2015 with the period of 12 months but a period of more than 28 months had been elapsed and the work could not be completed due to non-observing of time and progress chart submitted by the contractor under clause 8 of contract. Non-completion of work within stipulated time period resulted in non imposition of penalty/ compensation Rs 38.151 million which needs to be recovered from the contractor.

Violation of contractual obligation resulted in non imposition of penalty of Rs 38.151 million.

Audit pointed out the non recovery in September 2017. The department replied that work was in progress and decision, regarding imposition of penalty would be made on finalization of the account of the work keeping in view the reasons for delay.

The para was also discussed in SDAC meeting held on 19.12.2017. The department explained that pointed out recovery of Rs 3,717,132 in para no.62 had already been made on 10.03.2017 and was got verified by Audit. Department explained further that works were in progress and decision of penalty regarding remaining Paras No. 60, 64, 68, 72 and 75 would be made on finalization of accounts of schemes keeping in view the reasons for delay. The Committee reduced the amount of para to Rs 34.434 million (by settling para no.62 of AIR) and directed the department to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery from the contractor at the earliest.

(DP No.1074)

2.4.2.8.2 Executive Engineer, Building Division, Sargodha awarded two groups of a work (G-1 and G-2) to two different contractors. Both the contractors could not complete the work at site despite serving many reminders to said contractors and availability of full funds as depicted vide

XEN letter No. PBD/SGD/1976 dated 20.04.2015 and vide letter No.1163 dated 16.03.2015. The contractors could not revive the work at site. The department did not impose penalty for recovery of liquidated damages from the contractors.

Violation of contractual obligation resulted in loss of Rs 5.085 million.

Audit pointed out overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that scheme was approved from the competent forum and the original contractor was not at fault. Balance work was awarded to another contractor. Audit contended that new contractors were working on the same site at which the original contractor stopped the work. The Committee directed to the department to get the record re-verified within 15 days and probe the matter by the SE. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 508)

2.4.2.9 Non-deduction of GST/IT - Rs 2.266 million

As per FBR/Sales Tax and Federal Excise Wing letter No. 4-2/2007(PT) dated 13.07.2007, the Govt. Departments have been authorized to function as withholding agents for collection of sales tax on taxable purchases made by them. For this purpose, the Govt. Departments shall deduct an amount equal to 1/5th of total sales tax applicable on the purchases. Further, according to CBR circular No.1 (74) WHT 2000 dated 20 June 2005, read with section 153 of Income Tax Ordinance 2001, income tax will be applied at the rate of 6% on the gross amount payable.

2.4.2.9.1 Executive Engineer, 1st Provincial Buildings Division, Lahore executed the work i.e. Provision of L.T and H.T Switch Gear, penal, cables and bus tie duct" and paid all items as non-standardized. In rate analysis, the General Sales Tax @ 17% had been included and sanctioned in the estimate. The contractor quoted 4.48% above the T.S. rates and was paid accordingly. But the deduction of 1/5th of the G.S.T amount was not done at source. This resulted in non-deduction of G.S.T amounting to Rs 1,051,700.

Violation of rule resulted in non-deduction of GST amounting to Rs 1.051 million.

Audit pointed out the non-deduction in October 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that the manufacturer was himself responsible to deposit the Sales Tax to FBR. The Committee directed the department to make early recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1285 (2016-17)

2.4.2.9.2 Executive Engineer, 1st Provincial Buildings Division, Lahore executed the electrical work i.e. L.T and H.T Switch Gear, Transformers, bus ties ducts and cables etc. In rate analysis of these non-standardized items, the G.S.T @ 17% had been added and paid to the contractor at 4.44% above the T.S. Estimated rates. But it was observed that the deduction of 1/5th of total G.S.T amounting to Rs 787,954 was not made.

Violation of rule resulted in non-deduction of GST worth Rs 0.787 million.

Audit pointed out the non-deduction in October 2016. The department did not reply.

The para was also discussed in SDAC meeting held in 13.12.2017. The department explained that GST is required to be deducted from the direct supply made through manufacturer. The manufacturer was himself responsible to deposit the Sales Tax to the FBR. The Committee directed the department to make early recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1281 (2016-17)

2.4.2.9.3 Executive Engineer, 1st Provincial Buildings Division, Lahore approved the rates for items after adding the General Sales Tax @ 17% and these rates were put to tenders. The contractor quoted 4.44% above T.S. rates which were paid accordingly. Audit viewed that the GST amounting to Rs 3.940 million was the share of FBR which was credited to the Govt. revenue and allowing 4.44% of said amount to the contractor was unjustified. The contractor was entitled to the profit on value of the items excluding GST. Allowing 4.44% profit on Sale Tax resulted in unjustified payment of Rs 0.175 million.

Violation of rule resulted in unjustified payment of Rs 0.175 million.

The para was also discussed in SDAC meeting held in 13.12.2017. The department explained that GST was required to be deducted from the direct supply made through manufacturer. The manufacturer was himself responsible to deposit the Sales Tax to FBR. The Committee directed the department to make early recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early justification / recovery.

DP No. 1282 (2016-17)

2.4.2.9.4 Executive Engineer, Building Division, Sialkot executed the items “*Dismantling of brick work and RCC*”. The recovery of dismantled material for Rs 3,357,772 was made from the gross value of work done but the deduction of income Tax @ 7.5% was not made from this amount.

Violation of rule resulted in non-recovery of income tax worth Rs 0.251 million.

Audit pointed out the non-recovery in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. Audit stated that income tax on the item of dismantled material was not recovered. Department explained that list of work was not found attached with the para. Department committed to recover the amount on production of list of works. The Committee directed the department to get the record verified at the earliest. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1364)

2.4.2.10 Non recovery of cost of less used bitumen than approved Job Mix Formula – Rs 1.515 million

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

2.4.2.10.1 Executive Engineer, Buildings Division Rahim Yar Khan awarded a work to a contractor and got executed the items of work. The department approved rate analysis @ Rs 8,718.12 per % sft of item of work “*P/L Plant Mix Bituminous carpet 2 inch thick with 4.50% JMF etc*” in the work with 4.50% ratio of bitumen. The department during execution

made payment at full rate to the contractor instead of reduced rates on account of less use of bitumen as per Job Mix Formula approved by Road Research and Material Testing Institute, Punjab Highway Department, Lahore Dated 03.06.2016 which was 4.30%.

Violation of Finance Department instructions resulted in non-recovery of Rs 1.181 million.

Audit pointed out the non recovery in August 2017. The department replied that there were various items of material for which the rates were increased / decreased after the award of work to the contractor. The rates of some items were payable to the contractor and the recovery of rate for the item of bitumen was required to be effected from him. The price variation statement was under preparation. The recovery if any against the contractor, would be made from the next running bill of the contractor.

The para was also discussed in SDAC meeting held on 17.11.2017. The department explained that job mix formula for the subject project was approved by “Road Research and Material Testing Institute, Lahore” according to which asphalt concrete was conducted. The Committee directed the department to make due recovery from the contractor. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(PDP No.359)

2.4.2.10.2 Executive Engineer, Buildings Division, Faisalabad, awarded a work to a contractor. The department got approved rate analysis of item of work “*Asphalt wearing Course Plant Mix 2 inch thick with 4.50% JMF etc*” in the work with 4.50% ratio of bitumen. Audit observed that the department made payment at full rate i.e. Rs 8,912.50 per % sft to the contractor instead of reduced rates i.e. Rs 8,515.91 per % sft on account of less use of bitumen as per Job Mix Formula approved by Road Research and Material Testing Institute, Punjab Highway Department,

Lahore dated: 11.01.2016 which as 4.30%. Application of incorrect Job Mix Formula (JMF) resulted in non-recovery of Rs 0.334 million.

Violation of Finance Department instruction resulted in non-recovery of Rs 0.334 million.

Audit pointed out the non-recovery in November 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 27.12.2017. Department admitted recovery but amount was not recovered. The Committee directed the department to recover the amount and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1741)

Internal Control Weakness

2.4.2.11 Less-recovery of mobilization advance - Rs 204.085 million

According to Finance Department notification No.RO (Tech) F.D.18.44/ 2006 dated 07.12.2007, the mobilization advance @ 10% (and 5% subsequent to completion of work) would be given to the contractor whose tendered amount in the acceptance letter exceeds 10 million, the recovery of mobilization advance will be made after expiry of 20% period of completion or 20% of the work done whichever is earlier @ 25% of work done in each bill.

2.4.2.11.1 Executive Engineer, Building Division, Sahiwal granted mobilization advance to the contractor dated 16.01.2017 and 28.02.2017 for Rs 158.452 million and Rs 79.226 million respectively. The work was started on 23.12.2016 with time limit of 06 months which expired on

16.07.2017 but the work was still incomplete and recovery of only Rs 38.049 million was made against total advance of Rs 237.678 million. Further, the recovery was made late in violation of the rule ibid.

Violation of Finance Department instruction resulted in late and less-recovery of mobilization advance for Rs 199.628 million.

Audit pointed out the lapse in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained that recovery of Rs 107.535 million was made against total advance of Rs 237.678 million and balance amount of Rs 130.143 million would be recovered from next running bills of contractor. Audit informed the Committee that no record was produced for verification of recovery. The Committee directed the department to recover full amount of mobilization advance and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.964)

2.4.2.11.2 Executive Engineer, Building Division, Gujranwala awarded a work "Provision of Missing Specialties for Up-Gradation of DHQ Hospital to Teaching Hospital Gujranwala (Group No.5)" to a contractor for the amount of Rs 89.132 million from the date of start 30.02.2017. Mobilization advance @ 10% to the extent of Rs 8.913 million was granted to the contractor. As per rules the recovery of mobilization advance was to be commenced on completion of 20% of the work done amount. In 2nd & Running bill, the contractor had received 20% payment of the total contract amount i.e. Rs 17.826 million (Rs 89.132 million x 20%), therefore, recovery @ 25% of the interim payment amounting to Rs 4.457 million (Rs 17.826 million x 25%) was to be made from the contractor which was not done.

Violation of Finance Department instruction resulted in non-recovery of mobilization advance of Rs 4.457 million.

Audit pointed out the non-recovery in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. The department explained that remaining 5% due mobilization advance for Rs 4.457 million was not paid and it was considered as adjustment / recovery of secured advance. The Committee did not accept the view point of the department and directed to make recovery of mobilization advance with 12% interest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1297)

2.4.2.12 Overpayment due to non-utilization of available earth / excess lead - Rs 56.632 millions

As per estimated provision and fundamental procedure, 2/3 earth received from excavation in foundation of building, bridges and other structure etc. may be re-used/adjusted/deducted from earth obtained/brought from outside at costly rate with lead.

2.4.2.12.1 Executive Engineer, Buildings Division, Faisalabad, awarded different works to the contractors. The department sanctioned and got executed and paid an item "*Excavation in foundation of buildings and other structures*". The department did not utilize 2/3 available earth as the department utilized less quantity of earth instead of actual available quantity. Audit observed that the department should have utilized the available earth towards the item "*Earthwork Excavation in foundation....*" but no earth was utilized which resulted in excess payment of Rs 24.755 million.

Violation of rule resulted in overpayment of Rs 24.755 million

Audit pointed out the overpayment in November 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 27.12.2017. The DP was based on 29 sub-paras out of which para No. 85 was settled after verification. 12 Nos sub-paras were reduced to Rs 3.971 million and remaining 16 Nos paras were not got verified from Audit. The Committee directed the department to effect recovery at the earliest and produce the record for re-verification of remaining paras. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1731)

2.4.2.12.2 Executive Engineer, 3rd Provincial Buildings Division, Lahore awarded different works to the contractor and while making the payment of Earth filling brought from outside/borrow pit excavation did not deduct the quantity of available earth from the item of excavation in foundation and plinth. The department was required to utilize the earth received after regular excavation instead of borrowed earth brought from outside from different lead.

Weak technical and financial controls resulted in overpayment of Rs 14.123 million.

Audit pointed out the overpayment in May 2017. The department did not furnish reply.

The para was also discussed in SDAC meeting held on 25.09.2017. Audit verified the record and pointed out that all the excavated earth from foundation etc was disposed off outside the building premises and refilling was done with non MRS item of filling with 50% sand and 50% crush aggregate, therefore back filling was not done at site by the contractor. Hence recovery of Rs 0.569 million (284507 cft x Rs 2 per cft) needs to be effected from next bill of the contractor. The Committee upheld the view point of Audit and directed the department to effect recovery at the

earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.190)

2.4.2.12.3 Executive Engineer, Buildings Division, Faisalabad, awarded a work to the contractor. The department got sanctioned and executed and paid an item "*Excavation in foundation of buildings and other structures*" for 463037cft @ Rs 4,482.20 per 0% cft. It has been pointed out that the department did not utilize 2/3rd available earth as the available earth was not utilized. Further, the department got executed an item of work "*Sand filling under floor or plauging into well*" up to the quantity of 245003 cft @ Rs 1,613.79 % cft. It has been observed that the department did not adjust the available earth received from excavation in foundation of buildings, bridges etc. towards filling work and the available earth could be used for filling work instead of sand filling.

Violation of rule resulted in unjustified payment of Rs 3.954 million.

Audit pointed out the irregularity in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. The para was reduced to Rs 649,037 which may be recovered and verified. The Committee directed the department to recover the balance amount and get it verified from audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1730)

2.4.2.12.4 Executive Engineer, Building Division, Sargodha made payment for an item of work "*excavation in foundation of building bridges and other structure in ordinary soil*" during execution of various works. But the department did not utilize the 2/3rd available earth.

Violation of rule resulted in overpayment of Rs 3.081 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The department explained that recovery of Rs 0.380 million had been effected. Audit pointed out that balance recovery Rs 2.703 million was yet to be effected. The Committee reduced the para to Rs 2.703 million and kept the para pending for recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 506)

2.4.2.12.5 Executive Engineer Buildings Division, Mianwali made payment for an item of work "*excavation in foundation and plinth*". The 2/3rd of excavated quantity of earth obtained from F&P was required to be refilled under floor being surplus earth but department used less quantity of excavated earth in six cases.

Violation of rule resulted in overpayment of Rs 2.977 million.

Audit pointed out the overpayment in August 2017. The department replied that there was no earth available for reuse. The reply of the department was not tenable because as per specification excavated earth was required to be reused on the same work.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that utilization of earth regarding para No. 31 and 54 was got verified by Audit. The Committee reduced the para to Rs 1.765 and directed the department for verification of re-use of earth w.r.t record entries in MBs regarding remaining paras within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 726)

2.4.2.12.6 Executive Engineer, Building Division, Sahiwal measured and paid the item, "*Earthwork excavation from foundation of building bridges and structure complete in all respect*" for a quantity of 2770370 cft, whereas 1846913 cft was available but only 152011 cft was utilized and balance quantity of 1,694,902 cft was not utilized and the department brought 277329 cft, earth from outside at costly rate with lead of 3 miles, which resulted in overpayment.

Violation of rule resulted in overpayment of Rs 2.787 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained that actual excavated quantity of earth was 307603 cft instead of 2770370 cft pointed out by Audit. Out of 2/3rd quantity i.e. 205069 cft , 170546 cft was deducted from the earth brought from outside borrow pit and balance quantity of 34523 cft would be recovered from next running bill. Audit informed the Committee that no record was produced in support of departmental contention. The Committee directed the department to get complete record verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.963)

2.4.2.12.7 Executive Engineer, Buildings Division, Lodhran got executed the item "Excavation in foundation of building bridges in ordinary soil etc". The department did not utilize the available earth and got executed an item "Earth filling with surplus earth" and made payment for the item of earth obtained from outside.

The department paid the rate of dressing in the item of excavation of earth in foundation, buildings and bridges. However, the department did not deduct the rate of dressing @ Rs 310.35 per %o cft.

Violation of rule resulted in overpayment of Rs 1.778 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that all the record relating to para No. 56 was got verified from Audit. Audit explained that remaining record relating to other paras was not produced to Audit. The Committee reduced the para to Rs 1.525 million and directed the department to get the remaining record re-verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 631)

2.4.2.12.8 Executive Engineer, Buildings Division No.1 Multan awarded a work to a contractor. The department sanctioned/awarded an item of work "Filling of earth with new earth brought from outside with lead up to 2 miles @ Rs 7,405.65. The department paid the above item to the contractor @ Rs 9,481.56 instead of admissible Rs 7,405.65.

Violation of rule resulted in overpayment of Rs 1.265 million.

Audit pointed out the overpayment in September 2017. The department replied that record was being scrutinized and recovery, if any would be made in the next bill of the contractor. The department admitted the recovery pointed out by audit and promised to recover it from the next bill of the contractor.

The para was also discussed in SDAC meeting held on 19.12.2017. The department explained that payment was made by allowing correct rate of earth. Audit explained that as per comparative statement and acceptance letter, rate of earth was required to be paid with 02 KM lead whereas payment with 05 KM lead was made to the contractor. The Committee kept the para pending and directed the department to effect recovery of Rs 1.265 million and get it verified by Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1071)

2.4.2.12.9 Executive Engineer, Building Division, Sahiwal measured and paid the item, "*Earthwork excavation from foundation of building bridges and structure complete in all respect*" for a quantity of 179360 cft and 119573 cft was available for re-use but the department did not utilize the earth and brought 180,328 cft earth from outside at costly rate with lead of 3 miles.

Violation of rule resulted in overpayment of Rs 0.883 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained that total quantity of excavation 179360 cft includes a quantity of 54854 cft relating to boundary wall, footh path, and water tank which was used for refilling around the structure, Hence, available earth was 124506 cft. The recovery of 2/3rd quantity would be made from next running bill of contractor. Audit informed the Committee that complete record i.e measurement books, T.S estimate and cross sections required detailed verification. The Committee upheld the viewpoint of Audit and directed the department to produce complete record to Audit for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.984)

2.4.2.12.10 Executive Engineer, 7th Building Division (M&R), Lahore executed and paid the item "earthwork" for a quantity of 31611 cft which was paid as filling watering and ramming earth without deduction from earth filling paid for outside lead. Further, a quantity of 27523 cft was shown as taken from outside which was not payable because quantity of 33418cft was lying available at site.

Violation of rule resulted in overpayment for Rs 0.274 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. During verification of record, the department admitted the actual recovery of Rs 0.122 million against Rs 0. 274 million according to measurement made in relevant MB-1713/3209. Hence, the para was reduced to Rs 0.122 million by the Committee for effecting recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1878)

2.4.2.12.11 Executive Engineer, Building Division, Sahiwal measured and paid the item, "*Earthwork excavation from foundation of building bridges and structure complete in all respect*" for a quantity of 512712 cft and thus 341808 cft was available for re-use. But only 314406 cft was utilized and balance quantity 27402 cft was not utilized and the department brought earth from outside at costly rate with lead of 3 miles, which resulted in overpayment.

Violation of rule resulted in overpayment of Rs 0.235 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 15.12.2017. The department explained that total quantity of excavation 87060 cft includes a quantity of 20433 cft relating to main enclosure which was used for refilling around the structure, therefore available earth was 66627 cft. The recovery of 2/3rd quantity would be made from next running bill of contractor. Audit informed the Committee that complete record i.e measurement books, T.S estimate and cross sections required detailed verification. The Committee upheld the viewpoint of Audit and directed the department to produce complete record to Audit for verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.996)

2.4.2.12.12 Executive Engineer, 5th Building Division, Lahore executed and paid the item "*Earthwork excavation from foundation of building bridges and structure complete in all respect*" for a quantity of 159870 cft. The available earth for utilization was 106580 cft but 88607 cft was reused. The balance 17973 cft was not reused and instead earth was brought from outside.

Violation of rule resulted in overpayment for Rs 0.179 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that recovery of Rs 0.180 million would be made. The Committee directed the department to effect recovery from next bill within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1830)

2.4.2.12.13 Executive Engineer, Building Division, Sialkot measured and paid the item “*Earthwork excavation from foundation of building bridges and structure complete in all respect*” for a quantity of 68633 cft. The available earth for utilization was 45755 cft but only 33484 cft was reused and balance 12271 cft was not reused and earth instead brought was from outside.

Violation of rule resulted in overpayment for Rs 0.117 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. Audit was of the view that earth obtained from boundary wall was required to be utilized and then deducted from the quantity of embankment. Department explained that earth obtained from boundary wall is utilized in backfilling and embankment of boundary wall. There is only 5360 cft quantity of earth against which an amount of Rs 51,287 will be recovered. The Committee kept the para pending for verification of due recovery. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.1465)

2.4.2.12.14 Executive Engineer, Building Division, Narowal measured and paid the item, “*Earthwork excavation from foundation of building bridges and structure complete in all respect*” for a quantity of 86195 cft. Out of re-usable quantity 57463 cft, a quantity of 41586 cft was utilized and balance quantity 15877 cft was not utilized. The department brought earth from outside with lead of 3 miles without re-utilization of available earth.

Violation of rule resulted in overpayment of Rs 0.116 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. Recovery was admitted by the department and was committed to be made in next running bill. The Committee directed that recovery be made & got verified by audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1167)

2.4.2.13 Non recovery of risk and cost from the defaulting contractor - Rs 53.950 million

According to clause 60 and 61 of Contract Agreement, if a contractor fails to complete the work as per the terms of agreement his work will be rescinded and remaining work will be completed at risk and cost of the original contractor, beside forfeiting his securities, Further, clause 65 of Contract Agreement requires settlement of the dispute between the Engineer Incharge and contractor by the Superintending Engineer within 3 months.

2.4.2.13.1 Executive Engineer, Buildings Division, Mianwali awarded five works to one contractor. The contractor could not complete the works even during extended period and his work was rescinded by Chief Engineer Punjab Highways North on 07.09.2016. The balance work was awarded to M/s Nasar ullah khan. The amount of risk and cost was not recovered.

Violation of contractual obligation resulted in non-recovery of Rs 46.863 million.

Audit pointed out the non-recovery in August 2017. The department replied that work of 1st contractor was rescinded under clause 60 of contract agreement vide Chief Engineer letter No 1746, dated

07.09.2016. Under this clause the contractor rendered himself liable to pay compensation amount to forfeiture of whole of his security deposit. The reply of the department was not tenable because as per clarification issued by the Law and Parliamentary Affairs Department letter No DP-15(119)/2001/ 400/392/C dated 25th October 2001, that clause, 60 & 61 shall be operated simultaneously.

The para was also discussed in SDAC meeting held on 28.11.2017. The department reiterated its previous stance. Audit contended that all the works were to be rescinded by operating clause 60 & 61 of contract agreement simultaneously and balance work was to be got executed at the risk and cost of original contractor. The department replied that previously it had been decided at some forum that both clauses were not to be operated simultaneously. The Committee directed the department to produce documentary evidence regarding any such decision or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of risk & cost.

(DP No. 718)

2.4.2.13.2 Executive Engineer, Buildings Division No.1, Multan awarded a work to the Contractor M/s Nazir Ahmad at an agreement cost of Rs 18.468 million (4.35% above of TS Rs 17.698 million) in 2009. The contractor did not complete the work and the work was allotted to the 2nd contractor M/s Rab Nawaz at risk and cost of the original contractor for Rs 25.555 million (4.48% above the TSE prepared on the basis of MRS 2014). Due to this, the government sustained a loss of Rs 7.087 million. The department did not recover the loss of risk and cost of the work from the original contractor.

Violation of contractual obligation resulted in loss to government worth Rs 7.087 million.

Audit pointed out the non recovery in September 2017. The department replied that all the relevant / requisite record was available and

was also produced to audit. Reply of the department was not tenable, because the department had not fully appreciated the audit observation. The amount involved in the risk and cost was required to be realized in terms of the contract agreement.

The para was also discussed in SDAC meeting held on 19.11.2017. The department explained that Rs 7.087 million was obtained from FD to complete the balance work of scheme from other contractors. Audit explained that balance work was awarded on risk of cost of original contractors. Therefore difference must be recovered from original contractor. The Committee kept the para pending for verification of security deposit, performance security and other related record. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1070)

2.4.2.14 Non-recovery of pre-shipment inspection charges - Rs 19.014 million

According to 46 LC agreement, the contractor shall organize and arrange the pre-shipment inspection of foreign purchases at the factory premises of manufacturers in the country of origin. Original copy of the certificate of pre-shipment inspection will be furnished to supplier by the purchaser representative. The procurement agency has right to inspect and / or to test the goods to confirm the conformity to the contractor's specification at no extra cost to the procurement agency.

2.4.2.14.1 Executive Engineer, Building Division, Muzaffargarh made payment of Rs 10.264 million for "*providing & installation of bed lifts*" but no documents/record regarding the pre-shipment inspection, origin manufacturer country, brand, proforma invoice and guide manual of the manufacturer was produced. In the absence of said documents, the conformity of brand with specifications and country of origin was not

verified / confirmed. Without said documents, the payment of Rs 10.264 million stands unauthentic.

Violation of rule resulted in unauthentic payment of Rs 10.264 million.

Audit pointed out the matter in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that payment to the contractor had been made as per agreed rates which were approved by the competent authority. The Committee directed the department to produce the proforma invoice, recover the amount of pre-shipment inspection and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 680)

2.4.2.14.2 Executive Engineer, Buildings Division No.1, Multan awarded the work of "*Providing and Installation of Air-conditioning system (HVAC)*" at Ground floor, 1st floor, 2nd floor, 3rd floor and 4th floor to the contractor in June 2014 with the time of completion of 6 months. The department released the payment of Rs 129.305 million to the contractor without production of the preliminary inspection notes. Violation of contractual obligations resulted in irregular expenditure of Rs 129.305 million and non recovery of pre-shipment charges worth Rs 3.000 million. Further the department did not produce the letter of credit, bill of exchange and proforma invoice etc in support of claim.

Violation of rule resulted in irregular payment of Rs 129.305 million and non-recovery of Rs 3.00 million.

Audit pointed out the irregularity and non-recovery in September 2017. The department replied that the record was available and could be

verified. However, the department did not produce the requisite record for audit verification.

The para was also discussed in SDAC meeting held on 19.12.2017. The department explained that all the record was available for verification. Audit informed the Committee that the department could not produce the relevant record to Audit during field inspection. The Committee directed the department to produce original LCs and effect recovery of pre shipment inspection, if not already made. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1061)

2.4.2.14.3 Executive Engineer, Building Division, Gujranwala in the execution of work "*Provision of Missing Specialties for Up-Gradation of DHQ Hospital to Teaching Hospital Gujranwala (Group No.5)*" made agreements for the procurement of items of "supply installation and commissioning of 2 Nos bed lift i/c all accessories" from the contractor and also made payment through LC which included the pre-shipment inspection charges under clause 46(a) but department did not make recovery of pre-shipment inspection charges amounting to Rs 2.000 million.

Violation of rule resulted in non-recovery of pre-shipment inspection charges of Rs 2.000 million.

Audit pointed out the non-recovery in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. The department explained that the agreement with the contractor has been executed including all the standard terms and conditions of work by the competent authority. The Committee did not accept the view point of the department and directed to make due recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1298)

2.4.2.14.4 Executive Engineer, Buildings Division, Bahawalpur awarded different works of “*Supplying and Installation of 02 lift (Bed Elevator) 1600 KG, 04 stops (Basement + 3) 1.0 M/S speed in line opening i/c all mechanical and electrical work etc*” to the contractors in June 2014 with the time of completion of 6 months. The department released the payment to the contractor for Rs 36.800 million without production of the preliminary inspection notes/proof of foreign visit. Violation of contractual obligations resulted in irregular expenditure of Rs 36.800 millions and non recovery of pre-shipment charges of Rs 2.000 million

Violation of rule resulted in irregular payment of Rs 36.800 million and non recovery of Rs 2.00 million.

Audit pointed out the irregularity & non-recovery in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 17.11.2017. Department explained that the para consists of two sub-paras and is the duplicacy of para already taken up as PDP No. 351 based on para No. 3&4 of AIR 2015-16. Audit stated that the referred paras different. The Committee directed the department to get re-verification of record in 07 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.382)

2.4.2.14.5 During scrutiny of record of Executive Engineer, 2nd Provincial Building Division, Lahore it was noticed that 2 No. lifts were to be installed in H-Block of Punjab Civil Secretariat, and 2 persons had to visit abroad in country of origin for pre-shipment inspection of lift system before shipment to Pakistan but as per record provided, no such evidence

was available that 2 persons visited West Europe for pre-shipment inspection of lifts supplied by contractor. Hence, Rs 1.000 million (2 x Rs 0.500 million each) were required to be recovered from contractor for non fulfilling of pre-shipment inspection required.

Violation of rule resulted in non-recovery of Rs 1.000 million.

Audit pointed out the non-recovery in November 2016. The department did not reply.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department stated that actual recovery of Rs 0.400 million had been effected. Audit contended that the department did not produce the method of calculation of recovery effected. The Committee directed the department to re-calculate the amount of recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1470 (2016-17)

2.4.2.14.6 Executive Engineer, Building Division, Muzaffargarh made payment of Rs 10.264 million for installation of bed lifts in DHQ Muzaffargarh but the pre-shipment inspection report was not on record nor produced. This meant that no abroad visit of manufacturer country i.e. Western Europe, Switzerland, USA or Japan was arranged by the contractor, whereas he received the boarding/lodging expenses in items rate. Hence, due to non-visiting of the country of origin by two persons, the recovery of Rs 0.400 million was to be made. Further, the contractor offered rebate of Rs 0.050 million which was to be deducted.

Violation of rule resulted in non-recovery of Rs 0.450 million.

Audit pointed out the non-recovery in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that payment to the contractor had been made as per agreed rates which were approved by the competent authority. Audit explained that pre-shipment report was not produced and no abroad visit of manufacturer country was undertaken. The Committee directed the department to make full recovery and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 679)

2.4.2.14.7 Executive Engineer, 7th Provincial Building Division, Lahore awarded a work to the contractor and made payment of the item of work i.e “lifts” 1 No’s @ Rs 13.44 million. The department neither conducted the pre shipment inspection of the lift to be installed in the said office at the cost of the contractor nor recovered the cost of per shipment inspection worth Rs 1.200 million.

Violation of rule resulted in non-recovery of Rs 1.200 million.

Audit pointed out the overpayment during May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 25.09.2017. The department explained that actual cost of two officers for visiting abroad i.e Greece comes to Rs 0.300 million instead of Rs 1.200 million pointed out by Audit. The Committee accepted the contention of the department and directed to effect recovery of Rs 0.300 million from contractor and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.297)

2.4.2.15 Overpayment due to grant of secured advance at higher rates - Rs 17.680 million

As per Para 2.98 (a) of B&R Code, the secured advance can be granted by the Executive Engineer upto 75% on the security of the material brought to site.

2.4.2.15.1 Executive Engineer, Building Division No.1 Faisalabad awarded a work to the contractor. The department got approved and paid secured advance to the contractor against the item of steel Grade-60 at rate of Rs 82,640 per ton for 395 ton. Further probe disclosed that the rate of steel Grade-60 was Rs 74,390 per ton in first bi-annual 2017. Thus reduced rate comes to Rs 55,792 per ton ($74390 \times 75\%$). Application of incorrect rate resulted in overpayment of Rs 10.605 million.

Violation of codal rule resulted in overpayment of advance amounting to Rs 10.605 million.

Audit pointed out the irregularity in November 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 27.12.2017. No record was produced by the department. The Committee directed the department to recover the secured advance alongwith 12.5% interest from the contractor. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1733)

2.4.2.15.2 Executive Engineer, Building Division, Jhang made payment of secured advance on supply of "Porcelain tile" and "tuff paver". The department made payment of secured advance at higher rate instead of input rates on the basis of market rates.

Violation of codal rule resulted in overpayment of Rs 4.710 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 15.12.2017. Audit informed that secured advance had been consumed in two cases. The department also informed that secured advance would be adjusted in next bill in one case. Audit informed that the reply was irrelevant because para deals with higher rates allowed on supply of item which was not responded. The Committee kept the para pending for re-verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 1017)

2.4.2.15.3 Executive Engineer Buildings Division, Mianwali made payment to contractor in three works. The contractor could not complete the work within stipulated time i.e. till 07.08.2011 and even up to 2017. The department declared the contractor as defaulter as per relevant clause of the agreement vide Chief Engineer letter dated 07.09.2016. The department conducted joint measurement and found that material on which secured advance was granted was short for an amount of Rs 2.365 million.

Violation of codal rule resulted in less material for Rs 2.365 million but received full payment.

Audit pointed out the overpayment in August 2017. The department replied that no security deposit was available with this office for adjustment of the minus bill of the defaulting contractor. The department was required to award the balance work on the risk and cost of the original contractor because the clauses 60 & 61 are to be operated simultaneously.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that three FIRs were registered against contractor for recovery of theft of material to adjust minus bill. Further, as and when account of left over works would be finalized and upon outcome of FIRs the minus bill would be adjusted. The Committee kept the para pending for recovery at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 714)

**2.4.2.16 Overpayment due to double payment of RCC items –
Rs 11.667 million**

As per Rule 7.16 read with Rule 7.17(b) of DFR, all payments for work or supplies are based on the quantities recorded in the measurement book. It is incumbent upon the person taking the measurements to record the quantities clearly and accurately.

2.4.2.16.1 Executive Engineer, Building Division No.1 Faisalabad awarded a work to the contractor. The department paid an item "RCC in roof / slab 1:2:4 (Ground Floor) and RCC in roof / slab 1:2:4 (First Floor). It was noticed that the same items were accounted for twice which resulted in excess payment of Rs 5.315 million.

Violation of rule resulted in overpayment of Rs 5.314 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. The department did not produce the complete record for audit verification. The Committee directed the department to produce the complete record i.e. revised TS estimate to Audit for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1722)

2.4.2.16.2 Executive Engineer, Buildings Division, Mianwali awarded a work and made payment to contractor up to 25th running bill for Rs 36.719 million. The contractor could not complete the work within stipulated time i.e. 22.11.2012 and even up to 2017. The Secretary Communication and Works department declared the contractor as defaulter according to relevant clause of the agreement on 06.02.2017. The department awarded the balance work to another contractor M/s Muhammad Iqbal and Co. The department made payment for different items of work to original contractor and also to new contractor i.e. payment for same items was made twice.

Violation of rule resulted in overpayment of Rs 4.402 million.

Audit pointed out the overpayment in August 2017. The department replied that the 1st contractor dismantled turbine and took away from site. This office registered FIR of theft case in Police Station Mianwali and the case was under process. The department admitted that the payment was also made to the 1st contractor.

The para was also discussed in SDAC meeting held on 28.11.2017. The department stated that in case of para 47, FIR had been registered against the defaulting contractor who took away the dismantled material. In case of para 48, the items of work reported substandard by BRS were included in agreement of 2nd contractor who executed the items correctly at risk and cost of 1st contractor while in case of para 69, the department contended that double payment were not made because in this case two separate items were involved. Audit contended that the record entries were not got verified from MBs. The Committee kept the para pending and directed the department for detailed verification within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.740)

2.4.2.16.3 Executive Engineer, 4th Building Division, Lahore executed and measured the item "*Fabrication of mild steel (Grade-40) reinforcement for cement concrete, including cutting, bending, laying in position, making joints and fastenings, including cost....etc*" as 8790 Kg and 2721 Kg in MB No. 378/7179 at page 196 and M.B. No. 331/9412 page 52 and 57 respectively. Total quantity of 95280 Kg was paid @ Rs 11,278% Kg (page 1 to 7 MB No. 352/911). Said quantity was again brought forward from Page 64 and 69 of M.B No. 331/9412 which was further back referred at page 196 of M.B. No. 378/7179 and page 52 to 57 M.B. No 331/9412. Hence in this way the quantities of 8790 Kg and 2721 Kg were double paid in same bill.

Violation of rule resulted in double payment Rs 1.298 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department did not produce the relevant MBs for verification. The Committee kept the para pending for verification of record. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1802)

2.4.2.16.4 Executive Engineer, Building Division No.1 Faisalabad awarded a work to the contractor. The department paid an amount of Rs 12.379 million against the item of steel on the basis of incorrect calculations made in Measurement Books.

Violation of rule resulted in overpayment of Rs 0.373 million.

Audit pointed out the overpayment in November 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 27.12.2017. Department explained that the actual recovery of Rs 247,544 would be made in the next running bill of contractor. The Committee reduced the para to Rs 247,544 and directed the department to effect recovery and get it verified from audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1729)

2.4.2.16.5 Executive Engineer, Building Division No.1 Faisalabad awarded a work to the contractor. During the audit scrutiny, it was observed the department paid an amount of Rs 178.089 million against the item of steel on the basis of incorrect calculations made in Measurement Books. This resulted in excess payment of Rs 0.279 million.

Violation of rule resulted in overpayment of Rs 0.279 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. The department explained that payment of the items steel fabrication was made on the basis of actual measurement of steel at site and as per design of P&D department. Audit contended that after verification of record the actual recovery became Rs 0.180 million which was required to be made. The Committee reduced the para to Rs 0.180 million and directed the department to effect recovery and get it verified from audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1723)

2.4.2.17 Execution of extra item - Rs 9.745 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. Further, according to rule 7.29 of DFR, “before signing the bill, Sub-Divisional Officer should compare the quantities/ amount 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”.

2.4.2.17.1 Executive Engineer, Building Division No.1 Faisalabad awarded a work to the contractor. The department got sanctioned and paid an item of borrowpit excavation undressed with lead upto 3/5 miles to obtain the new earth. However, at the same time, item of filling, watering and ramming earth under floor was also measured and paid separately.

Violation of rule resulted in excess payment of Rs 9.096 million.

Audit pointed out irregularity in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. During verification, department did not produce any documentary proof in support of its stance. The Committee directed the department to produce the complete record to Audit for verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.1758)

2.4.2.17.2 Executive Engineer, 4th Building Division, Lahore executed the item “*Drilling holes in stone or brick masonry upto 2” (50mm) dia per inch (25mm) depthetc*” and paid brick work in addition for which no provision was made in original Technical sanction estimate. This extra item for brick masonry was inadmissible which resulted in overpayment.

Violation of rule resulted in overpayment Rs 0.510 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department admitted recovery and the Committee directed the department to effect recovery at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1779)

2.4.2.17.3 Executive Engineer, 6th Provincial Buildings Division, Lahore made payment amounting to Rs 139,373 for an item of work "filling under emulsion". In this connection, it is pointed out that filling under emulsion was required on the old scraped surface of the wall before applying emulsion. However, on the newly constructed plaster, there was no need of filling before applying emulsion. Therefore, making payment on account of filling under emulsion was not admissible.

Violation of rule resulted in inadmissible payment of Rs 0.139 million.

Audit pointed out the irregularity in November 2016. The department did not furnish any reply.

The para was also discussed in SDAC meeting held on 13.12.2017. Department explained that the item 'filling under emulsion' was allowed as per estimate because the area was efflorescent and building was of important nature. Audit contended that preparing surface was included in the item 'Applying emulsion', so filling under emulsion was not admissible. The Committee directed the department to recover the amount and get verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

DP No. 1331 (2016-17)

2.4.2.18 Overpayment due to incorrect rates – Rs 8.763 million

As per rule No.7.29 of DFR, before signing the bill, the SDO should compare the quantities and also see that all the rates are correctly entered in the measurement book and bill.

2.4.2.18.1 Executive Engineer, Building Division No.1 Faisalabad got executed the item “*Excavation in foundations of buildings, bridges and other structures in ordinary soil*” and paid @ Rs 5,661.19% cft, Rs 5,613% cft and Rs 10577% cft instead of admissible rate of Rs 5,390% cft. In this way excess rate of Rs 271.19% cft, Rs 223% cft and Rs 5,187% cft were allowed to contractor.

Violation of rule resulted in overpayment of Rs 5.344 million.

Audit pointed out the overpayment in November 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 27.12.2017. The department replied that the item was approved by EDO, W&S/Chief Engineer and paid accordingly. Audit informed the Committee that no record was produced for verification. The Committee directed the department to produce the complete record to Audit for verification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No.1721)

2.4.2.18.2 Executive Engineer, Buildings Division, Lodhran awarded two works, one in 2009 and the other in 2016. The department got execute and paid the item of work “*Pacca Brick Work extra for profile and flared*

wall” @ 500 per % cft instead of admissible rate of Rs 177.96 per % cft (MRS 2nd quarter, 2009), “Pacca Brick work(1:6) in foundation and plinth and Pacca Brick Work (1:6) in ground floor” @ Rs 19,289.59 per % cft instead of Rs 16,326.03 per % cft and Rs 19,943.65 per % cft instead of Rs 17,462.10 per % cft respectively (MRS 2nd biannual, 2016).

Violation of rule resulted in overpayment of Rs 2.933 million.

Audit pointed out the overpayment in September 2017. No reply was furnished by the department.

The para was also discussed in SDAC meeting held on 28.11.2017. The record for these paras was not provided to Audit during annual Audit. The Committee pended the para for detailed verification within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 643)

2.4.2.18.3 Executive Engineer, Building Division, Gujranwala in the execution of work “Construction of Punjab Police Integrated Command Control and Communication Centre (PPIC-3), Gujranwala” measured and paid an item of work “*PCC (1:2:4) in foundation and plinth*” for a quantity of 4362 cft @ Rs 16,062.80 % cft instead of actual rate of Rs 9,510.29 % cft as per TS estimate. Hence, department paid higher rate of Rs 6,552.51 % cft (Rs 16,062.80 – Rs 9,510.29).

Violation of rule resulted in overpayment of Rs 0.285 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017. The department explained that item “*P/L RCC in F&P (1:4:8)*” was executed and measured in MB with the quantity of 4362 cft and paid at

reduced rate of Rs 16,062.80 % cft against the agreed rate of Rs 16,195.52 % cft. However, after discussion, the department committed that actual recovery would be made. The Committee directed the department to make actual recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1319)

2.4.2.18.4 Executive Engineer, 7th Provincial Building Division, Lahore awarded a work to the contractor and got executed certain items on excess rates as compared to other sub work of the same contractor.

Violation of rule resulted in overpayment of Rs 0.200 million.

Audit pointed out the overpayment during May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 26.09.2017. The department explained that both the items were technically sanctioned by the competent authority @ Rs 434,700 and Rs 822 and paid accordingly. No record was produced to Audit for verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.289)

2.4.2.19 Pre-mature release of security - Rs 5.399 million

As per clause 50(b) of the contract agreement, should the contractor so apply in writing to the Engineer in-charge, the amount of security deposit will be refunded to the contractor three (03) months after the issue of certificate of completion of work. Further as per instructions

of C&W Department the security for work done, supply made shall be refunded after verification of work done by SE/XEN/SDO of sister counterpart division and after its retention for 03 months.

Executive Engineer, Building Division, Muzaffargarh released payment of Rs 5.359 million to the contractor from security deposit of the works. The completion certificates of works against which the amount was released were not on record. Without fulfilling the codal formalities, the release of security was irregular.

Violation of contractual obligation resulted in premature release of security deposit of Rs 5.399 million.

Audit pointed out the irregularity in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that security deposit was released to complete the work lying abandoned for want of fund. The Committee did not agree with the department and directed the department to get the matter probed from Chief Engineer (South) and recoup the security and get it verified from Audit within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 710)

2.4.2.20 Unjustified/unauthorized expenditure due to use of imported stone/ cladding stone-Rs 4.275 million

As per C&W Department letter No. SOB-I (C & W) 5-1/2008 dated 07.07.2008, "Chief Minister has been pleased to desire that granite stone cladding work and affixing of all kinds of luxury and imported stone / tiles on all the under construction government buildings be stopped forthwith. It has further been desired that such provisions in the projects at

planning stage be revised and the money be diverted towards providing facilities for public welfare”.

Executive Engineer, Building Division, Narowal prepared and got approved rate analysis of the item “*P/L Australian white marble slab ¾ etc*” (03 sizes) and paid at rate of Rs 700 to 1000 per sft to the contractor against the instructions of Chief Minister.

Violation of rule resulted in unjustified expenditure of Rs 4.275 million.

Audit pointed out the unjustified payment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 19.12.2017. The department explained that item of work was approved in design. Audit contended that it was a violation of C&W Notification dated 07.07.2008. The Committee directed the department to get the irregularity condoned from Finance Department. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of Committee’s directive.

(DP No. 1211)

2.4.2.21 Pre-mature release of additional performance security - Rs 3.437 million

As per Government of the Punjab Finance Department letter No.RO (Tech) FD-1-2/2010 dated 04.09.2012, General conditions of contract Clause-7 Performance Security, the Performance Security / Additional Performance Security lodged by a contractor (in cash or/other form) shall be refunded to him after the expiry of three months after the issuance of the certificate of completion of the work under clause 40 by the Engineer-in-charge, or along with the final bill if it is prepared after that period on account of some unavoidable circumstances.

Executive Engineer, 4th Building Division, Lahore awarded a work for Rs 35.945 million on 13.12.2015 with a time limit 18 months. The work was completed on 12.06.2017 but additional performance security for Rs 3.437 million was released on 18.03.2017 when the work was still in progress.

Non-adherence to the agreement clause resulted in premature release of security deposit of Rs 3.437 million.

Audit pointed out the matter in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 29.12.2017. The department explained that work was successfully completed and handed over to the client department. Audit contended that the work was awarded without obtaining of additional performance security of Rs 3.437 million, responsibility upon the concerned officer was required to be fixed. The Committee accepted the view point of Audit and kept the para pending for fixing responsibility. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.1820)

2.4.2.22 Overpayment due to incorrect inclusion of taxes - Rs 1.856 million

According to 2.10(a)(i) of PFR Vol-I, every Government officer is required to exercise the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise while incurring the expenditure out of his own pocket.

Executive Engineer, Building Division-1, Gujranwala made payment of some items after inclusion of taxes (such as 7% Tax & 5 % Service Charges) in the rate analysis of these items which was not admissible.

Violation of rule resulted in overpayment of 1.856 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 22.12.2017.

(A) The department explained that analysis for supply & installation, testing and commissioning of air conditioners 15 ton and 20 ton were based on quotations and all levied taxes were to be borne by the end user / purchaser. The Committee directed the department to make recovery and get it verified from Audit. (B) The department admitted recovery and committed to effect it from the next bill. The Committee directed the department to make recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.1302)

2.4.2.23 Irregular expenditure on work charge employees – Rs 1.102 million

As per Finance Department letter No.FD (M-II)1-6/2000 dated 23.07.2007, the cost of running vehicles and work charge establishment would be directly charged to the current establishment budget and operating expenses of the office concerned.

Executive Engineer, Provincial Buildings Division GOR, Lahore made a payment of Rs 1.102 million to the temporary work charge establishment. This payment was in addition to regular staff. The department could not produce the detail of temporary working strength, i.e. the advertisement in news papers, interview, recommendation of selection committee and their acquaintance roll. Hence in the absence of such details, payment was irregular.

Violation of rule resulted in irregular expenditure of Rs 1.102 million.

Audit pointed out the irregular expenditure in March 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 26.09.2017. No record was produced to Audit for verification. The Committee directed the department to get the record re-verified from Audit within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.266)

2.4.2.24 Overpayment due to execution of excess quantity than approved in DNIT - Rs 1.085 million

As per para 2.7, 2.12, 2.86 of B&R Code read with Finance Department's letter No. Finance Department (D-II) 10(3)90 dated 30.06.1991, no change in specification / scope of work during execution of work can be made without prior approval of the competent authority that accorded administrative approval and sanction to technical estimate. As per condition No. 3 of the acceptance letter that the quantities of items should not exceed those provided in the technically sanctioned estimate in any case.

Executive Engineer, Building Division, Sargodha made provision of 31953 cft for an item of work "*earthwork for making embankment*" in DNIT. However in the 1st running bill the department made payment for quantity of 164500 cft @ Rs 8,200.00 % cft. The department made payment for excess quantity of 132547 cft.

Violation of rule resulted in overpayment of Rs 1.086 million.

Audit pointed out the overpayment in September 2017. But no reply was furnished by the department.

The para was also discussed in SDAC meeting held on 13.12.2017. The Department explained that provision of 255120 cft for the item “*earthwork for making embankment*” was provided in the DNIT. The Audit pointed out that in DNIT only 31953 cft was provided. The Committee directed the department to effect recovery within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 864)

Others

2.4.2.25 Unjustified payment due to execution of below specification work by using below standard bricks - Rs 194.082 million

As per Section 801 read with Section 1041-8 of Standard Specifications for Road & Bridge Construction 1971 and according to Finance Department’s Material rates of item No.07.001, standard size of bricks is 9" x 4-1/2" x 3" and their crushing strength is 2000 PSI.

Executive Engineers, 3rd, 7th Provincial Buildings Division, Lahore, Faisalabad, Jhang, Sialkot, Narowal, Multan, Rawalpindi, Mianwali, Muzaffargarh, Lodhran, Gujranwala Sahiwal, Jhelum, Sargodha, Rahim, Yar Khan and DG Khan awarded various works to contractors. The department got building structures constructed having provision of wall thickness with width of 9 inches, 13-1/2 inches and 4-1/2 inches. The department got the items of pacca brick works executed by using undersized and under strength bricks as per lab test reports but made payment for the wall thickness as quoted above during measurements. The building structure was not built up as per standard specification /estimate, therefore, work executed was below the specification.

Violation of C&W specifications resulted in execution of below specification work and loss of Rs 194.082 million (Annex-X).

Audit pointed out the below specification civil work in July to November 2017. The department did not reply.

The matter was discussed in the SDAC meetings held during September to December 2017. Audit pointed out that size of the bricks was less than 9 inches and strength of bricks was below 2000 PSI as per laboratory test reports. Therefore, as per MRS instructions, 7% rate was required to be reduced in composite MRS item of Pacca Brick works. The department contended that undersized bricks and those with strength below standard 2000 PSI were discarded from site and same were not fixed at site of work, hence para required to be settled. Audit disagreed and informed the Committee that as per laboratory tests, all bricks were under sized and some were found less than 2000 PSI, hence recovery needs to be effected from contractors. The Committee upheld the view point of Audit and directed the department to effect recovery @ 7% of composite rate of brick work from the contractors and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP Nos. 1630,1724,1452,1203,1202,1051,743,724,741,732, 684,374, 673,671,659,632,519,
455,480,313,332,180,1486 (2016-17),869,1856)

2.4.2.26 Loss due to non-recovery of cost of stolen electric appliances from M/S NLC - Rs 51.837 million

According to rule 2.33 of PFR Vol-I every Govt servant should realize clearly that he will be held personally responsible for any loss sustained by Govt due to fraud or negligence on his part. Further, under the provision of clause 44 of contract agreement, M/s NLC was responsible to make good the losses of road light system”.

Secretary C&W Lahore did not recover the cost of stolen electric appliances installed along Canal Road Lahore valuing Rs 51,837,000 from contractor despite the fact that under clause 44 of the contract agreement, M/S NLC was responsible and custodian of all items /goods at site.

Further, recovery from contractor was also recommended by Chief Minister Inspection Team.

Violation of rule resulted in non-recovery of cost of stolen electric appliances worth Rs 51.837 million.

Audit pointed out the loss in May 2017. The department replied that inquiry report was forwarded by CMIT however, orders of Chief Minister were still awaited. Department would take action after decision of Chief Minister. The reply of the department was not tenable because department was required to make recovery from bill/security of contractor as per contract clause.

The para was also discussed in SDAC meeting held on 12.10.2017. Department explained that matter had already been under investigation of CMIT. When the decision is finalized, the fate of the para would be decided accordingly. The Committee directed the department to finalize the probe report. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No.221)

2.4.2.27 Non-credit of lapsed security deposits - Rs 51.413 million

Public works deposits lying unclaimed for more than three years are required to be credited to Govt. revenue, as per Rule 5.4 of Departmental Financial Rules read with rule 12.7 of Punjab Financial Rules Vol-I.

Executive Engineer, Building Division, Muzaffargarh, did not credit into revenue the security deposits amounting to Rs 51.413 million lying unclaimed for more than three years. Neither any disposal was made nor these were credited to the Govt. revenue, thus adversely effecting the accuracy of annual financial statement of the Government.

Violation of rule resulted in non-credit of lapsed security deposit worth Rs 51.412 million.

Audit pointed out the irregularity in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 28.11.2017. The department explained that the amounts were lying unclaimed for more than 3 years due to the reason that works were unfunded for years and would definitely be completed on receipt of funds. The Committee did not agree and directed the department to deposit the amount to Government revenue and to probe the matter through Chief Engineer (South) and get it verified from Audit within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early crediting the unclaimed amount to Govt. revenue.

(DP No.709)

2.4.2.28 Excess payment - Rs 14.875 million

As per para 1.86 to 1.90 of B&R Code if any officer fails to pass departmental examination within 03 years, his increment will be withheld and will be granted with retrospective effect.

Secretary, C&W Lahore did not stop / withhold increment of Sub-Divisional Officers who did not pass their compulsory departmental examination during prescribed period.

Violation of codal rule resulted in excess payment amounting to Rs 14.875 million.

Audit pointed out the excess payment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 26.09.2017. The department explained that out of 181 officers, 12 officers working against the posts of SDOs were not eligible for promotion as XEN having the degree of B-Tech or diploma holders. The reply was evasive. The Committee directed the department to work out and effect actual recovery in the light of B&R Code within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.226)

2.4.2.29 Non-recovery of rent from illegal occupants of government residences - Rs 1.941 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.

Secretary C&W Lahore did not recover the rent of residences from the persons who illegally occupied residences in C&W colonies. The department neither got the residence vacated from the illegal occupants nor made recovery of rent of Rs 1.941 million from them.

Violation of rule resulted in non-recovery of rent worth Rs 1.941 million.

Audit pointed out non-recovery in May 2017. The department replied that utmost efforts were being made to recover the due amount. But no progress towards recovery was reported so far.

The para was also discussed in SDAC meeting held on 26.09.2017. The department explained that the amount of recovery from illegal occupants was under process in accordance with rules. The Committee directed the department to expedite the matter for effecting recoveries and vacation of residence from illegal occupants within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No.219)

2.4.2.30 Excess payment to contractor due to allowing 5% hard area allowance - Rs 1.755 million

According to Rule 2.10 (a) of PFR Vol-1 expenditure from government money shall be made in such manner as a man of ordinary prudence would spend money from his own pocket.

Executive Engineer Provincial Building Division, Mianwali, while sanctioning estimates, provided 5% hard area allowance and accordingly work was tendered and acceptance was issued. The payment was also made for hard area allowance @ 5%. According to Chapter-I "Carriage" of MRS, 25% extra carriage was allowed in carriage of extreme hilly areas. Hence provision of 5% hard area allowance in TS estimate, DNIT and acceptance letter was not justified.

Violation of rule resulted in overpayment of Rs 1.755 million.

Audit pointed out the overpayment in August 2017. The department replied that Cadet College Essa Khel was located in hilly area. Transportation of material to site of Cadet College was impossible to be covered within MRS rates. The reply of the department was not tenable because MRS for district Mianwali was applicable and there was no provision of extra allowance in MRS.

The para was also discussed in SDAC meeting held on 28.11.2017. The department reiterated its previous stance. Audit contended that breakup of rate of carriage be provided for verification. The Committee kept the para pending and directed for re-verification of said record within 15 days or otherwise to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 721)

CHAPTER - 3

HOUSING, URBAN DEVELOPMENT & PUBLIC HEALTH ENGINEERING DEPARTMENT

3.1 Introduction of 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 Authorities and Public Health Engineering Department. The Secretary HUD & PHE Department is the Principal Accounting Officer. The functions of HUD & PHE Department are regulated by the Rules of Business 1974 and the Punjab Development of Cities Act 1976. The HUD & PHE Department has 200 formations out of which 59 were audited.

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 and Accounts Housing and Urban Development (HUD)

All the development authorities under the HUD are autonomous bodies. For financial resources, these bodies rely on their own sources as well grants-in-aid from the government. The budgetary position of Housing and Urban Development component for the year 2017-18 is tabulated as under:

(Rs in million)

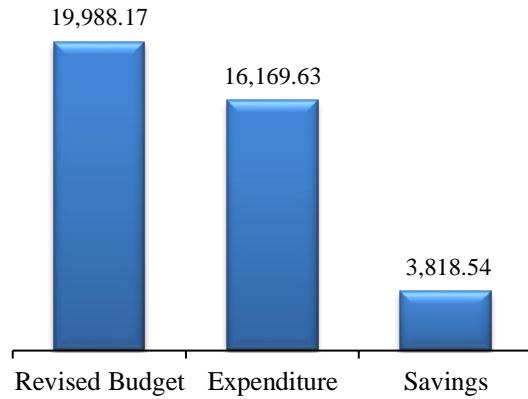
Nature of Budgetary Allocation	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development	25,070.89	19,988.17	16,169.63	(3,818.54)	(19.10)
Development	64,310.64	62,653.86	38,130.15	(24,523.71)	(39.14)
Total	89,381.53	82,642.03	54,299.78	(28,342.25)	(34.30)

Source: Budget Handout and Financial Statements (FY-2016-17) of LDA, MDA, FDA, GDA, RDA, and PHATA

Non-Development Expenditure

Non-development expenditure of Rs 16,169.63 million was incurred against the budget of Rs 19,988.17 million. Thus, there was a saving of Rs 3,818.54 million (19.10%).

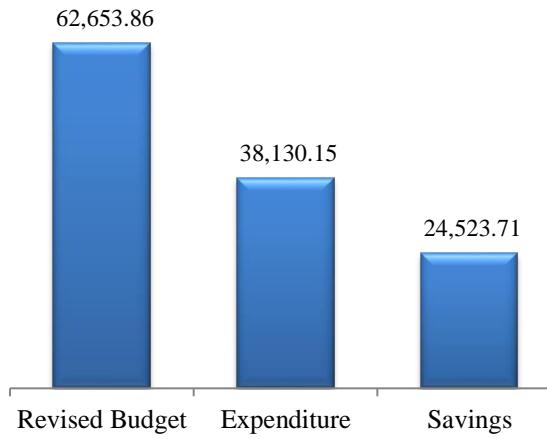
Non-Development Expenditure (Rs. in million)



Development Expenditure

Development expenditure of Rs 38,130.15 million was incurred against the budget of Rs 62,653.86 million. Thus, there was a saving of Rs 24,523.71 million (39.14%)

Development Expenditure (Rs. in million)



Public Health Engineering (PHE)

The non-development grant No. PC-21017 is utilized for payment of salaries and for repair and maintenance works etc. whereas funds for development schemes are allocated under the budgetary grant No. PC-22036.

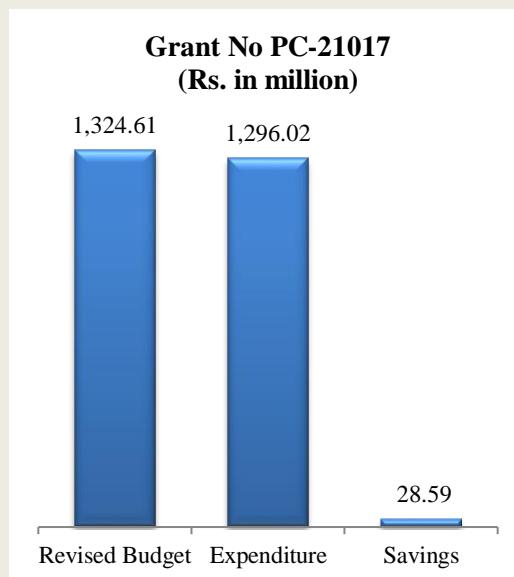
(Rs in million)						
Grant No & Nature	Original Budget	Supplementary, Re-appropriation (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21017	1,331.23	(6.621)	1,324.61	1,296.02	(28.59)	(2.16)
Development Grant						
PC22036	17,736.20	7,472.60	25,208.81	21,716.63	(3,492.18)	(13.85)
Grand Total	19,067.43	7,465.98	26,533.42	23,012.65	(3,520.77)	(13.27)

Source: SAP R/3 ZRP Report and Budget Book.

Non-Development Grant

Grant No PC-21017

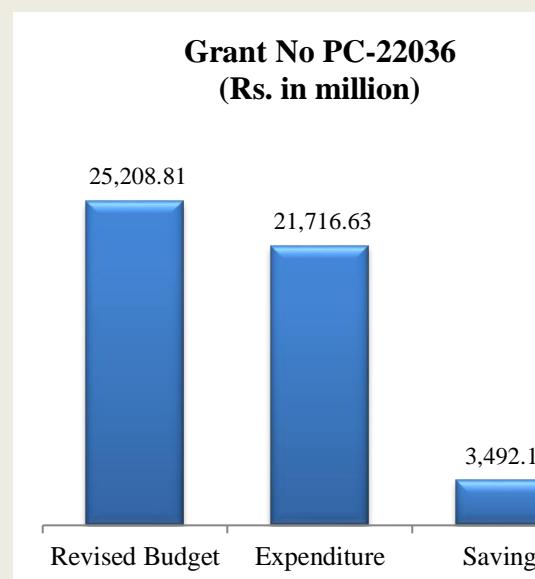
In the non-development grant PC-21017, budget was not fully utilized. The expenditure incurred was 1,296.02 million against the revised budget of Rs 1,324.61 million. Thus, there was a saving of Rs 28.59 million (2.16%).



Development Grant

Grant No PC-22036

Under this grant an expenditure of Rs 21,716.63 million was incurred against the revised budget of Rs 25,208.81 million. Thus, there was a saving of Rs 3,492.18 million (13.85%).



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 3,520.77 million.

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:

Sr. No	Audit Report year	Total Directives	Compliance Received	Compliance not received	Percentage of compliance
PHE					
1	1960-61 to 1999-2000	535	-	535	
2	2000-01	73	35	38	48
3	2001-02	22	10	12	45
4	2009-10	23	20	03	86
5	2010-11	40	14	26	35
6	2011-12	29	15	14	52
07	2013-14	56	07	49	12
Total		778	101	677	13
LDA					
8	1960-61 to 1999-2000	268		268	
9	2000-01	26	21	05	81
10	2001-02	05	02	03	40
11	2003-04	08	04	04	50
12	2006-07	21	11	10	52
13	2009-10	44	18	26	41
14	2011-12	36	12	24	33
15	2012-13	34	03	31	19
16	2013-14	60	07	53	09
Total		468	78	424	15.5
FDA					
17	1982-83 to 1999-2000	161		161	
18	2000-01	12	11	01	92
19	2001-02	09	04	05	44
20	2003-04	05	03	02	60
21	2006-07	09	07	02	78
22	2009-10	21	16	05	76
23	2010-11	14	06	08	43
24	2011-12	21	11	10	52
25	2013-14	18	02	16	11
Total		270	60	210	22.22

MDA					
26	1982-83 to 1999-2000	57		57	
27	2000-01	12	4	08	33
28	2001*-02	05	1	04	30
29	2003-04	02	1	01	50
30	2006-07	02	1	01	50
31	2011-12	03	0	03	0
32	2012-13	26	19	07	73
33	2013-14	05	2	03	40
34	2014-15	36	0	36	0
Total		148	28	120	20
GDA					
35	1995-96	12	12	0	100
36	2000-01	02	02	0	100
37	2006-07	01	01	0	100
38	2009-10	04	04	0	100
39	2011-12	08	03	05	15
40	2012-13	06	01	05	17
41	2013-14	04	01	03	25
Total		37	24	13	65
RDA					
42	1997-98	01	-	01	0
43	2006-07	01	01	0	100
44	2009-10	07	07	0	100
45	2010-11	01	01	0	100
46	2011-12	07	04	03	57
47	2012-13	06	01	05	17
Total		23	14	9	61
SAR NO 33					
48	2000-01	19		19	
PHATA					
49	1968-69 to 1999-2000	166	-	166	0
50	2000-01	12	11	01	92
51	2001-02	11	02	09	18
52	2006-07	01	01	0	100
53	2009-10	10	06	04	60
54	2010-11	07	0	07	100
55	2013-14	21	0	21	0
Total		201	20	208	8.70

Source: PAC Digest and PAC Compliance Cell data base

According to Punjab Budget Manual para 16(25-26) the Finance Department is responsible to watch compliance of PAC directives and

actionable points. However, an effective monitoring mechanism to watch compliance of PAC directives on regular basis is not in place either in Finance or in the Administrative Departments.

Principal Accounting Officer was reminded time and again regarding non-compliance of PAC directives but no positive response was received. PAC was also requested by Audit to intervene and take initiatives to institutionalize a review mechanism for prompt and effective compliance of PAC directives. Compliance Cell of Audit is pursuing compliance of PAC directives through Principal Accounting Officers.

3.4 AUDIT PARAS

3.4.1 LAHORE DEVELOPMENT AUTHORITY (LDA)

Fraud/Embezzlement

3.4.1.1 Fraud and Embezzlement – Rs 162.590 million

As per rule 2.33 & 2.35 of Punjab Financial Rules Volume-I, every government servant should realize fully and clearly that he would be held responsible personally for any loss sustained by government through fraud or negligence on his part. The losses occurring in offices, should be at once reported, to the Head of the Department concerned alongwith the prospects of effecting recovery.

Examination of record available in office of the Director, Administration LDA, UD-Wing Lahore revealed that staff of the Authority was involved in embezzlement/fraud of Rs 162.590 million of commercialization fee by making bogus verification of dues/fees as deposited in the LDA account and tampering in Computerized General Ledger. Audit observed that one Deputy Director and seven lower staff members i.e. computer/data entry operators were dismissed from the service without effecting recovery. Neither fraud was reported to the administrative Secretary/Audit nor any criminal proceeding was lodged against the responsible.

Violation of rules resulted in fraud and embezzlement amounting to Rs 162.590 million.

Audit pointed out the fraud in April 2017. The Authority replied that the matter pertained to Director Commercialization and audit observation would be forwarded to that Directorate for further necessary action. The reply was not tenable because both directorates belong to LDA and the reply was just lame excuse.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority reiterated its previous reply adding that the matter was taken up by NAB. The Committee directed the Authority to pursue the case with NAB and effect recovery of commercialization fee. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.300)

Irregularity & non-compliance

3.4.1.2 Non-recovery of taxes –Rs 608.652 million

3.4.1.2.1 Non-recovery of Punjab Sales Tax -Rs 580.579 million

According to section 3 of Punjab Sales Tax on Services Act 2012 read with Sr. No.16 of the 2nd schedule, sixteen percent sales tax was required to be deposited to Punjab Revenue Authority on account of the services provided by persons engaged in contractual execution of works or furnishing supplies. Furthermore, as per Punjab Revenue Authority letter No.PRA/HQ/02/Misc-4/15/470 dated 04-11-2016, the applicable Punjab sales tax rate for non ADP/PSDP civil works including M&R works is 16 % and for ADP works @ 1%.

Director Finance LDA UD-Wing, Lahore made payment of Rs 4,884.87 million to contractors for 27 works wherein, 25 works were paid from LDA own sources for Rs 4,159.51 million and two ADP works funded by the Govt. were paid for Rs 685.3 million. The Punjab Sales Tax @ sixteen percent (16%) and 1% in respect of LDA funded 25 works and two ADP works funded by government amounting to Rs 573.726 million and Rs 6.853 million respectively was not recovered.

Violation of Act resulted in non-recovery of Rs 580.579 million as PST (Annex-XI).

Audit pointed out the non-recovery in July 2017. The Authority replied that Punjab Sales Tax was the liability of LDA, not the contractor. In the approved estimates, Punjab Sales Tax was not included, so deduction of PST at source from contractor's bill was not justified. However, a lump sum amount of Rs 100 million had been paid to PRA regarding levy of PST for works executed by LDA. The reply was not tenable because 16% and 1% PST was required to be deducted from the contractors in respect of LDA funded works and ADP/PSDP works respectively.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that the PST was not included in the estimates. Audit contended that the Punjab Sales Tax at the prescribed rates was required to be recovered from the contractors registered with PRA. The Committee directed the Authority that clarification regarding deduction of PST be obtained from the Punjab Revenue Authority. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DPNo.526,716,524,694,722,555,697,696,646,830,818,822,828,824,815,823,820,821)

3.4.1.2.2 Non-recovery of General Sales Tax – Rs 26.772 million

According to Para-4(ii) of the FBR letter No.1(42)STM/2009/99638-R dated 24.07.2013 read with FBR letter No 4-2/STB/2007(PT) dated 13.07.2007 in case of public works, the contractors carrying out government work against public tender are required to have a BOQ (Bill of Quantity), the contracting organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released or deduct an amount equal to 1/5th of total sales tax amount shown in sales tax invoice issued by the supplier.

Various Directorates of LDA Lahore paid Rs 184.254 million in respect of the items involving the deduction of GST but did not obtain the

GST invoices from the contractor to ensure that sales tax was deducted and credited to FBR account timely.

Violation of FBR's instructions resulted in non-recovery of General Sales Tax worth Rs 26.772 million as detailed in Annex-XII.

Audit pointed out the non-recovery in July 2017. The Authority replied that all the items were part of the civil works therefore, the GST was not applicable. The reply was not tenable because the GST invoices were required to be obtained from the contractor prior to making payment. In one case (DP No.634), Authority admitted the recovery.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that the matter had been taken with the quarter concerned for getting GST invoices or to effect the recovery. The Committee directed the Authority either to get the GST invoices @ 17% of the value of item or to effect the recovery thereof within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends to effect recovery of GST.

(DP No.614,767,802,631,810,795,625,630,811,653,688,627, 13,634,817,523,636,638,803,819,632)

3.4.1.2.3 Non-recovery of 1% tax on transfer of immovable property – Rs 1.301 million

According to Rule 3, 4 and Rule 6 of the Punjab Local Governments (Tax on Transfer of immovable Property) Rules 2001, one percent tax of the value of property on the transfer of immovable property was required to be recovered and credited to the Local Fund of the Tehsil Municipal Administration or concerned Local Government. Furthermore, Director General LDA vide No. Director C&I/LDA/2553 dated 24.01.2015 also directed for issuance of notices for recovery of 1% TMA Tax on transfer of property w.e.f. 03.07.2012.

Director Estate Management-II, LDA, UD-Wing, Lahore auctioned different plots to various parities from time to time but did not recover the Local Government Tax on transfer of property @ 1% of the auctioned value of plots for credit to respective TMA account for Rs 1.301 million.

Violation of rules resulted in non-recovery of one percent tax on transfer of immovable property amounting to Rs 1.301 million.

Audit pointed out the non-recovery in November 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the said tax was applicable only on the transfer of immoveable property from one person to another and not from an Authority (LDA) to a person. Audit contended that the Authority was not entitled for exemption of 1% TMA tax prescribed under rules. The Committee upheld the view point of Audit and directed the Authority to effect the recovery of 1% TMA tax and verification thereof by Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.748)

3.4.1.3 Non-recovery of temporary / permanent commercialization fee – Rs 444.526 million

According to LDA Land Use Rules 2014, the fee for the permanent commercialization and temporary/annual commercialization will be recovered @ 20% and 1.25% respectively of the commercial value of the total area of ownership as provided in valuation table.

3.4.1.3.1 Director Commercialization UD-Wing LDA issued demand notices / challans to the owners of properties for depositing permanent commercialization fee amounting to Rs 751.670 million within six weeks.

Neither any action for recovering fee was taken nor the offer of permanent commercialization was cancelled despite elapse of stipulated period. There was probability that properties was being use for commercial purposes by the owners without depositing the fee as no such record was available to ascertain non conversion of the properties.

Violation of rules resulted in non-recovery of temporary/permanent commercialization fee amounting to Rs 751.670 million.

Audit pointed out the non-recovery in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that actual recoverable amount was Rs 749.742 million out of which amount of Rs 309.170 million had been recovered. The Committee reduced the amount of para upto Rs 440.572 million and directed to effect the recovery of balance amount within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.605)

3.4.1.3.2 Director Commercialization UD-Wing LDA allowed temporary/annual commercialization to various owners of plots but did not recover annual commercialization fee from the owners. The Authority made no efforts for effecting recovery from the defaulters.

Violation of rules resulted in non-recovery of temporary/annual commercialization fee amounting to Rs 16.517 million.

Audit pointed out the non-recovery in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the amount of Rs 12.931 million had been recovered. The Committee reduced the amount of para upto Rs 3.586 million and directed to effect the recovery of balance amount within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 606)

3.4.1.3.3 Director Commercialization UD-Wing LDA issued certain challans to the owners of the properties amounting to Rs 1.967 million on account of annual commercialization fee for the year 2016-17. However, despite the lapse of the stipulated period of six weeks, the Authority failed to recover the annual fee along with surcharge from the owners and also did not revoke the permission regarding annual commercialization.

Violation of rules resulted in non-recovery of annual commercialization fee amounting to Rs 1.967 million.

Audit pointed out the non-recovery in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the amount of Rs 0.793 million had been recovered and the surcharge @ 10% per annum was not recoverable within the currency of one year. The Committee agreed upto the extent of surcharge @10% and reduced the amount of para to Rs 0.348 million with the direction to recover balance amount within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 607)

3.4.1.4 Doubtful payment for bitumen without invoices of NRL Karachi -Rs 318.673 million

According to condition No.22 of the Additional Conditions in the contract agreement, “the bitumen for use in the Road Works shall be obtained by the contractors from National Refinery Ltd. Karachi and documentary evidence in support thereof shall be produced to the Engineer in-charge for his references & record”.

Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, got executed items “*Asphaltic Base Course, Asphaltic Wearing Course, Prime Coat and Tack Coat*” respectively by using bulk bitumen but invoices showing the procurement of bitumen from National Refinery limited (NRL) were neither available in record nor were produced to Audit for verification. In the absence of invoices/proof regarding procurement of bitumen from NRL Karachi, the payment made as doubtful

Violation of contractual obligations resulted in un-justified payment due to non-production of invoice/proof regarding procurement of bitumen from NRL Karachi amounting to Rs 318.674 million.

Audit pointed out the doubtful payment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the payment to the contractor was made after complete testing of bitumen & approved source invoices. Audit explained to Committee that the Authority did not provide documentary evidence of procurement from NRL. The Committee directed the department to get the record verified by Audit and to effect recovery (if any). The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.
(DP No.709)

3.4.1.5 Undue financial benefit due to non-obtaining of performance security - Rs 269.345 million

As per Finance Department Notification RO (Tech) FD-1-2/83 (V) (P) dated 6th April, 2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million and additional performance security, in case the tendered amount was less than 5% of the estimated cost. The performance security should be re-validated till completion of project and defect liability period.

Director Finance and Director ADS-II LDA, Lahore did not obtain the performance securities @ 5% of contract amount i.e. Rs 221.196 million in respect of six (06) works. Further, a work “Widening of canal bank road from Mall road underpass to Harbanspura, Lahore (Package-2)” was awarded at below percentage of 8.589% of estimated cost, but additional performance guarantee of Rs 93.415 million was not obtained.

Violation of Finance Department’s instructions resulted in undue financial benefit due to non-obtaining of performance security and additional performance guarantee amounting to Rs 314.575 million.

Audit pointed out the undue financial benefit in July 2017. The Authority replied that in 04 works the performance security @ 5% of the contract cost had been obtained and in remaining two works the 5% percent security had been deducted from the bills of the work. The reply was not tenable because the Authority did not produce the original record for verification.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the performance securities were obtained. Audit contended that except in two cases the performance securities had already expired and the additional performance guarantee was not obtained. The Committee reduced the amount of para upto Rs 269.345 million (Performance security Rs 175.93 million and additional performance

guarantee Rs 93.415 million) and directed the Authority to get the re-validation of performance securities and to get the due additional performance guarantee and verification thereof within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early obtaining of said securities and verification of record by Audit.

(DP No. 613, 729)

3.4.1.6 Irregular payment due to grant of secured advance on perishable item - Rs 268.673 million

As per Clause No.45 of contract agreement, a contractor whose contract is for finished works can be granted a secured advance on the security of material of imperishable nature brought by him at site of the work @ 75% of material cost.

Director ADS-II and Director ADS-I, LDA UD-Wing, Lahore, granted secured advance on bitumen in bulk for Rs 268.673 million. The bitumen was a perishable item and secured advance on perishable items was not admissible as per criteria ibid.

Violation of agreement resulted in irregular payment due to grant of secured advance on bitumen amounting to Rs 268.673 million.

Audit pointed out the irregularity in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that secured advance was made on bulk bitumen with the approval of the competent authority. Audit contended that bitumen is a perishable item and secured advance was not admissible. Further, the secured advance was also not recovered within three months. The Committee directed the Authority to recover 12% surcharge on the period of payment alongwith recovery/adjustment of advance from the

contractor. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.535, 551,648,712,727)

3.4.1.7 Irregular expenditure without JMF - Rs 230.831 million

As per condition No.6 of Finance Department notification No.RO(TECH) FD2-3/2004 dated 02.08.2004, rate for an item of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen ranging from 3% to 6%, and payment would be made to contractor as per Job Mix Formula or actual bitumen used in the work.

Director ADS-I and Director ADS-II, LDA Lahore, got executed different works and made payment for the item of "*Providing / laying Asphaltic Wearing Course*" without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute, Lahore before execution of items. The Authority made payment without JMF and bitumen extraction reports. Thus, Audit was unable to check, whether the payment was made as per actual use of bitumen or not.

Violation of Finance Department's instructions resulted in irregular expenditure without JMF amounting to Rs 230.831 million.

Audit pointed out the irregular expenditure in October 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that works have been executed as per approved JMF by the Consultant. Audit contended that record i.e. extraction reports to ascertain actual use of bitumen were not produced for verification. The Committee directed the Authority to get the record verified by Audit and to effect actual recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.316,650,761,645,678)

3.4.1.8 Non-recovery of rent – Rs 201.414 million

As per condition No. 5 of Agreement Deed executed between LDA and S&GAD for rent of LDA Complex at 7-Court Street Lahore, the monthly rent @ Rs 40 per sft would be paid in advance on yearly basis.

Director Administration, LDA UD-Wing, Lahore did not revalidate "Deed of Rent of LDA Complex, 7-Court Street Lahore" executed between LDA and S&GAD. The lease agreement expired in 2014 but the Authority neither entered into fresh agreement nor got the building vacated and also failed to recover rent for last three years i.e. from 27.04.2014 to 30.06.2017.

Violation of condition of agreement resulted in non-recovery of rent amounting to Rs 201.414 million.

Audit pointed out the non-recovery in April 2017. The Authority replied that efforts were being made for fresh agreement and recovery of amount. The reply was not tenable because no recovery was made.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority admitted the recovery and explained that matter of rent agreement of LDA Complex was taken up with Registrar Lahore High Court Lahore, who informed that Chief Minister had approved transfer of rent to LDA through Finance Department instead of transferring budget of Lahore High Court Lahore. The Committee directed the Authority to pursue the recovery vigorously and get the record verified. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.299)

3.4.1.9 Less recovery due to incorrect measurement of commercial plots – Rs 183.319 million

As per section 37 of LDA Act 1975 any sum due to the Authority from, or any sum wrongly paid by the Authority to, any person under this Act, shall be recoverable as arrears of land revenue.

3.4.1.9.1 Director Estate Management, Quaid-e-Azam Town, LDA, UD-Wing, Lahore allotted a plot 16-Civic Center measuring 31-kanal, 75-sft on 30.11.2004 to Police Department for construction of Lines/Training School for Close Protection Unit at Township Lahore. The Authority despite lapse of 11 years could not recover the cost of plot amounting to Rs 14.267 million @ Rs 230,000 per marla.

Violation of rules resulted in less recovery due to incorrect measurement of commercial plot amounting to Rs 14.267 million.

Audit pointed out the less recovery in December 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that the cost of that plot was re-assessed @ Rs 750,000 and thus the amount came to Rs 155.083 million. Accordingly demand notice was issued amounting to Rs 149.811 million leaving a balance of Rs 5.272 million. The Committee directed to effect complete recovery at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.109)

3.4.1.9.2 Director Katchi Abadies UD-Wing, LDA, Lahore conducted a survey of Katchi Abadi in 1985-86, wherein occupants were allowed to obtain the rights of ownership after paying a very nominal concessional cost of land & development charges but they had not paid

that cost so far. The occupied areas were being sold on stamp papers by the occupants and no revenue in shape of transfer fee and penalties were being received by the Authority.

Violation of rules resulted in non-recovery of cost of land & development charges since 1985 from occupants for Rs 14.081million.

Audit pointed out the non-recovery in November 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that cost of land was enhanced by the Government from Rs 172 per marla to current price of evaluation table of DC rate but no one was ready to deposit the dues at current rates despite issuance of demand notices and reminders. However, as and when recovery was effected the same would be intimated to Audit. The Committee directed to expedite the follow up for recovery under intimation to Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.146)

3.4.1.9.3 Director Estate Management QAT, LDA, UD-Wing, Lahore cancelled 8 quarters measuring 4 marla each in 1984, 1985 & 1989 due to non-payments and allottees were directed to handover the possession of the quarters to LDA in 1997. After that, files were silent and no further steps in public/LDA interest were taken / initiated.

Violation of rules resulted in non-recovery due to non-allotment of cancelled quarters for Rs 9.920 million.

Audit pointed out the non-recovery in December 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that plots No. 105, 707, 193 and 684 had been reinstated and notices had been sent in respect of remaining plots. Facts had been verified by Audit and found that Rs 25,076 were outstanding against plot # 684. The Committee directed to get record verified as and when final action would be taken against remaining plots No. 754, 133, 150 and 223 and to effect Rs 25,076 against plot # 684. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.111)

3.4.1.9.4 Director Estate Management Avenue-I, LDA, UD-Wing, Lahore did not recover the principle cost of plots/development charges payable in 06 installments from January 2005 to June 2006 in 21 cases from the plot owners. The Authority was required to recover the balance dues alongwith upto date interest amount.

Violation of rules resulted in non-recovery of Rs 5.319 million.

Audit pointed out the non-recovery in December 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that Rs 1.085 million in respect of plots had been recovered against pointed out amount of Rs 5.319 million. Notices had been sent against some plots and there were court cases against remaining plots. A recovery of Rs 1.085 million had been verified by Audit. The Committee reduced the para to Rs 4.234 million and directed to get balance recovery verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.
(DP No.125)

**3.4.1.10 Irregular recruitments and payment of salaries
- Rs 162.00 million**

As per summary approved by Chief Minister Punjab dated September 2013, recruitment against sixty two (62) posts of officers and officials (Assistant Directors, Deputy Directors, SSTs and drivers etc.) were allowed/approved.

Director Administration LDA UD-Wing, Lahore during the period from 07.12.2013 to 06.06.2015 irregularly appointed 162 officers/officials against 62 posts approved in summary by CM for relaxation of ban on recruitment in LDA.

Violation of summary approved by CM resulted in irregular recruitment and payment of salaries worth Rs 162.000 million (approximate).

Audit pointed out the irregular recruitment in April 2017. The Authority replied that the detailed response would be given after consultation of record. The reply was not tenable because complete record was available in the Administration Directorate.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that recruitments were made with the approval of CM Punjab after obtaining relaxation on ban of recruitment. Audit contended that recruitment was made beyond the sanctioned strength which was approved by CM Punjab. The Committee directed the Authority to get the record i.e. sanctioned strength of LDA Officers/Officials verified by Audit and get condonation of irregular appointments from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.303, 304)

3.4.1.11 Overpayment due to higher rates – Rs 105.460 million

As per Finance Department's letter No. RO (Tech) F-2-3/2004 dated 02.08.2004 the rate analysis for the non-scheduled items shall be prepared on the basis of input rates of materials placed on website of Finance Department. Further, according to the instructions issued by the Finance Department vide No. RO(Tech)FD-18-23/2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared, clearly giving the specifications of the material used and approved by the competent authority on the basis of input rates of relevant quarter placed on website of the Finance Department.

3.4.1.11.1 Director ADS-II, LDA UD-Wing Lahore got approved the rate analysis of item “*Concrete class A1, A2 and A3 etc.*” on higher side in the estimates and released payment accordingly to the contractors. Audit observed that rate was prepared on higher side by including excess hours of concrete batching plant, transit mixer and concrete pump for analysis of 50 cubic meters. As per general specification item 401, the concrete mixture required 60 to 90 seconds to mix and 30 minutes to lay/pour at site. So 50 cubic meter material may take maximum time of 2 hours including idle hours in batching plant capacity of 30 cubic meter/hour and 8 transit mixers (6 cubic meters) may take maximum 2 hours for pouring. Hence, excess hour resulted in excess rate which resulted in loss to government.

Violation of Finance Department's instructions resulted in overpayment of Rs 27.856 million due to sanction of higher rates by adding incorrect input rates.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that estimate of the project was based on the engineer's estimate where quantities in the rate analysis of all items were based on the construction methodology instead of template of NHA. Audit

contended that as per mega project of TEPA i.e. “Flyover at Kacha Jail Road” only 4 hours were given for 72 cubic meter concrete but in this case department made provision of 6 hours for 50 cubic meter concrete. The Authority admitted recovery during meeting. The Committee directed the Authority to effect the actual recovery. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery in compliance of the Committee’s directive.

(DP No.550,546,710,707,545,706)

3.4.1.11.2 Director ADS-II LDA UD-Wing got approved the rate analysis of item “*Granular sub-base course and Water bound Macadam etc.*” by adding extra equipment charges in estimates. Audit observed that the Department applied MRS composite rate of carriage which was at site rate (includes cost of all types of transportation carted through dumpers/trucks etc.) and additionally added the cost of dumper trucks and front end loaders. Therefore, the Department allowed double cost of carriage, once from quarry to dumping site and then from dumping site to site of work, which resulted in loss to government in violation of criteria *ibid.*

Violation of Finance Department’s instructions resulted in overpayment of Rs 22.436 million due to allowing double cost of carriage

Sr. No.	DP No.	Item	Rate Paid	Rate Admissible	Amount (Rs in million)
1	702	WBM Base-course	3640.00	3047.55	11.366
2	542	WBM Base-course	3542.56	2979.45	4.603
3	701	Granular Sub-base course	2849.15	2382.85	4.295
4	541	Granular Sub-base course	2781.11	2301.69	2.172
Total					22.436

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that the equipment and machinery used in the laying of sub base and base course was different from that required to transport at site. The dumper trucks included in the composite rates pertain to the loading of material at quarry for delivery of material at site. The material being delivered to site was not directly laid, instead it was stockpiled at site to be readily available as and when required for available section of works. Audit contended that rate of material was at site. Re-handling or double carriage was paid through front end loader and dumpers in the item base course. The Committee directed the Authority to conduct technical probe and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.702,542,701,541)

3.4.1.11.3 Director ADS-II, LDA UD-Wing, Lahore, granted secured advance on higher rate of packed bitumen (Packed Grade-60/70 NRL/PARCO) at site @ Rs 45,548.25 (75% of 60,731) instead of the admissible rate of bitumen (Bulk Grade-60/70) at site for plant premixed @ Rs 39,369 (75% of 52,492) per ton. The rate of the bulk bitumen was lesser than the rate of the packed bitumen. Thus, the rate was overpaid @ Rs 6,169.25 per ton for a quantity of 2372.18 ton.

Violation of input rate resulted in overpayment due to incorrect rate amounting to Rs 14.634 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that adjustment would be made in the final bill of the contractor. The Committee directed the Authority to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.732)

3.4.1.11.4 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, got executed item, “*granular back fill with sand*” as non-standardized item on the basis of rate analysis prepared by adding the inadmissible equipment i.e. “Tendem Vibratory Roller (1.5) ton” for 01 No. quantity for 5 hours @ Rs 545 per hour amounting to Rs 2,725 for analysis of 50 cu.m. In this regard, Audit was of the view that sand was a filter material and compaction of 100% of sand was not possible. Hence, addition of sub item “Tendem Vibratory Roller (1.5) ton” for 01 No. quantity for 5 hours @ Rs 545 per hour was inadmissible. The admissible rate came @ Rs 585.04 per cu.m. Thus, the rate was overpaid @ Rs 200.78 per cubic meter for a quantity of 81207.55 cu.m.

Violation of Finance Department’s instructions resulted in overpayment due to sanction of higher rates by adding inadmissible machinery amounting to Rs 8.324 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that the provision of vibratory roller used in the laying of granular back fill was as per site requirement. Audit contended that project specification does not recommend this equipment. The Committee directed the Authority to conduct technical probe and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.

(DP No.703, 543)

3.4.1.11.5 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, approved the rate analysis with higher rate of item “*Granular backfill with sand*” @ Rs 742.83 per cubic meter by

taking the front end loader (Cap 1.5 cubic meter) @ Rs 1,780 per hour, which was not required for the item granular backfill with sand. The rate came to Rs 700.11 per cubic meter which was required to be taken in Engineer Estimate instead of Rs 742.83 per cu.m. The tender was accepted on item rate basis wherein the rate of said item was accepted @ Rs 950 per cubic meter and paid accordingly. The payable rate came Rs 895.365 per cu.m instead of Rs 950 per cu.m. Thus, the rate was overpaid @ Rs 54.635 per cubic meter (950-895.365) for a quantity of 129789.964 cu.m.

Violation of MRS resulted in overpayment due to incorrect rate analysis amounting to Rs 7.091 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the payment to the contractor was made on the quoted rate. Audit contended that project specification does not recommend this equipment. The Committee directed the Authority to conduct technical probe and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.731)

3.4.1.11.6 Director ADS-II, LDA UD-Wing Lahore got approved the rate analysis of item "*Construction of cast in place concrete piles 750 mm and 1200 mm dia including concrete class A3 (excluding steel reinforcement)*" on the basis of Engineer estimated rate/rate analysis prepared by consultant by adding the input rate of Finance Department of relevant quarter. Further, in equipment component, 02 No Crane of 20 tone for 03 hours, Welding plant for 01 No. for 10 hours, 1 No Piling Rig for 16 hours and 02 No. Delivery pump 4" (diesel) for 24 hours was added. Audit observed that only 1 No. Crane is admissible instead of 02 Nos. because 01 Crane was already included in rate analysis of Steel Grade-60, Welding plant was admissible for 6 hours because 02 Nos.

welder were provided for 03 hours in Manpower Component, Piling Rig was admissible for 10 hours instead of 16 hours and Delivery pump 4" (diesel) was admissible for 10 hours instead of 24 hours. In this way excess rate of Rs 2,037 per LM was got approved and paid to contractor accordingly.

Violation of specification resulted in overpayment of Rs 4.434 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that estimate of the project was based on the engineer's estimate where quantities in the rate analysis of all items were based on the construction methodology instead of template of NHA. Audit contended that as per ongoing mega project of TEPA i.e. "Flyover at Kacha Jail Road" only 8 hours were given for piling rig instead of 16 hours. The Committee upheld the view point of Audit and directed the Authority to revisit the rate analysis, probe the matter and effect actual recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 549, 708,548, 547,737)

3.4.1.11.7 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, made payment of inadmissible item "*G.I sheet for making partition*" for a quantity of 664 meter @ Rs 5,331.73 per meter for Rs 3.540 million and "*New jersey barrier*" for a quantity of 23 meter @ Rs 14,080 for Rs 383,886 whereas the said item was the responsibility of the contractor as per agreement.

Violation of contract resulted in overpayment due to inadmissible separate payment of an item amounting to Rs 3.864 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the items “G.I. Sheet for making partition” &“New Jersey Barrier” were provided along the railway diversion to ensure the safety of existing market area during railway operations and such special arrangement was not included in the agreement. Audit contended that diversion was the Non-BOQ item and it was the responsibility of the contractor as per contract clause ibid. Further the contractor quoted his rate keeping in view the site condition and inbuilt these cost in quoted rates. The Committee directed the Authority to conduct a fact finding enquiry report on this matter. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.
(DP No.739)

3.4.1.11.8 Director ADS-II, UD-Wing, LDA, Lahore got obtained administrative approval on the basis of MRS rates of 2nd Bi-Annual 2015 and 1st Bi-Annual 2016 but paid excessive rates than provided in the said MRS and caused overpayment.

Violation of Finance Department’s instructions resulted in overpayment due to application of incorrect MRS rates amounting to Rs 3.255 million.

Audit pointed out the overpayment in October 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that estimates were prepared during 2nd Bi-annual 2016 and works were awarded to the contractor accordingly. Audit contended that AA was issued in December 2015 hence the rate of 1st Bi-annual was required to be applied in TS estimate instead of 2nd bi annual 2016. The Committee directed the Authority to effect the recovery. The

compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.318)

3.4.1.11.9 Director ADS-I, LDA UD-Wing, Lahore granted secured advance for Rs 18.337 million in first running bill to the contractor on crush and steel by assessing higher value (cost) instead of admissible material cost for Rs 15.225 million as per input rates displayed at the web site of Finance Department. Hence, the secured advance was overpaid for Rs 3.113 million ($18.337 - 15.225$).

Violation of agreement resulted in overpayment to the contractor due to allowing higher rate on account of secured advance amounting to Rs 3.113 million.

Audit pointed out the overpayment in August 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that secured advance was granted by the competent Authority as per rule /law. The same had been recovered / deducted from the running bills of the contractor. Audit contended that the secured advance was paid on excessive rate than the input rates of the material. Thus, undue financial benefit was given to contractor. The Committee directed that overpaid amount would be recovered alongwith 12% surcharge per annum and verification thereof from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.683)

3.4.1.11.10 Director Building-I, LDA UD-Wing, Lahore paid 5 items at higher rates than as per MRS rates of 1st bi-annual 2015 amounting to Rs 1.847 million.

Violation of MRS resulted in overpayment due to incorrect rate amounting to Rs 1.847 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the Audit did not add the extra 51% on labor rates for fourth and subsequent floors. Record was verified. The Committee reduced the amount of para from Rs 1.847 million to Rs 0.316 million with the direction to effect the recovery and verification thereof within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.794)

3.4.1.11.11 Director ADS-I, LDA UD-Wing, Lahore paid an item of “*Providing tuff paver 80 mm complete in all respect etc.*” at higher rate @ Rs 1,743 per sq.m whereas, the actual rate came to Rs 1,134.78 per sq.m. Incorrect higher rate Rs 608.22 (1743-1134.78) per sq.m for a quantity of 2752 sq.m resulted into overpayment of Rs 1.674 million.

Violation of Finance Department's instructions resulted in overpayment due to approval of rate analysis at higher side amounting to Rs 1.674 million.

Audit pointed out the overpayment in August 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the rate calculated by Audit was not correct. The

rate paid to the contractor is inclusive of excavation, sub base and sand filling etc. Audit contended that rate analysis was on higher side because 25% profit and overhead was included instead of 20% as it was not a mega project. The Committee upheld the view point of audit and directed the Authority to effect actual recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.643)

3.4.11.12 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, got executed the item of work "*Pre-cast kerb stone–Non mountable*" as non-standardized items on the basis of rate analysis prepared by the consultant on the template of NHA and input rate of Finance Department. The estimated rate of item as per rate analysis was Rs 1,073.61 per meter but in comparative statement the rate of item concerned was taken as Rs 1,077.17 per meter. Further, material component the cost of Pre-cast Kerb stone–non mountable was taken as Rs 820.455 per meter, whereas, as per input rates of 1st bi-annual 2016 of District Lahore, the rate of Pre-cast Kerb stone of 300 mm x 450 mm x 150 mm (sub item JE-3) was Rs 103 per foot and Rs 338 per meter. By adding the rate of shuttering, excavation and water as Rs 20.30 (Rs 1000+1000+30= 2030 / 120 +20% = 20.30) total material rate came to 358.30. Excess rate of Rs 594.09 was provided in estimate and paid to contractor.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.426 million due to sanction of higher rates by adding incorrect input rate.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the payment was made to the contractor as per

quoted rates. Audit contended that item was provided in input rates which were required to be used in rate analysis. Three times labour was incorporated in the rate. The Committee directed the department to compare the cost of input with estimated rate and effect actual recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.711)

3.4.1.11.13 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, got executed the item of work “*Asphaltic Base Course (ABC) and Asphaltic Wearing Course (AWC)*” for quantity of 22737.275 M3, as non-standardized items on the basis of rate analysis prepared by the consultant on the template of NHA and input rate of Finance Department. As per approved rate analysis of item “Equipment” for one Wheel Tractor with blade for 16 hours for Rs 8,688 was provided in addition to provision of Front End Loader-15 ton for 03 Nos. for 10 hours. Audit was of the view that provision of Wheel Tractor with blade for 01 quantity for 16 hours for analysis of 187.5 cu.m of ABC/AWC was inadmissible, because, Front End Loader-15 ton for 03 Nos. for 10 hours provided in rate analysis that fully cover the scope of Wheel Tractor with Blade.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.264 million due to sanction of higher rates by adding inadmissible machinery in item of carpeting.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that provision of front end loader 15 ton-for 3 nos. & 10 hours in the rate analysis of item ABC as per site requirement which was sanctioned by the competent Authority. Audit contended that in item ABC/AWC the equipment Wheel tractor was inadmissible because front

end loader was provided which fully covered the purpose. Further, the said equipment was not compatible with recommended machinery as per project specification. The Committee directed the Authority to send the case to DG LDA for review or to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.529, 530)

3.4.1.11.14 Director Building-I, LDA UD-Wing, Lahore paid a non-schedule item "*Excavation in foundation of building bridges and other structures, including dagbelling, dressing, re-filling around structure with excavated earth complete in all respect*" @ Rs 18 per cft for the quantity of 72234.34 cft whereas, the admissible rate of the item came to Rs 3.618 per cft, because as per detailed estimate the lift of earth was 8.5 feet only. Thus, as per conversion table for equivalent leads for various means of lift, the admissible rate came Rs 3.618 per cft. Thus, the rate was overpaid @ Rs 14.382 per cft ($18.000 - 3.618$) for a quantity of 72234.34 cft.

Violation of rules resulted in overpayment due to inadmissible higher rate amounting to Rs 1.084 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the item excavation in foundation of building upto any depth was N.S item as mentioned in T.S estimate and accordingly the same was existed in the tender bid and was paid to contractor as tender rate item. Audit contended that as per conversion table admissible rate came to Rs 3.618 per cft. The Committee directed the Authority to get the record re-verified from audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.779)

3.4.1.11.15 Director ADS-II, LDA UD-Wing, Lahore measured a quantity of 7925.600 cubic meter of item “*Disposal of existing un-useable road pavement structure*” wherein a quantity of existing road was measured as 2940.60 cubic meter and a quantity of dismantled building materials was measured 4985 cubic meter, which seems to be incorrect because in IPC No.5 the quantities of the dismantling of bricks 4.773 cft, dismantling of RCC 3.073 cft and dismantling of PCC structure were 1266.273cft. The total quantity of dismantling was 1274.119 cubic meter whereas, the transportation of dismantling of building material (RCC structure and brick masonry) was paid for a quantity of 4985 instead of the admissible dismantled quantity for disposal 1274.119 cubic meter. Hence, a quantity of 3710.881 (4985-1274.119) cubic meter was overpaid @ Rs 210 per cubic meter amounting to Rs 0.779 million.

Violation of specification resulted in overpayment due to excessive disposal of material amounting to Rs 0.779 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that recovery would be made in final bill. The Committee directed to effect the recovery and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.532)

3.4.1.11.16 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, approved the rate analysis of non-MRS item “*Asphaltic base course*” on higher rate @ Rs 13,275.93 per cubic meter instead of Rs 13,240.62 per cubic meter. The cost of material i.e. crushed stone aggregate was taken as 188 cubic meter @ Rs 1,059.45 per cubic meter, therefore, the rate analysis was prepared for a quantity of 188 cubic meter instead of 187.5 cubic meter. Thus, the rate was approved on

higher side Rs 35.31 per cubic meter (13,275.93 -13,240.62) for a quantity of 17831.225 cu.m.

Violation of rules resulted in overpayment of Rs 0.630 million due to incorrect rate analysis.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority admitted the recovery during meeting. The Committee directed the department to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.730)

3.4.1.11.17 Director ADS-I, LDA UD-Wing, Lahore paid an item “*Diversion of water using jute bags filled with sand*” for a quantity of 1200 @ Rs 515.30 whereas, the excavated earth was available for a quantity of 6312.85 cubic meter which was required to be used. According to MRS 1st bi-annual 2016 the rate of jute bags 4 to 5 cft capacity was Rs 120.25 per bag. Thus, deducting the rate of bag overpaid rate came Rs 395.05 (515.30 – 120.25) which needs to be recovered. Further, besides the item was available in MRS on cheaper rate a Non-MRS rate was allowed without the approval of rate analysis.

Violation of rules resulted in overpayment of Rs 0.474 million due to application of incorrect rate.

Audit pointed out the overpayment in August 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that bridge was constructed in running condition of 16.45 meter wide Cantt drain which carried the major sewer load of

surrounding areas. The bridge walls, abutment and foundation etc. can only be constructed after prior diversion of running drain. Therefore jute bag with sand were used for diversion using MRS rates. Audit contended that rate of jute bags filled with sand comes to Rs 173 per bag as per input rate 1st bi annual 2016 item no.16.002 and item 4 a of chapter 16 instead of Rs 515 per bag. The Committee directed to effect recovery besides conducting fact finding report of the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.700)

3.4.1.11.18 Director EME, LDA UD-Wing, Lahore paid 1st& Final bill in respect of the work "*Providing / installation of CCTV system at Block 1 &2 at M.A. Johar Town office Building Lahore*" and the rate analysis was prepared by taking 20% profit on carriage. Furthermore, the rate analysis in the T.S. Estimate were also approved higher than approved in the rate analysis. Due to approval of higher rates in T.S. Estimate over & above the rate analysis and allowing of 20% profit/overhead on carriage resulted in overpayment of Rs 0.410 million.

Violation of Finance Department's instructions resulted in overpayment due to payment of contractors profit and overhead on carriage amounting to Rs 0.410 million.

Audit pointed out the overpayment in October 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority admitted the recovery of 20% contractor profit and overhead paid on the carriage in rate analysis. The Committee directed to effect the recovery and verification thereof within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.628)

3.4.1.11.19 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, approved a non-MRS item “*Granular backfill with sand*” at higher rate @ Rs 856.86 per cubic meter for a quantity of 2825.946 cubic meter. This was due to application of incorrect rate of sand in rate analysis as Rs 472.24 per cubic meter instead of the correct rate Rs 370.80 per cubic meter as per input rate of material 1st bi-annual 2016. Thus, the rate was overpaid @ Rs 152.18 per cubic meter (856.86 – 704.68) for a quantity of 2825.946 cubic meter.

Violation of Finance Department’s instruction resulted in overpayment of Rs 0.400 million due to approval of rate analysis of non-MRS item at higher side.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. Authority stated that recovery would be made in next bill. The Committee directed to effect the recovery and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.537)

3.4.1.11.20 Director ADS-II, LDA UD-Wing, Lahore measured the item “*Excavation and removal of Malba*” for a quantity of 298872 cft on 01.10.2016, the same item was paid upto 2nd running bill @ Rs 7,532.45 for a quantity of 269382 cft, whereas the Chief Engineer approved the rate in revised T.S. Estimate @ Rs 6,268.45 per % cft.

Violation of revised T.S. Estimate rate resulted in overpayment of Rs 0.378 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that final adjustments would be made in the final bill of the contractor. The Committee directed the department to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.718)

3.4.1.11.21 Director ADS-II LDA UD-Wing, Lahore approved incorrect rate in T.S. Estimate / Bid of item "*P/L bituminous priming coat*", "*P/L Tack coat*" and "*P/L Plant pre-mixed bituminous carpet 2" thick*" for a quantity of 71215 cft, 68536 cft and 139751 cft respectively. The rates were fixed @ Rs 717.40, Rs 481.65 and Rs 6,369.70 per % cft respectively, instead of the MRS rate placed in 1st bi-annual 2017 District Lahore of Chapter No.18 item No.6 item No.7, and item No.10(a)(iv) was placed @ Rs 668.10, Rs 432.50 and Rs 6,154.64 per 100 cft.

Violation of rules resulted in overpayment of Rs 0.369 million due to non-application of MRS rates in T.S. Estimate/Bid.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that all the items were paid to contractor as per approved drawings dully sanctioned by the competent Authority and final adjustments would be made in the final bill of the contractor. The Committee directed the department to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.720)

3.4.1.11.22 Director ADS-II, LDA UD-Wing, Lahore measured and paid the item “*Saw cutting of asphaltic layer with asphalt cutter*” for a quantity of 2700 meter @ Rs 105 per meter, while these charges were inbuilt in the paid item and not admissible as separate item.

Violation of rules resulted in overpayment of Rs 0.283 million due to payment of inadmissible item.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that saw cutting of asphaltic layer with asphalt cutter was taken at offset of 0.6 meter from outer edge of exiting road. Audit contended that payment of saw cut was not separately payable as it was covered under the relevant pay item. The Committee directed to effect recovery and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.534)

3.4.1.11.23 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, sanctioned rate for item “*Excavate unsuitable common material*” for a quantity of 95440.8 cu.m @ Rs 330 per meter. The rate was on higher side by including higher rate of Bull Dozer (100-110 H.P) for 5 hours @ Rs 2508 per hour instead of Rs 2321 per hour as worked out in rate analysis. The extra rate Rs 2.87 per cu.m resulted in overpayment of Rs 0.274 million.

Violation of contract resulted in overpayment of Rs 0.274 million due to sanction of higher rates by adding incorrect rate of bulldozer.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that quoted rate was paid to contractor. Audit contended that incorrect input rate of bull dozer was applied as Rs 2508 per hour instead of Rs 2321 per hour as provided in the MRS. The Committee directed to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.552)

3.4.1.11.24 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, measured and paid non-BOQ item "*Pacca brick work other than building ratio 1:4*" upto the height of 0.600 to 0.900 meter (1.97 to 2.95 feet) @ Rs 7,397.80 per cubic meter instead of admissible rate of the item "Pacca brick work in foundation and plinth in ratio 1:4" @ Rs 7,196.95 placed in MRS 1st bi-annual 2017. The lift work was not involved upto the height of 0.6 meter to 0.9 meter, thus, the rate of the item "Pacca brick work in foundation and plinth" was required to be paid as per clarification of the 88th meeting of the standing rate Committee. Therefore, the rate was overpaid by Rs 200.85 for a quantity of 1200.411 per cubic meter.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.241 million due to incorrect item.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the recovery would be made from the running bill of contractor. The Committee directed the Authority to effect recovery

and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.725)

3.4.1.11.25 Director ADS-II LDA UD-Wing, Lahore allowed an item “*P/F sand in trenches*” in T.S. Estimate and BOQ @ Rs 1,466.80 per % cft. The actual distance from river Ravi to site of work was 6 Km. therefore, the item was required to be paid with actual lead of 6 Km” @ Rs 1,091.36 per % cft, instead of Rs 1,466.80 per % cft. Thus, the rate was overpaid @ Rs 375.44 per % cft ($1,466.80 - 1,091.36$) for a quantity of 47714 cft amounting to Rs 0.179 million.

Violation of MRS resulted in overpayment of Rs 0.179 million due to incorrect rate.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that adjustments would be made in the final bill of the contractor. The Committee directed the department to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.719)

3.4.1.11.26 Director ADS-II, LDA UD-Wing, Lahore got administrative approval on the basis of MRS rates of 1st bi-annual 2017 but excessive rates of two items “*Gully grating chamber*” and “*Priming Coat*” were paid @ Rs 10781 each and Rs 685.70 per % cft for a quantity of 60 numbers and 685.70 sft. Whereas, as per MRS 1st bi-annual 2017 item No.08 of Chapter 21 and the notified rates were @ Rs 8,966.25 each and 668.10 per 100 sft respectively.

Violation of MRS rates resulted in overpayment of Rs 0.152 million due to application of incorrect MRS rates.

Audit pointed out overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that payment to contractor was made as per approved rate by the competent Authority. Audit contended that rate of two items gully grating and priming coat was applied higher than MRS. The Committee directed to effect the recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.557)

3.4.1.11.27 Director ADS-II, LDA UD-Wing, Lahore measured and paid item “*Clearing and grubbing*” for a quantity of 6195 square meter @ Rs 18 per square meter on the same RD’s where item ‘*Excavate unsuitable/ surplus common material*’ was measured which also includes the scope of clearing and grubbing. Hence, it could not be paid separately. Furthermore, the typical cross sections and drawings of the item clearing & grubbing before execution and after execution were not on record, whereas, these were basic requirement for the measurement.

Violation of specification resulted in overpayment of Rs 0.111 million due to allowing additional rate for clearing and grubbing.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that project includes the widening of road along exiting road which involved the excavation of surplus/unsuitable material in the widening portion. Clear and grubbing was carried out at the outer edges of structure. Audit contended that initially department admitted

recovery but no record was produced to audit for verification. The Committee directed the Authority to re-verify the record from audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.533)

3.4.1.12 Non-recovery/adjustment of advances – Rs 44.355 million

As per rule 2.10 (b) 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.

Director Finance, LDA, Lahore paid advances to different officers of the LDA during 2016-17 amounting to Rs 51.291 million for payment of CVT, Stamp Papers Registration Fee regarding shifting of Fruit Vegetable Market Kot Lakhpur Lahore, purchase of 267 Motor cycles, POL and purchase of 5 vehicles, but the paid advances had not yet been recovered or adjusted despite lapse of considerable period.

Violation of rules resulted in non-recovery/adjustment of advances for Rs 51.291 million.

Audit pointed out the non-recovery/adjustment of advances in July 2017. The Authority replied that the advances would be adjusted and the record thereof be got verified by Audit. Reply was not tenable because despite lapse of period of more than six months, the advances were not adjusted till date.

The para was discussed in January 2018. The Authority stated that some advances had been adjusted and the efforts were being made for the adjustment of remaining advances. Record was verified. The Committee

reduced the amount of para from Rs 51.291 million to Rs 44.355 million with the direction to adjust/recover the balance amount of advances within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directive.

(DP No. 521)

**3.4.1.13 Overpayment due to bogus measurement -
Rs 40.942 million**

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

3.4.1.13.1 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, paid item “*Asphalt Base/Leveling course plant mix (Class-B)*” for a quantity of 17831.225 cu.m @ Rs 12,321 per cu.m. Whereas as per measurement sheet the said item was measured for a quantity of 15985.281. Thus, a quantity of 1845.719 cft (17831.225 – 15985.281) was overpaid @ Rs 12,321 per cubic meter.

Violation of rules resulted in overpayment of Rs 22.741 million due to incorrect calculation.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the all items were paid to contracts as per approved x-sections and drawings duly sanctioned by the competent Authority. Furthermore, adjustment would be made in the final bill of the contractor. The Committee directed the Authority to recover 12% surcharge on the period of undue payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.734)

3.4.1.13.2 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, paid non-BOQ item "*Pacca brick work other than building ratio 1:4*" in IPC-4 for a quantity of 3497.180 cubic meter @ Rs 7,397.80 per cubic meter for Rs 25.871 million without any record entry in measurement book. Furthermore, in IPC-5 the same item was shown as measured for a quantity of 3497.180 which had already been paid without measurements in IPC-4, but paid for a quantity of 1200.411 cubic meter @ Rs 7,397.80 for Rs 8.880 million. This situation substantiated that the overpayment was made to the contractor in IPC-4 for Rs 16.991 million (25.871 – 8.880) without the execution of work.

Violation of rules resulted in overpayment of Rs 16.991 million without measurements of an item of work.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that all items were paid to contracts as per approved x-sections and drawings duly sanctioned by the competent Authority. No advance payment to the contractor was made. Record entry of the item "Pacca brick work other than building ration 1:4" was made in the measurement Book. Audit contended that pacca brick work paid in IPC 5 for the quantity of 1200.41 cu.m while in IPC 4 this quantity was paid 3479.80 cu.m. The Committee directed the Authority to recover 12% surcharge on the period of undue payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.735)

3.4.1.13.3 Director ADS-II/Deputy Director ADS-V (Package-I), LDA UD-Wing, Lahore, paid non-BOQ item "*Cement Plaster upto 20'*

height" in IPC-4 for a quantity of 6462 square meter @ Rs 187.30 (total payment Rs 1.210 million) without any record entry in measurement book. Furthermore, in IPC-5 the same item was measured for a quantity of 6462 square meter which had already been paid without measurements in IPC-4. Thus, the payment in IPC-4 was made without the execution of work to the contractor, because no payment was made in IPC-5.

Violation of rules resulted in overpayment due to bogus measurement of Rs 1.210 million without measurements of an item of work.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that all the items were paid to contracts as per approved x-sections and drawings duly sanctioned by the competent Authority. No advance payment to the contractor was made without execution of work. Record entry of the item "Cement Plaster upto 20ft Height" was made in the measurement Book. Audit contended that quantity of cement plaster 1:4 was paid in IPC 4 as 6462 cu.m for Rs 1,210,333 but in IPC 5 nothing was executed. The Committee directed the Authority to recover 12% surcharge on the period of undue payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.736)

3.4.1.14 Non-recovery of outstanding charges from the owners of residential / commercial plots - Rs 24.766 million

As per section 37 of LDA Act 1975 any sum due to the Authority from, or any sum wrongly paid by the Authority to, any person under this Act, shall be recoverable as arrears of land revenue.

Director Estate Management-II (Sabzazar), LDA, UD-Wing, Lahore issued the challans/Demand Notices to 06 No. owners of the residential/commercial plots for recovery of outstanding charges of the plots in 2010 and 2011. A period of more than 06 years elapsed but neither the owners deposited the outstanding dues nor the Authority issued reminders for realizing the same.

Violation of rules resulted in non-recovery of outstanding charges amounting to Rs 24.796 million from the owners of residential/commercial plots.

Audit pointed out the non-recovery in December 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that notices for recovery have been issued. Furthermore, Rs 30,000 against plot No.128-N has been recovered which has been verified and accepted. The Committee reduced the para to Rs 24.766 million and directed the Authority to recover the balance amount and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery in compliance of the Committee's directive.

(DP No.311)

3.4.1.15 Non-recovery on account of dismantled material/available earth – Rs 22.834 million

According to Para 9(1) of chapter 18.1 of Specification for execution of work 1967, all dismantled material would be the property of Govt. and shall be disposed off/re-used as directed by the Engineer In-charge. Furthermore, as per Clause of Technical Specification applied/used in Project the dismantled material is the property of the project/client. It should be re-used on the project or its cost may be

recovered as credit of dismantled material. Furthermore, according to specification No.102.1 of General specifications the tree, stumps and roots remain the property of the employer / Govt.

Director ADS-I&II and Director Building I & II LDA UD-Wing, Lahore, got executed various works from different contractors and paid/executed different items of dismantling and excavation of earth but the retrieved material/available earth was neither utilized in work nor the cost was credited to contractors.

Violation of specification resulted in non-recovery of Rs 22.834 million due to non-utilization of retrieved material/available earth.

Sr. No	DP No.	Formation	Amount Rs in (m)	Item
1	740	Director ADS-II LDA UD-Wing	5.980	Cost of Trees
2	704	Director ADS-II LDA UD-Wing	5.137	Bajri through Cold milling
3	544	Director ADS-II LDA UD-Wing	5.071	-do-
4	741	Director ADS-II LDA UD-Wing	3.117	Available earth
5	742	Director ADS-II LDA UD-Wing	2.630	-do-
6	793	Director Building-I, LDA UD-Wing	0.528	Cost of steel
7	657	Director ADS-I LDA UD-Wing	0.213	Dismantled bricks
8	806	Director Building-II LDA UD-Wing	0.091	Available earth
9	816	Director Building-II LDA UD-Wing	0.067	Dismantled bricks
Total			22.834	

Audit pointed out the non-recovery in August and September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority admitted recovery in two cases (DP No.741,742). In six cases (DP No.704,544,793,657,806,816) the Authority stated that material obtained was unsuitable which was disposed off by the contractor. In one case (DP No.740) it stated that the trees obtained as result of cutting were handed over to PHA. Audit contended that retrieved material was useable as per project specification and cutting of trees at embankment of railway

track was unjustified. The Committee directed the Authority to conduct technical probe in 02 cases. In six cases, the Committee directed to effect the recovery of Rs 6.645 million and get it verified by Audit and in one case directed to conduct an inquiry. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.740,704,544,741,742,793,657,806,816)

3.4.1.16 Non-recovery of building period extension surcharge – Rs 18.201 million

According to the sanctioned building plans, the owners of the properties were bound to complete their buildings within 03 years. Further, on the failure they will be charged as per notification of HP&EP Department No.SO(D-2)HP&EP-243/92 dated 19.10.1993 @ Rs 1,000 per year, Rs 2,000 per year, 5,000 per year and Rs 10,000 per year in respect of residential properties upto 5 Marla, above 5 Marla to 10 Marla, above 10 Marla to 01 Kanal. Furthermore, the rates were revised on after 16.06.2014 vide notification No.DC&I/ LDA/1348 dated 13.06.2014 and after five years the rate of surcharge will remain constant.

Director Estate Management-I, Director Estate Management-II, Director Land Development-III and Director Land Development-IV, LDA, UD-Wing, Lahore did not recover the building period after expiry of the period from the owner of the property who failed to build up building and to obtain a completion certificate from the authority till now as detailed below.

(Rs in million)

DP No.	Formation	Amount
121	Director Estate Management-II LDA, UD-Wing, Lahore	10.208
143	Director Land Development-III LDA, UD-Wing, Lahore	3.030
312	Director Estate Management-II LDA, UD-Wing, Lahore	3,020
116	Director Estate Management-I LDA, UD-Wing, Lahore	2.221
149	Director Land Development-IV LDA, UD-Wing, Lahore	1.694
751	Director Estate Management-II LDA, UD-Wing, Lahore	1.328
745	Director Estate Management-I LDA, UD-Wing, Lahore	0.471
Total		21.972

Violation of the policy resulted in non-recovery of building period surcharge amounting to Rs 21.972 million.

Audit pointed out the non-recovery in December 2016. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 04.12.2017. The Authority stated that in several cases the recovery has been effected and notices were issued for recovery of remaining amount of building period. The record was verified. The Committee reduced the para from Rs 21.972 million to Rs 18.462 million. The Committee directed the Authority to recover the balance amount and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.116,121,143,149,312,745,751)

3.4.1.17 Non-recovery of price of excess area - Rs 9.923 million

As per Rule 4.7(1) of Punjab Financial Rules (Volume-I), it is the primary responsibility of departmental authorities to see that all government revenue/dues were correctly and promptly assessed, realized and credited to the proper account.

3.4.1.17.1 Director Estate Management-I, LDA, UD-Wing, Lahore did not recover the excess area of 98.24 square meter of residential plot No.23/C-2 M.A. Johar Town Lahore. As per Part Plan issued by the Town Planning branch actual area of the plot was 247.03 square meter instead of 148.79 square meters. Thus, an area of 98.24 square meter (247.03 - 148.79) was not recovered from the allottee. The price assessment Committee of the LDA assessed the rate of plots of M.A. Johar Town @ Rs 1,200,000 per Marla or @ Rs 57,416 per square meter on 03.04.2017. Thus, the recoverable amount of excess area came Rs 5.640 million (57416 x 98.24).

Violation of the rules resulted in non-recovery of excess area amounting to Rs 5.640 million.

Audit pointed out the non-recovery in November 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the original area the plot was 148.79 square meter instead of 247.03 square meter. The Committee directed that fact finding inquiry needs to be conducted by the administrative department for ascertaining the actual area of plot.

Audit recommends early compliance of the Committee's directive.

(DP No.746)

3.4.1.17.2 Director Land Development-III, UD-Wing, LDA, Lahore, exempted / allocated forty (40) plots with excess areas than admissible as per agreement but recovery of excess area was not made as per DC rates so far.

Violation of rules resulted in non-recovery on account of excess area amounting to Rs 3.736 million.

Audit pointed out the non-recovery in January 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that recovery of excess area would be made from owners as per policy. The Committee directed the Authority to recover the cost of excess area and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.144)

3.4.1.17.3 Director Estate Management-I, LDA, UD-Wing, Lahore allotted a residential plot of one kanal bearing No. 923, Block-E, M.A Johar Town to Capt. Retd. Muhammad Usman on Chief Minister Directive on 05.08.1990 which was subsequently exchanged with Plot No.431, Block-G/3 upon Chief Ministers Directive dated 10.06.1991 and then transferred in the name of Mrs. Bushra Arjummand. It was observed that the area of plot increased from 421.60 sq.m to 438.6 sq.m and a recovery challan amounting to Rs 0.252 million was issued on 16.04.2011 which was not deposited by the owner till now. Recovery of excess area of land for Rs 0.317 million (DC rates 2016 @ Rs 390,000 per marla for 17 sq.m) or as per prevailing rates of actual date of recovery.

Violation of rules resulted in non-recovery of excess area of land amounting to Rs 0.317 million.

Audit pointed out the non-recovery in December 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that notices for recovery of building period surcharge had been issued and record would be got verified after recovery. The Committee directed the Authority to recover the amount as per policy and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.120)

3.4.1.17.4 Director Land Development-I, LDA, UD-Wing, Lahore issued a challan for excess area of plot for 7.46 sq.m for Rs 0.115 million as per DC Rate 2011 but could not be recovered so far. Further, in other case Rs 34,800 was also recoverable on account of excess area. Authority was either required to recover as per prevailing DC rates 2017 or actual date of recovery.

Violation of rules resulted in non-recovery on account of excess area of plot amounting to Rs 0.230 million.

Audit pointed out the non-recovery in January 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated to the Committee that challan amounting to Rs 0.115 million has been issued to the owner on account of price of excess area that was 7.46 sq.m who failed to deposit the challan. Furthermore, show cause notice was also issued to the owner on 23.11.2017 for the payment of price of excess area. The Committee directed to effect recovery on account of excess area of plot. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.134)

3.4.1.17.5 Director Land Development-III, UD-Wing, LDA, Lahore, exempted 38 plots with excess areas than admissible (30% of ownership) in violation of agreement.

Violation of rules resulted in allotment / exemption of excess area of plots in violation of the agreement.

Audit pointed out the incorrect allotment in January 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that recovery of excess area would be made and got verified. The Committee directed the Authority to recover the cost of excess area and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.145)

3.4.1.18 Overpayment due to incorrect calculation - Rs 7.188 million

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

Director Building-I, LDA UD-Wing, Lahore in 5th running bill paid an amount of Rs 427.800 million by deducting the rebate of Rs 76.833 million @ (16.65%) on work done amount of Rs 504.634 million. Whereas, the payable amount came to Rs 420.612 million because the rebate @ 16.65% comes to Rs 84.021 million.

Violation of rules resulted in overpayment due to incorrect calculation amounting to Rs 7.188 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the payment was made to the contractor upto fifth Running bill Rs 427.800 million after deduction 16.65% rebate for Rs 76.833 million on work done. The balance rebate would be deducted and the time of paying the balance amount to contractor. The Committee directed the Authority to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.754)

3.4.1.19 Non-maintenance of inventory/stock of laptop and mobile phones - Rs 4.941 million

As per Para 158 to 162 of GFR Vol-I, the physical verification of store/stock of the department should be conducted at least once in a year

by an officer not custodian or ledger keeper or accountant of the store and record a certificate to that effect in the stock register.

Director Administration, LDA UD-Wing, Lahore did not conduct physical verification of store/stock of the Authority. Audit observed that during the period from November 2013 to April 2017, the Authority issued thirty eight (38) laptop and seventy five (75) mobile phones amounting to Rs 4.941 million to various officers of the Authority. But whereabouts of these items were unknown and chances of misappropriation could not be ruled out.

Violation of rules resulted in non-maintenance of inventory of mobile phones and laptops worth Rs 4.941 million.

Audit pointed out the non-maintenance of inventory in April 2017. The Authority replied that record about status of these items would be obtained from IT Directorate and produced to Audit. The reply was not tenable because each year the Authority incurs millions of rupees on procurement of various costly items but no system was in place for internal check/ physical verification of available stores/stocks items to avoid mis-appropriation.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that items procured were received in Store Section, Administration Directorate LDA issued to concerned official / officers after approval from competent Authority. Audit contended that Stock Register, approval of the competent Authority regarding issue was not produce to Audit for verification. The Committee directed the Authority to get the record verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.301)

3.4.1.20 Non-existence of plot - Rs 4.865 million

As per rule 2.33 of PFR Vol-I every govt. servant should realize fully & clearly that he would be hold responsible personally for any loss sustained by govt. due to on his part.

Director Land Development-IV, LDA, UD-Wing, Lahore, neither investigated nor taken any appropriate action in respect of plot No.999 measuring 290.50-SQM of H-Block Sabzazar Housing Scheme which was not shown in the part plan of the scheme. Due to this lapse the land of said plot could not be allotted/sold resulting in loss to the Authority.

Violation of rules resulted in loss due to non-existance of plot worth Rs 4.865 million.

Audit pointed out the loss in January 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that matter relates to Town Planning. A reminder was issued to Town Planning. Audit contended that original lay out plan of the schemes to ascertain the fact regarding missing of plot No.999-H may be produce. The Committee directed the Authority to conduct the inquiry regarding missing of plot. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.148)

3.4.1.21 Non-recovery due to less use of bitumen - Rs 4.260 million

As per condition No.6 of Finance Department notification No.RO (TECH) FD2-3/2004 dated 02.08.2004, rate for an item ranging from 3% to 6%, and payment would be made to contractor as per Job Mix Formula or of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen actual bitumen used in the work.

Director ADS I&II LDA UD-Wing, Lahore, got executed item of work “*Asphalting Wearing Course (AWC)*”, as non-standardized items on the basis of rate analysis prepared by the consultant. As per approved rate analysis and T.S. Estimate, the ratio of bitumen content for Asphaltic Wearing Course was 4.2% and 4.5% whereas, as per JMF the content of bitumen was 4%, 4.1% & 4.4% but the payment was made to the contractors as per estimated rates instead of as per actual bitumen used/JMF. The Project Director/Consultant neither recovered the quantity of less use of bitumen on the basis of JMF nor reduced the rate by making revision in rate analysis as per provisions of JMF.

Violation of Finance Department’s instructions resulted in non-recovery on account of less use of bitumen amounting to Rs 4.259 million.

Audit pointed out the non-recovery in September 2017. The Authority did not reply.

The paras were discussed in SDAC meeting held in January 2018. The Authority stated that payments to contractors were made as per approved JMF. Audit contended that JMF was approved as 4%, 4.1% and 4.4% but the rate analysis of AWC was approved with bitumen ratio of 4.2% in two cases and in one case JMF was approved with 4.4%. The Committee directed to effect recovery and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 527,540,721)

3.4.1.22 Unjustified payment to the chartered accountant firm without obtaining Land Audit Report - Rs 3.684 million

As per decision of LDA management meeting No.3/2012 dated 18.02.2012, the Land Audit Report of Gulshan-e-Ravi scheme Lahore would be obtained from an audit firm.

Director Land Development-IV LDA UD-Wing Lahore made a payment of Rs 3.684 million to M/s A.F. Ferguson & Company for land audit of Gulshan-e-Ravi scheme Lahore to be conducted during November 2012 to April 2013, but despite the lapse of more than two years, the Land Audit Report was not obtained.

Violation of management's decision resulted in unjustified payment of Rs 3.684 million due to non-obtaining the Land Audit Report.

Audit pointed out the unjustified payment in April 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that Land Audit of Gulshan-e-Ravi was conducted by M/s A.F Ferguson and 09 volumes were ready for verification. The Committee directed the Authority to get the record verified regarding upto date progress against the total assignment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.350)

3.4.1.23 Non-cancellation of auctioned plot due to non-deposit of balance 2/3rd amount - Rs 3.286 million

According to item No.10 of the minutes of the meeting dated 16.01.2012 under the chairmanship of the Secretary (HUD&PHE) it was decided that while calculating the recovery of delayed 2/3rd auction price, the processing period would be excluded while counting the total period of 60 days. Furthermore, according to condition No.14 for auction of property, in case the balance amounts were not deposited by the bidder within prescribed period than deposited amount would be forfeited in favour of the LDA.

Director Estate Management-II, LDA, UD-Wing, Lahore auctioned residential plot No. 573 Block-D Sabzazar measuring 210.21 square meter on 02.07.2014 on the recommendations of the auction committee @ Rs 495,000 per marla for Rs 4.979 million to Mr. Abdul Jabbar S/o Abdul Shakoor vide Acceptance letter No.LDA/DEM-I/2932 dated 24.07.2014. The Authority did not recover the 2/3rd balance amount of Rs 3.286 million within validity period upto 26.09.2014. Mr. Abdul Jabbar S/o Abdul Shakoor also requested extension for further two months beyond 26.09.2014 vide application dated 13.09.2014. The amount deposited at the time of auction for Rs 1.700 million was not forfeited despite expiry of sixty days i.e. 26.09.2014.

Violation of the policy resulted in unjustified auction of plot due to non-deposit of 2/3rd balance amount of Rs 3.286 million.

Audit pointed out the unjustified auction in November 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the entry of amount 2/3 balance amount of plot was available in cash book. However, the letter has been issued to the purchaser to ascertaining the fact. The Committee directed the Authority to effect recovery of balance amount and record thereof within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.749)

3.4.1.24 Non-recovery due to de-escalation in the rate of diesel & bitumen – Rs 2.722 million

As per clause 55(i) of the agreement, where any variation (increase or decrease) to the extent of 5% or more, in the price of the any item mentioned in sub clause 2 takes place after the acceptance of tender and

before the completion of contract, the amount will be adjusted in the bills of the contractor.

Director ADS-II, UD-Wing, LDA, Lahore awarded the various works on different dates during year 2016 when the base rate of Diesel was Rs 80.79 per liter and Bitumen was Rs 75,823 & Rs 70,618 per ton. Rate of diesel decreased in the subsequent months to Rs 71.12, in March 2016, Rs 72.52 for April, May & June 2016. Rate of bitumen also decreased to Rs 70,618 per ton for March & April 2016 and Rs 65,118 per ton for May & June 2016 but the Authority did not recover difference of rates which caused non-recovery due to de-escalation.

Violation of agreement resulted in non-recovery of price de-escalation for Rs 2.722 million.

Audit pointed out the non-recovery in October 2016. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority admitted the recovery and explained that de-escalation would be calculate and adjusted accordingly. The Committee directed the Authority to effect the recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.319)

3.4.1.25 Overpayment due to inadmissible items - Rs 1.753 million

According to clause-13(2) & 15 of the agreement and Specification No.27.1(9), the contractor shall in connection with the works provide and maintain caution boards and guard fencing etc at his own cost for the protection of the work or for the safety and convenience of the public or others. Further, the composite rate of the painting plaster includes the paint removal in case of old painting work and such items would not be payable separately.

3.4.1.25.1 Director Building-I, LDA UD-Wing, Lahore paid an inadmissible item “*Protection wall with G.I sheet i/c M.S. Pipe 1-1/2" dia vertical and horizontal support used for safety purpose*” @ Rs 211.21 per sft for a quantity of 6976 sft amounting to Rs 1,473,401. Whereas, the providing/installation of guard fencing was the responsibility of the contractor at his own cost under the clause 13(2) and 15 of the contract. Audit further observed that on every work the contractor always use own guard fencing and took back after the completion of one work and for use on next work.

Violation of contract resulted in overpayment due to payment of inadmissible item amounting to Rs 1.473 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the work was completed on 21.12.2014 and the final bill paid on 07.08.2015. The item pointed out by the audit was sanctioned in the T.S estimate and the credit of old material was also recovered as per rate analysis. Audit contended that Authority did not provide any documentary evidence in support of its reply. However, Audit re-verified the available documents i.e. final bill and comparative statement and found that contractor quoted imbalance rates with overall 4.44% above estimated cost and stood lowest. Audit further observed that higher quoted items were executed more than BOQ and till the completion of work contractor was 8.79% above the estimated cost rather than 4.44% which was violation of para (v) of the Finance Department notification No.RO (Tech) FD 1-2/83-VI dated 29.03.2005. The contractor was paid Rs 204.386 million against the permissible payment of Rs 196.216 million. Hence, the contractor was overpaid an amount of Rs 8.170 million. The Committee directed the Authority to get the record verified at the earliest. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.

(DP No.769)

3.4.1.25.2 Director Building-II LDA, UD-Wing, Lahore paid an inadmissible item “*Scraping of old paint*” @ Rs 399.95 per % sft for a quantity of 70094 sft amounting to Rs 280,340 whereas, the rate of the removing of old paint in case of old work was included in the composite rate of the items “*Preparation surface and painting with enamel paint*” and “*Preparation surface and painting with emulsion paint*”. The work pertains to the repair of LDA Model Boys School as being a old work, therefore, the separate payment of the item “*Scraping of old paint*” was not admissible and needs to be recovered.

Violation of the MRS resulted in overpayment due to payment of inadmissible item amounting to Rs 0.280 million.

Audit pointed out the overpayment in September 2017. The Authority did not reply.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the School Building is a public building having approx.1000 students. The repair work of subject school building was carried after a long time. Due to which scraping of paint or special rending of paint at internal surface was found essential. The scraping of paint was carried out. After scraping, two coats of paints are essential to maintain a color on internal wall and roof. Audit contended that scraping of old paint was inbuilt in the rate of emulsion paint. The Committee directed to effect recovery and get it verified by Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.825)

3.4.1.26 Loss to Authority due to non-recovery of cost of two (02) stolen transformers from security company – Rs 1.120 million

As per rule 2.33 of Punjab Financial Rules Volume-I, every government servant shall realize fully and held personally responsible for any loss sustained by the Government through fraud or negligence.

Record of Director Finance LDA UD-Wing, Lahore, revealed that 02 Nos. stolen transformers were brought into the notice but no recovery was made from security company whereas payment to the Security Company was regularly being made and their agreement was enhanced by the Authority. Matter needs to be taken up with Chief Security Officer for recovery of transformers etc.

Violation of rules resulted in loss to Authority due to non-recovery of cost of 02 Nos. stolen transformers from security company amounting to Rs 1.120 million.

Audit pointed out the loss in July 2017. The Authority replied neither recovery of any stolen items had been recommended by (C&I) nor any amount of recovery has come to surface up till now. The reply was not tenable because the Security Agency Company was responsible for safe custody of the transformer, therefore, the recovery of stolen transformers be effected.

The para was discussed in SDAC meeting held in January 2018. The Authority stated that the chief security officer and Director C&I did not recommend for recovery of stolen transformer. The Committee did not agree with the explanation of the Authority and directed to recover the amount within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.610)

3.4.1.27 Irregular promotion /absorption of Officer in LDA

The deputation policy 1998 issued by the Govt. of Punjab Finance Department, read with FD No.SR-II/6-13/97 dated 25.07.2001, the deputation is permissible to a civil servant for a period of three years, extendable upto one year by the FD and beyond four year after the approval of the Governor. The deputation policy did not contain any

provision for absorption/promotion of a deputationist in the borrowing department/autonomous bodies.

3.4.1.27.1 During course of Audit of Director Administration, Lahore Development Authority, it was observed that Dr. Nisar Ahmad, Medical Officer was posted on deputation basis as medical officer for a period of three years w.e.f 07.04.2004 to 06.04.2007, whereas, he was permanent absorbed in LDA with the approval of the Chief Minister on 18.11.2006. Later on Chief Minister held the orders of permanent absorption in abeyance on 04.12.2007. The officer was dismissed from services on 08.02.2013 by his parent Health department, the posting of the officer in LDA was irregular w.e.f 08.02.2013 to 19.04.2017 (the date of superannuation date). The officer again joined the LDA Office 18.02.2017 after court stay. Therefore, the period as permanent absorption in LDA from the date of held in abeyance of permanent absorption to the date of superannuation w.e.f 08.02.2013 to 19.04.2017 was irregular.

Violation of policy resulted in irregular promotion / absorption to the post of medical officer in LDA.

Audit pointed out the irregular promotion/absorption in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that Mr. Nisar Ahmad was absorbed on 18.11.2006 whereas, Secretary Health dismissed him on 08.02.2013. Further he was granted stay order on 08.02.2013 when LDA dispensed him and relieved from LDA. The Lahore High Court dismissed the said writ petition on 25.04.2017 after his superannuation. Audit contended that stay was kept intact with the connivance of LDA staff. The Committee directed the Authority to recover the amount which was paid during his illegal retention in LDA. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.307)

3.4.1.27.2 During course of Audit of Director Administration, LDA Lahore, five cases were noticed where deputationist in LDA were absorbed in the Authority and later on promoted to higher posts in violation of rules/deputation policy. The irregular absorptions and promotions of deputationist in LDA without matching qualification etc. had deprived the actual employees of the Authority from their right of promotions as per seniority.

Violation of policy resulted in irregular absorption/promotion of a deputationist.

Audit pointed out the irregularity in April 2017. The Authority replied that the advice from LAW Department was being sought and would be shown to audit in due course. The reply was not acceptable because deputations were absorbed in LDA and later on promoted to higher posts in violation of rules/deputation policy and in violation of decision of Honorable Supreme Court of Pakistan. Further no documentary proof in support of reply was shown to audit

The para was discussed in the SDAC meeting held on 04.12.2017. The Authority stated that absorption matter of the officers would be processed under the light of judgment of Honorable Supreme Court of Pakistan and if any legal opinion is required Law & PA Department will be consulted as directed by Regulations Wing S&GAD Govt. of Punjab. The Committee directed the Authority to provide regulations and absorption policy to audit and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.306)

3.4.2 WATER AND SANITATION AGENCY LAHORE (WASA LDA)

Irregularity & non-compliance

3.4.2.1 Irregular Payment on account of work charged establishment - Rs 96.345 million

According to the notification issued by Finance Department vide No. RO (Tech) FD2-2/2001 dated 01-09-2005 “appointments of work charged shall be made in accordance with procedure laid down in the preface of Schedule of Wages Rules 2005. As per preface of schedule of wages rule vide Para:

- 2a) The posts shall be advertised properly in leading Newspapers.
- b) The recruitment of all posts shall be made on the basis of merit specified for regular establishment vide Para 11 of the recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17-09-2004.
- c) Terms and conditions of employment shall be governed under rule 07.12 to 07.14 and 7.37 to 7.41 of DFR Vol. III
- 3) Minimum qualification and experience for appointment to a post shall be the same as has been prescribed for similar post on regular establishment.

Director O&M Shalimar & Aziz Bhatti Town, Gunj Bukhsh Town and Nishter Town WASA LDA Lahore incurred expenditure of Rs 96.345 million (Rs 38.904 million, Rs 33.399 million and Rs 24.042 million) on account of work charged establishment which were irregular because procedure laid down ibid was not followed in letter & spirit.

Violation of rules resulted in irregular expenditure of Rs 96.345 million.

Audit pointed out the irregularity in May 2017. The Agency replied that requisite documents were produced for verification. The reply given by the Agency was not tenable because no record was produced in support of reply.

The paras were discussed in the SDAC meeting held on 05.12.2017. The department brought photo copies of incomplete record for verification. Audit demanded original record of work charged establishment for verification. The Committee directed the Agency to get verification of original record from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early record verification in compliance of the Committee's directive.

(DP No.366, 388, 406)

3.4.2.2 Non-recovery of government taxes - Rs 64.677 million

(A) Non-recovery of Punjab Sales Tax - Rs 58.457 million

According to section 3 of Punjab Sales Tax on Services Act 2012 read with Sr. No.16 of the 2nd schedule, sixteen percent sales tax was required to be deposited to Punjab Revenue Authority on account of the services provided by persons engaged in contractual execution of works or furnishing supplies. Furthermore, as per Punjab Revenue Authority letter No.PRA/HQ/02/Misc-4/15/470 dated 04-11-2016, the applicable Punjab sales tax rate for non ADP/PSDP civil works including M&R works is 16 % and for ADP works @ 1%.

3.4.2.2.1 Various Directorates of WASA, LDA Lahore made payments to various contractors in respect of the works funded by own sources of WASA but neither deducted the Punjab Sales Tax @ 16% (sixteen percent) nor deposited under respective head to the Punjab Revenue Authority.

Violation of rules resulted in loss to the Govt. due to non-recovery of PST on services amounting to Rs 58.457 million. The detail was as under:

(Rs in million)			
Sr. No.	Division	DP No.	PST Amount
1	O&M Gulberg Town WASA Lahore	476	50.750
2	O&M Ravi Town WASA Lahore	577	7.150
3	O&M Allama Iqbal Town WASA Lahore	591	0.357
4	Dir. Finance WASA Lahore	458	0.200
	Total		58.457

Audit pointed out the loss/non-recovery in July and August 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that matter regarding deduction and credit of PST/GST pertains to Director Finance and para be transferred to Directorate of Finance WASA. The Committee directed the Agency to either effect recovery or seek clarification from PRA regarding application of PST and to get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early record verification in compliance of the Committee's directive.

(DP No.476, 577, 591, 458)

(B) Non-recovery of GST – Rs 4.722 million

According to Para-4(ii) of the FBR letter No. 1 (42) STM /2009/99638-R dated 24.07.2013, in case of public works, it may be ensured that the contractors engaged make purchases only from sales tax registered persons. Since, contractors carrying out government works against public tender are required to have a BOQ (Bill of quantity), the contracting department / organization must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase, before payment is released.

3.4.2.2.2 Director O&M Gulberg, Gunj Bukhsh and Allama Iqbal Town WASA LDA Lahore got executed and paid the supplies/PF pumps. The cost of items includes General Sales Tax @ 17%. But while making payment neither 1/5th of GST was deducted nor the sales tax invoices of procured items were produced to Audit. Furthermore, Director O&M Gulberg Town WASA LDA Lahore made a payment of Rs 8.171 million on account of finished items used in the work but did not obtain the invoices from the contractors on account of 17% GST for Rs 1.042 million while making payment.

Violation of FBR's instructions resulted in non-recovery of General Sales Tax amounting to Rs 4.722 million.

Audit pointed out the non-recovery of GST in August and September 2017. The Agency did not reply in first case (DP No.475,) and in 2nd and 3rd case (DP No.485, 476) stated that recovery would be made and got verified. In the 4th case (DP No.589) stated that the pumps indicate "Providing, Installation, testing and commissioning components, therefore, 1/5th GST was not applicable. Reply of the Agency was not tenable because in quotations GST was included, thus, was required to be deducted at source and General Sales Tax invoices were also required to be produced.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that alleged pump indicate providing fixing testing and commissioning of component, therefore, GST was not applicable. Audit contended that being withholding agent 1/5th tax was required to be deducted while making payment and GST invoices were also required to be obtained to ensure credit of GST into FBR. The Committee directed the Agency to make recovery and obtain invoices of GST from contractor and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.475, 485, 589, 476-B)

(C) Non-recovery of income tax – Rs 1.497 million

3.4.2.2.3 According to Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person on the execution of a contract shall, at the time of making the payment, deduct tax from the gross amount payable at the rate 10% in case of non-filer.

Director O&M Gunj Bukhsh, Nishter and Allama Iqbal Town WASA LDA Lahore made payments to contractors who were not filer of tax returns and deducted income tax @ 7.5% instead of @10%. Active Tax Payers List (ATL) status of these contractors was checked at random from the web site of FBR which shows the status as “No record is available” or Non-filer against these contractors.

Violation of FBR’s instructions resulted in non-recovery of income tax of amounting to Rs 1.497 million.

Audit pointed out the non-recovery of Income Tax during 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 05.12.2017. The Agency stated that contractors were asked to provide Income Tax returns. The Committee directed to get the record verified by Audit within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.

(DP No.379, 503, 484, 598)

3.4.2.3 Loss to government due to purchase of machinery through contractor- Rs 44.068 million

According to letter No. 18-29/2006 dated 08.08.2005 of the Finance Department, Govt. of the Punjab, machinery like generators,

electric motors and turbines etc. are required to be purchased as per procedure prescribed in purchase manual instead of through contractor by allowing 20% contractor profit.

Director Construction-II and Director O&M Gulberg Town WASA LDA Lahore in four cases paid Rs 45.800 million, Rs 37.679 million, Rs 30.900 million and Rs 3.136 million on account of non-MRS items “*pumps, turbine and machinery*”. The Agency was required to purchase machinery directly from the manufacturers instead of through contractors to avoid 20% contractor’s profit on machinery, pumps, turbine etc.

Violation of the Finance Department’s instructions resulted in loss to government due to purchase of machinery through contractor amounting to Rs 117.514 million.

Audit pointed out the loss in August 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that scope of work included providing/fixing rather than just purchase/supply of machinery. The works were got executed through approved contractors of WASA after competitive bidding. Audit contended that as per Finance Department instruction 5% contractor’s profit was admissible to the contractor over and above the prevalent taxes, hence, 12.5% was admissible instead of 20%. The Committee directed the Agency to recover actual amount in the light of Finance Department instructions. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.

(DP No.515, 510, 517, 474)

3.4.2.4 Undue financial benefit due to non-obtaining of performance guarantee for specific period - Rs 38.212 million

According to clause 7 of the agreement read with para (h) of the memorandum of the work, the performance security in the form of bank guarantee was required to be obtained till the completion of maintenance period @ 5% of the accepted tender price in case of tenders exceeding cost Rs 50 million.

Directorate Construction-I WASA LDA Lahore awarded the works to the contractors but in three cases the Agency did not obtain performance security/guarantee @ 5% amounting to Rs 12.030 million, Rs 16.308 million and Rs 9.874 million respectively of enhanced agreement cost. Further the Agency did not get revalidated the performance securities.

Violation of contractual obligations resulted in undue financial benefit due to non-obtaining of performance guarantee/security on enhanced cost for Rs 38.212 million.

Audit pointed out the undue financial benefit in August 2017. The Agency replied that the performance security was obtained @ 5 % of accepted tender price. Reply of the Agency was not tenable because agreement cost was enhanced 100 % approximately and work was still in progress therefore, performance security on enhanced cost was to be obtained.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that performance security was obtained from the contractor at the contract price. Audit informed the Committee that Agency neither obtained the performance guarantee of enhanced cost nor got already obtained performance security revalidated. The Committee directed the Agency that a fact finding inquiry be conducted by the Administrative Department within one month under intimation to Audit.

The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.571, 567, 568)

3.4.2.5 Non-recovery of cost of shifting of house connections from consumers - Rs 37.999 million

As per administrative approval granted by Secretary HUD & PHE Para (ii) of letter order No.SO(UD)3-12/2013 dated 11.2.2014, the cost of shifting of consumer connections with HDPE pipes (to be replaced) should be borne by the beneficiaries / consumers.

Director O&M Gunj Bukhsh and Nishter Town WASA LDA Lahore paid Rs 37.999 million to the contractors on account of "*shifting of Water Supply House Connection from rusted GI pipe to the new pipes*" while the cost of such a shifting was to be recovered from the consumers as per conditions of Administrative Approval.

Violation of rules resulted in non-recovery of Rs 37.999 million.

Audit pointed out the non-recovery in May 2017. The Agency did not furnish reply.

The paras were discussed in the SDAC meeting held on 05.12.2017. The Agency stated that a number of house connections were damaged with passage of time, the rusted GI pipe was causing contamination. Audit contended that shifting of house connections was to be recovered from beneficiaries/consumers as approved in the administrative approval. The Committee directed the Agency to recover the amount incurred on account of shifting of house connections from the consumers/beneficiaries and to hold inquiry. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.380, 396)

3.4.2.6 Non-adjustment/non-recovery of advances - Rs 26.934 million

According to rule 2.10 (b)(5) and 2.20 of PFR Volume-I, it is not permissible to draw advance from funds for execution of work in future and every payment including repayment of money previously lodged with Government for whatever purpose must be supported by voucher setting forth full and clear particulars of the claim.

Director Finance WASA LDA Lahore paid amounts of Rs 57.545 million and Rs 33.326 million in advance to various officers/officials of WASA LDA during the financial year 2015-16 and 2016-17 for different purposes i.e. purchase of material, vehicle token tax, purchase of sodium hydrochloride etc. but adjustment of these advances was not available on record.

Violation of rules resulted in non-adjustment/recovery of advances amounting to Rs 90.871 million.

Audit pointed out the non-adjustment/recovery in July 2017. The Agency replied that advances amounting to Rs 55.743 million had been adjusted and an advance of Rs 9.016 million was paid to LAC for land acquisition. The reply was not tenable because the Agency did not produce the vouched account.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency stated that record of adjustment amounting to Rs 63.937 million was produced to Audit for verification which was verified by Audit. The Committee reduced the para to Rs 26.934 million and directed the Agency to adjust/recover the advances and get their amounts verified from Audit at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.460)

3.4.2.7 Loss to government due to allowing excess rate in estimate - Rs 24.801 million

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

Various Directorate of WASA LDA, Lahore made provision of an item “*P/F fittings (PE100) (PN 10) such as spigot tee, spigot elbow, short collar, stub end i.e. making joints with Butt Fusion machine complete in all respect*” in the estimate of the works by including cost of Butt Fusion joint / machine joint, cost of generator, carriage and labour for fixing in rate analysis of the item for laying/fixing of HDPE fitting whereas, only 10% sundries on labour were required to be allowed. Hence, the inclusion of cost of Butt Fusion/jointing machine, generator and carriage in rate analysis was unjustified.

Violation of Finance Department’s instructions resulted in loss of Rs 24.801 million to government. The detail is as under:

Rs in million			
Sr. No.	Division	DP No.	Amount
1	O&M Allama Iqbal Town WASA Lahore	588	11.403
2	O&M Gunj Bukhsh Town WASA Lahore	487	3.334
3	O&M Nishter Town WASA Lahore	400	2.851
4	O&M Gunj Bukhsh Town WASA Lahore	387	2.752
5	O&M Gunj Bukhsh Town WASA Lahore	393	1,691
6	O&M Nishter Town WASA Lahore	496	1.225
7	O&M Nishter Town WASA Lahore	497	0.787
8	O&M Shalimar & Aziz Bhatti Town WASA Lahore	371	0.524
9	O&M Gunj Bukhsh Town WASA Lahore	390	0.234
Total			24.801

Audit pointed out the loss in May, August and September 2017. The Agency replied that jointing process of HDPE pipes was quite different from other pipes and that's why jointing machine and generator were considered in the rate analysis, which was approved by the competent authority. Reply of the Agency was not tenable because the items in question should have been met out from 10% sundries. Further, allowing rate of jointing machine and generator per rft was also on higher side.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency reiterated its previous reply. Audit contended that such petty charges were required to be met from overhead @ 10% of the contractor. Moreover 2% inclusion of wastage of HDPE pipe was included in the rate analysis of the item which was not justified as there is no wastage in HDPE pipe. The Committee directed the Agency to calculate the recovery on the basis of Finance Department template of the respective items and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.588, 487, 400, 387, 393, 496, 497, 371, 390)

3.4.2.8 Overpayment due to arithmetic mistake - Rs 10.255 million

According to rule 7.28 & 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.

Director Gunj Bukhsh Town WASA LDA Lahore made payment for 3rd running bill dated 14.06.2017 (MB's not produced) with total value of work done as Rs 193.573 million whereas, actual total comes to Rs 183.318 million. Hence, the difference of Rs 10.255 million was excess paid to the contractor.

Arithmatic mistake by the Agency resulted in overpayment of Rs 10.255 million to the contractor.

Audit pointed out the overpayment in August 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency stated that actual recovery after rectification would be made at the earliest. The Committee directed the Agency to effect recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.483)

3.4.2.9 Overpayment due to execution of work at higher percentage - Rs 8.587 million

According to Finance Department letter No.RO (Tech) FD-1-2/83-VI dated 29.03.2005, the final cost of tender/payment shall be same percentage above/below the amount of revised sanctioned estimate as was at the time of approval of the tender.

Director Construction-I, Director Construction-II and Director O&M Gulberg Town WASA LDA Lahore got executed various works form different contractors and the percentages upto the last/final bill was higher then the quoted/accepted percentages. The contractors executed less quantities of work for which they had quoted rates lesser than the estimated rates and executed more quantities of items for which they had quoted higher rates.

Violation of Finance Department's instructions resulted in overpayment of Rs 8.587 million.

Audit pointed out the overpayment in August 2017. The Agency replied that the revised comparative statement would be prepared at the

time of final bill based on the actual quantum of work done and necessary recovery would be effected.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that recovery would be made on the finalization of the accounts. The Committee directed the Agency to effect actual recovery on the basis of final bill and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.561, 508, 469)

3.4.2.10 Unjustified payments on account of supply of medicines - Rs 8.108 million

According to rule 4 of Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

Director Finance WASA LDA Lahore made payment of Rs 8.108 million to a contractor (M/s Omaan Enterprises Pakistan) on account of supply of medicine to the employees of WASA LDA. The contract was signed on the request of a former MD WASA for enlistment of the said pharmacy on WASA LDA panel which was accepted by the incumbent MD and an office order dated 04.08.2016 was issued to this effect. The agreement was signed for 3 years (2016 to 2019) without advertisement. Further, payments were made to M/s Omaan Enterprises Pakistan during November 2016 to April 2017 without obtaining Doctor's prescription and recommendation and any verification by the Medical officer of WASA LDA.

Violation of rules resulted in unjustified payments on account of supply of medicines amounting to Rs 8.108 million.

Audit pointed out the unjustified payments in July 2017. The Agency replied that final reply would be submitted after getting response from the concerned quarters.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency stated that MD WASA approved Omaan enterprises on the panel for the provision of medicines on the prevalent discount rate of 6.5% on 04.08.2016. Audit informed to the Committee that Omaan enterprises was delisted from WASA panel on 12.06.2017 on the grounds of forgery at different levels. The Committee directed the Agency to conduct fact finding inquiry on the matter and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.461)

3.4.2.11 Loss to government due to provision of inadmissible item - Rs 7.918 million

As per design criteria issued by the PHE Department sand is to be laid under RCC sewer pipe upto 12" dia.

Director O&M Nishter Town and Allama Iqbal Town WASA LDA Lahore measured and paid a quantity of 305010.32 cft for the item of work "*dry rammed brick ballast*" @ Rs 4,092 %cft under 9" and 12" RCC sewer pipes for different works whereas, the item "supplying and filling sand" was to be provided and paid in accordance with above referred criteria.

Violation of specification resulted in loss to government due to unjustified payment of Rs 7.918 million.

Audit pointed out the loss in August and September 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that brick ballast under the manholes and sewer line were taken according to WASA design. Audit contended that as per design criteria approved by the P&D Department, the sand filling under the pipe below 12 inch dia was required to be laid instead of brick ballast. The Committee directed the Agency to conduct technical probe by the Administrative Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.499, 584)

**3.4.2.12 Loss due to non-recovery of the cost of old material -
Rs 7.698 million**

According to para 4.40 of P.W.D Code, store material will be auctioned on the book value nearer to market rate after getting approval of competent authority by preparing proper survey report.

Director O&M Gulberg Town, Shalimar & Aziz Bhatti Town and Gunj Bukhsh Town WASA LDA Lahore awarded different works and made payment but neither deducted the cost of retrieved old material from the contractors nor handed over the old material to store for auction. The cost of old material works out to Rs 7.698 million.

Violation of the rules resulted in loss due to non-recovery of the cost of old material amounting to Rs 7.698 million.

Audit pointed out the non-recovery in May and August 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that old material was deposited in central store, WASA. Audit contended that old copper wire was required to be handed over to central store through RMS. The Committee directed to effect the recovery in one case (DP No.374) and in two cases (DP No.466,

383) get the record verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.466, 374, 383)

3.4.2.13 Unjustified provision of 1% Punjab Sales Tax and 0.25% media campaign charges amounting to - Rs 5.576 million

As per para 2.10 of PFR Volume-I same vigilance should be exercised in respect of expenditure incurred from Govt. Revenue as a person ordinary prudence would exercise in respect of the expenditure from his own pocket.

Director Nishter Town, Gunj Bukhsh Town and Allama Iqbal Town WASA LDA Lahore made provision in some works for Punjab Sales Tax @ 1% and media campaign charges @ 0.25 % in addition to 2% contingency which was unjustified. The same was required to be met from contingencies of work.

Violation of rules resulted in unjustified provision of Rs 5.576 million.

Audit pointed out the unjustified provision in August 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that provision of 0.25% media campaign charges was made under the direction of P&D Department. Audit contended that media campaign was not admissible and was against the austerity measures. The Committee upheld view point of the Audit and recommended to keep the para pending for laying before PAC.

Audit recommends early compliance of the Committee's directive.
(DP No.498, 490, 595)

3.4.2.14 Overpayment due to incorrect rate - Rs 5.228 million

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

3.4.2.14.1 Director Shalimar & Aziz Bhatti Town WASA LDA Lahore made provision of an item of work “*providing and laying HDPE pipe*” of different dia from 160mm to 315mm in the estimate of the work @ Rs 577.93 to Rs 2051.80 per rft. The analysis of rate cost of “Jointing Machine” came to Rs 131.48% to 316.66% above the cost of “Jointing Machine” in 2nd Bi-annual 2013. Keeping in view the trend of increase of rate from 2011 to 2013 i.e. 25% increase, the rates of Joining machine of different dia 160, 200, 250 and 350mm were to be taken as Rs 60 in 1st bi-annual 2015 instead of Rs 111.11, 125, 166.66 and Rs 200.

Violation of Finance Department’s instruction resulted in overpayment of Rs 2.276 million to government due to allowing excess rate in the T.S Estimate.

Audit pointed out the overpayment in May 2017. The Agency replied that the analysis of HDPE pipes had been prepared on the basis of input rates and quotations collected from the market for jointing including machine etc. Moreover, in the analysis based on 2nd Bi-Annual 2013, the cost of jointing was erroneously taken as Rs 48 for all sizes of pipes but in reality progress of jointing per day varies for different sizes of pipes and thickness. The error had been addressed in the analysis based on 1st Bi-Annual 2015. The reply of the Agency was not tenable because the trend of increase in rate from 2011 to 2013 i.e. from Rs 38.40 to Rs 48 is 25% increase. Due to allowing excess rates of jointing machine in the analysis of rate, overpayment of Rs 2.276 million was made.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency reiterated its previous reply. Audit contended that the rates approved in 2015 were much higher than previous approved rates. The Committee directed the Agency to get technical scrutiny/opinion from Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.452)

3.4.2.14.2 Director Shalimar & Aziz Bhatti Town WASA LDA Lahore made provision of an item of work "*P/L cutting jointing, testing and disinfecting HDPE (PE-100) pipe in trenches 630 mm*" 2000 rft in the estimate of a work @ Rs 8054.03 per rft. The analysis of rate of this non-standardized item of work was prepared on the basis of MRS input rates of 4th quarter 2011 (District Lahore) instead of Rs 7,571.52 on the basis of 2nd bi-annual 2015 as the AA of the work was accorded on 19.11.2015. It was pertinent to mention that the rates of HDPE pipes in the year 2011 were higher than the rates in 2015. In this way excess rate of Rs 482.51 (8054.03-7571.52) per rft was provided in the estimate.

Violation of Finance Department's instruction resulted in overpayment of Rs 1.007 million.

Audit pointed out the overpayment in May 2017. The Agency replied that the rate of 630mm HDPE pipe was not available in input rates of MRS so rate analysis was prepared based on the quotations collected from market and actual activities involved for jointing and laying of HDPE pipes. Moreover, 630mm HDPE pipe had not been laid as yet at site and payment had also not been made so far to the contractor. The reply of the Agency was not tenable because analysis of rate @ Rs 7571.52 per rft of HDPE pipe 630 mm was also approved by all the 12 Directors of O&M (WASA) which was to be provided in the TS/AA of the work.

The para was discussed in the SDAC meeting held on 05.12.2017. The Agency reiterated its previous reply. Audit pointed out that Admin Approval was accorded in November 2015 but rate analysis was prepared on the basis of rates of 4th quarter 2011. Thus, rate was to be approved on the basis of quotations of 2015. The Committee directed the Agency to obtain condonation from the Finance Department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.367)

3.4.2.14.3 Director Gunj Bukhsh Town WASA LDA Lahore prepared rate analysis for the item "*P/L left over shuttering kikar wood into trenches*" @ Rs 1112.71 per cft including labour charges for laying and sawing whereas rate for item "earthwork excavation in open cutting for sewers and manholes" includes cost of shuttering and timbering. Further, inclusion of labour charges in left over shuttering were not admissible and rate required to be paid excluding labour charges for skilled and unskilled @ Rs 930.

Violation of Finance Department's instruction resulted in overpayment of Rs 0.775 million.

Audit pointed out the overpayment in August 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency admitted the recovery and explained that record would be produce to Audit for verification at the earliest. The Committee directed the Agency to effect the recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.495)

3.4.2.14.4 Director O&M Gunj Bukhsh Town WASA LDA Lahore made payment of a non-standardized item of work “*Repair of damage water house connections*”. Rate analysis of non-standardized item for Rs 1100 had been prepared by the Agency which was at higher side due to application of incorrect input rate of labour charges as tabulated below:-

Description of item	Rate Paid	Rate admissible	Excess rates (in Rs)
Labour charges for making connections	455 (Rs 700 @ 0.65)	51 (Rs 510 @ 0.10) 1 st bi-annual 2014	404

Violation of Finance Department’s instruction resulted in overpayment of Rs 0.634 million.

Audit pointed overpayment in May 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 05.12.2017. The agency stated that rate analysis was prepared after considering all the facts and was approved by the competent authority. Audit contended that rate was incorrectly applied. The Committee directed to refer the case to Finance Department for clarification. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.
(DP No.377)

3.4.2.14.5 Director O&M Ravi Town WASA LDA Lahore open tenders of a work on 14.03.2017 and three contractors participated i.e. M/S Mansha & Sons, M/s Moon Construction and M/s Ubaid Traders. The work was awarded to M/s Mansha & Sons @ 4.49 % above on MRS items whereas M/s Ubaid traders offered at par rates as neither quoted % above nor below on MRS items. Hence, the work was to be allotted to the M/s Ubaid traders and were accordingly required to be paid but it was awarded and paid @ 4.49 % above to M/S Mansha & Sons.

Violation of Finance Department's instruction resulted in overpayment amounting to Rs 0.158 million.

Audit pointed out the overpayment in August 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency stated that the M/s Ubaid Traders participated in the bidding inadvertently. However, recovery about 4.49% is admitted and is in process. The Committee directed the Agency to effect the recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.578)

3.4.2.14.6 Director Construction-I WASA LDA Lahore while preparing rate analysis of manhole covers, applied higher rate of item 5(a) of chapter 13 "*Painting and varnishing*" and made payment accordingly. The rate was for the corrugated surfaces or patent roofing whereas, the lower rate item 5(d) was to be applied which was appropriate item such as iron bars, guard bars, railing etc. used in making of manhole covers.

Violation of Finance Department's instruction resulted in overpayment of Rs 0.155 million due to application of higher rate.

Audit pointed out the overpayment in August 2017. The Agency replied that the surface of the angle used for frame become corrugated while heating/moulding process to make the round shape of manhole covers. Therefore, the right rate was applied. Reply of the Agency was not tenable because the shape of frame was not turned corrugated while heating.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency reiterated its previous reply. Audit contended the surface did not become corrugated due to heating for making round shape. The

Committee directed the Agency to conduct fact finding inquiry or effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.565)

3.4.2.14.7 Director O&M Nishter Town WASA LDA Lahore made payment of a standardized item of work “*Dismantling PCC 1:2:4*” @ Rs 4297.90 % cft. Further, a non-standardized item “*Dismantling PCC 1:2:4 with the help of mechanical blade*” had also been paid @ Rs 16 per rft and Rs 16.80 per rft which was unjustified because the contractor was bound to execute/dismantle PCC 1:2:4 with composite rate of Rs 4,297.90 % cft.

Violation of Finance Department's instruction resulted in overpayment of Rs 0.121 million.

Audit pointed out the overpayment in May 2017. The Agency did not furnish reply.

The para was discussed in the SDAC meeting held on 05.12.2017. The Agency stated that rate of dismantling of PCC (1:2:4) was approved by the competent authority and was accordingly paid to the contractor. Audit contended that another item of dismantling of PCC with the help of mechanical blade had been approved and paid to the contractor with the justification that cutting was not the part of dismantling of PCC. The Committee directed the Agency to recover the amount from the contractor. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.399)

3.4.2.14.8 Directorate O&M Nishter Town WASA LDA Lahore prepared rate analysis for the item “*P/L left over shuttering Kikar wood into trenches*” including labour charges for laying and sawing whereas rate for item “*earthwork excavation in open cutting for sewers and manholes*” includes cost of shuttering and timbering. Hence, inclusion of labour charges in left over shuttering were not admissible and rate required to be paid excluding labour charges for skilled and unskilled @ Rs 882.49.

Violation of Finance Department’s instruction resulted in overpayment of Rs 0.102 million.

Audit pointed out the overpayment in August 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency admitted the recovery and explained that record would be produced to Audit for verification at the earliest. The Committee directed the Agency to effect the recovery and verification thereof from Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.501)

3.4.2.15 Non-recovery on account of electricity bill Rs 3.162 million

According to rules 2.10 (a) (i) PFR Volume-I every Government servant should exercise the same vigilance while sanctioning and incurring expenditure from Government revenue as a person of ordinary prudence would exercise from his own money.

Director O&M Gunj Bukhsh Town WASA LDA Lahore did not recover electricity bills from Union Council No. 87 as Union Council office was located in the same premises and they had not separate

electricity connection and were using electricity from WASA's connection since year 2000.

Violation of rules resulted in loss to government due to non-recovery on account of electricity bills amounting to Rs 3.162 million.

Audit pointed out the non-recovery in May 2017. The Agency did not reply.

The Agency did not attend the SDAC meeting.

Audit recommends to recover the electricity charges at the earliest and get verified from Audit.

(DP No.389)

3.4.2.16 Overpayment due to payment of secured advance at higher rate - Rs 2.739 million

According to Para 2.98 of Buildings and Roads Code, secured advance will be granted to the contractor on imperishable material brought at site @ 75% of the value of material. Furthermore, according to input rate of material 01.07.2016 to 31.12.2016 the rate of deformed bars grade-60 was placed for Rs 73,750 per ton.

Director O&M Ravi Town WASA LDA Lahore paid secured advance for a quantity of 6000 rft for the item "*Providing and laying of High Density Polyethylene (HDPE) pipes (PE-100) (PM-8) 450 mm*" @ Rs 2,206 per rft by taking @ 75% of full rate i.e. Rs 2,942.10 per rft excluding Rs 326.90 for installation/ laying charges whereas market rate as per rate analysis for supply was Rs 2,332.63 per rft and was required to be paid @ Rs 1,749.47 per rft. Hence, the difference of Rs 456.53 per rft was allowed in excess amounting to Rs 2.739 million.

Violation of rules resulted in overpayment to the contractor for Rs 2.739 million.

Audit pointed out the overpayment in August 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 01.01.2018. The Agency stated that the bid quoted by contractor was Rs 3269.00. After deduction of 10% installation charges amounting to Rs 326.90, balance is Rs 2942.10 and after 25% deduction Rs 2206.00 as per actual. There was no allowance of access rate given to contractor. Audit contended that MRS rate of HDPE was Rs 2332.63 per rft and admissible rate for the secured advance was Rs 1749.47 per rft. The Committee directed to recover 12% markup on the excess amount of secured advance paid to contractor for the period of undue financial aid and to get the record verified by Audit. The compliance of the Committee directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.572)

3.4.2.17 Undue aid due to non-reduction of disproportionate rate - Rs 1.288 million

As per Clause 47-A of the Contract Agreement, if a contractor quotes such disproportionate rates in his tender which deviate from the rates provided in the technically sanctioned estimate, the payment of items whose rates are lower will be made at tendered rates in full on the execution of items (s) but the payment of items 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 by the Engineer In-charge till the completion of the work item.

Director O&M Gulberg and Gunj Bukhsh Town WASA LDA Lahore got executed the works and payments were made to the contractors through running bills on quoted rates which were higher than TSE rates.

Violation of contractual obligations resulted in undue financial benefit to the contractor amounting to Rs 1.288 million due to imbalance rates.

Audit pointed out the undue financial benefit in August 2017. The Agency did not reply.

The paras were discussed in the SDAC meeting held on 01.01.2018. The Agency stated that recovery would be made on the finalization of the accounts. The Committee directed the Agency to prepare financial statement, effected recovery, if any, and get record verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.470, 482)

3.4.3 TRAFFIC ENGINEERING AND TRANSPORT PLANNING AGENCY

Irregularity & non-compliance

3.4.3.1 Irregular award of work due to defective tendering in violation of PPRA 2014 - Rs 739.637 million

As per Appendix-D of standard bidding documents of Punjab Procurement Regulatory Authority, the employer shall fill the column 1-4 of BOQ and bidder shall quote its own rate and cost of each item provided in BOQ.

Director Engineering & Construction TEPA Lahore invited tenders of the work during April 2014 from two pre-qualified bidders. Further scrutiny of record revealed that in violation of direction of PPRA and instructions of standard bidding documents, the Agency depicted quantities, rates and cost of each item of work in BOQ. Whereas, as per

direction of PPRA only estimated quantity of each item was to be mentioned in BOQ.

Violation of rules resulted in irregular award of work amounting to Rs 739.637 million.

Audit pointed out the irregularity in May 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency contended that rates of items were included in bid document to pre-empt imbalance rates quoted by the contractor. The Committee directed the Agency to obtain clarification from PPRA. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.346)

3.4.3.2 Irregular utilization of funds of other projects without approval – Rs 211.365 million

According to para 2.86 of Buildings and Roads Department Code, the authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual saving on a sanctioned estimate for a definite project should not, without special authority be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution. Further, contractor's security cannot be used / released for making payment of any project.

Director Administration & Finance TEPA Lahore made payment amounting to Rs 211.365 million for the projects "Construction of S.F.J at Azadi Chowk" and "Construction of S.F.J at Qainchi, Ghazi & Khaira" out of funds of other projects i.e. Bus rapid transit system (BRTS), TEPA

own sources, feasibility studies and contractor's securities etc. Later on, funds amounting to Rs 338.843 million for the above two projects were received from the Government which were adjusted against the amount of Rs 146.373 million ($62.097 + 84.276$). The whole process of utilization of funds of other projects / securities of the contractors and subsequent adjustment was irregular, because re-appropriation of funds was not got approved from the Administrative Department under Delegation of Financial Powers Rules 2016.

Violation of rules resulted in irregular utilization of funds of other projects without approval of competent forum amounting to Rs 211.365 million.

Audit pointed out the irregular utilization of funds in October 2017. The Agency replied that funds of Rs 211.365 million were released for projects mentioned above as bridge financing which was a temporary arrangement to facilitate the project execution with the approval of Chief Engineer TEPA and same was adjusted from receipt of funds of Rs 338.843 million for those projects. Reply of the Agency was not tenable because funds meant for a specific project and saving thereof cannot be utilized on any other project unless re-appropriation of funds was approved.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency explained that funds have been recouped/adjusted from the receipts of projects. Audit contended that Agency did not provide approval of bridge financing. The utilization of funds of other project, against a non-funded project was irregular. The Committee directed the Agency to produce Summary approved by CM and Cabinet and in case the summary was not approved ex-post facto approval be obtained from competent forum and get it verified from Audit. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.622)

3.4.3.3 Non-adjustment/recovery of advances - Rs 23.608 million

According to rule 2.10 (b)(5) and 2.20 of PFR Volume-I, it is not permissible to draw advance from funds for execution of work in future and every payment including repayment of money previously lodged with Government for whatever purpose must be supported by voucher setting forth full and clear particulars of the claim.

Director Administration & Finance TEPA Lahore made advance payments of Rs 1.200 million, Rs 14.000 million, Rs 0.200 million, Rs 8.208 million and Rs 0.300 million to TEPA employees, LAC LDA, Rana Mehmood Ikram AD Engineering TEPA, Director General PHA and Chief Engineer TEPA respectively for different purposes i.e. land acquisition, medical charges, landscaping and horticulture work and advance on TA/DA but adjustment of these advances was not available in the record.

Violation of rules resulted in non-adjustment/recovery of advances amounting to Rs 23.908 million.

Audit pointed out the non-adjustment in October 2017. The Agency replied that the concerned quarters were asked to submit vouched account. Reply of the Agency was not tenable because receipt of vouched account was required to be taken as per criteria ibid but no record was produced for verification regarding advances.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency produced vouched account of Rs 0.300 million which has been verified. The Committee reduced the para to Rs 23.608 million ($23.908 - 0.300$) and directed the Agency to adjust the balance advance and get it verified from Audit. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.617)

3.4.3.4 Excess payment due to application of higher rate – Rs 20.912 million

As per Finance Department notification No.RO (TECH) FD2-3/2004 dated 02.08.2004, all the rate analyses of non-standardized items should be prepared by applying input rates notified by the Finance Department for the relevant quarter.

3.4.3.4.1 Director Engineering & Construction TEPA Lahore got approved non-schedule rate of Rs 19,686.80 per meter for item “*Cast in place concrete piles upto 1200mm dia in normal soil*” against which contractor quoted rebate of 9.70%. The non-schedule rate of Rs 19,686 per meter was based on input rates of manpower, equipments and labours as notified by FD and placed on web. Audit observed that in rate analysis in addition to equipment charges of piling machinery, the Agency also added lump sum provision of Rs 45,000 on account of mobilization of piling equipment, which was incorrect because rates of equipment were at site including carriage and no mobilization charges of piling equipments were admissible. As per rate analysis prepared by audit actual rate works out to Rs 16,700.41 per meter instead of Rs 19,686.80 calculated by the Agency. Resultantly, excess rate of Rs 2,986.39 per meter was paid to the contractor.

Violation of Finance Department’s instructions resulted in excess payment of Rs 20.756 million.

Audit pointed out the excess payment in May 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency contended that the rates applied for mobilization also includes de-mobilization and site clearance. Audit informed the Committee that provision of similar items in Orange Line Metro Train was Rs 5,000 only and in this case per pile demobilization was Rs 45,000. The Committee directed the Agency to make comparative analysis for provision of same item at different rates in different projects and effect the recovery and

verification thereof from Audit. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early recovery and its verification.

(DP No.345)

3.4.3.4.2 Director Electrical & Mechanical TEPA Lahore obtained Administrative Approval of various works on 17.11.2015 when the rate of item "*Providing/laying copper conductor cable 4 core*" was Rs 110.30 per meter in MRS 2nd bi-annual at Sr # 13-c-I of Chapter-24 but applied Rs 236 per meter which caused excess payment and non-adjustment of Rs 0.156 million.

Violation of Finance Department's instructions resulted in excess payment of Rs 0.156 million due to application of higher rates.

Audit pointed out the excess payment in November 2016. The Agency replied that the rate of 4 core 1.5mm cable mentioned in MRS 2nd bi-annual was for non-flexible cable while the cable used in the work was flexible. The reply of the Agency was not tenable as the nomenclature of item of work in TS estimate, Acceptance Letter, Completion Certificate & MRS did not include the word flexible or non-flexible. Further, the rate analysis was neither available in the record nor was produced during Audit. The Agency reply was an after thought. The rate analysis signed by the Sub-engineer & AD was produced instead of competent authority. Furthermore, Stock Register & Auction Register/file was also not produced to Audit.

The para was discussed in the SDAC meeting held on 04.12.2017. The Agency reiterated its previous reply. The Committee directed to conduct a technical probe within 30 days and then the matter be referred to Finance Department for clarification. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No.154)

3.4.3.5 Loss due to non-deduction of Punjab Sales Tax - Rs 9.766 million

According to Finance Department notification No.SO(TAX)5-24/2016 dated 05.10.2016, there is a levy of tax on construction services from 01.07.2016 @ 1% on the ADP works and 16% on other than ADP works.

3.4.3.5.1 Director Administration & Finance TEPA Lahore made payments to different contractors on work done for different works awarded and executed after 01.07.2016 after adding 1% PST and then the same amount was deducted from the contractor's payment which was in contradiction to Finance Department's instructions referred above. Hence, recovery/deduction on account of PST was not made from the contractors.

Violation of Finance Department's instructions resulted in non-deduction of Punjab Sales Tax on construction services amounting to Rs 8.317 million.

Audit pointed out the non-deduction in October 2017. The Agency stated that deduction of PST @ 1% was not included at the time of estimation/tendering, but was added to in accordance with clarification obtained from Punjab Revenue Authority. Reply of the Agency was not tenable because reference made in reply is related to deduction of PST @ 16% instead of 1%.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency replied that as per F.D's letter No.RO(Tech)2-11/2017 dated 28.09.2017 1% PST is to be deducted for construction services from the contingency of the estimates of approved project launched during 2015-16. Audit contended that 1% PST was only applicable on the civil works executed under the ADP, PSDP, Foreign Aided Projects and Cantonment Boards subject to registration proof of contractors with PRA. Hence, autonomous bodies were not exempted from the application of 16% PST on the works executed from own sources. The Committee directed the Agency to obtain clarification from PRA and get it verified by

Audit. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.616)

3.4.3.5.2 Director Engineering & Construction TEPA Lahore paid consultancy charges for topographic survey and geo tech soil investigation and Supervision Fee of Rs 0.080 million and Rs 1.370 million to M/s EA Consulting (Pvt.) Limited and M/s Hafeez Associates respectively. Audit observed that the Agency did not make recovery on account of PST @ 16% which comes to Rs 1.450 million (Rs 0.080 + Rs 1.370).

Violation of rules resulted in loss of Rs 1.450 million.

Audit pointed out the loss in May 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency admitted the recovery. The Committee directed the Agency to recover the PST & get it verified by Audit. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.343)

3.4.3.6 Irregular recruitment and payment of wages to work charge employees - Rs 5.239 million

According to the notification issued by Finance Department vide No. RO (Tech) FD2-2/2001 dated 01.09.2005, appointments of work charged shall be made in accordance with procedure laid down in the preface of Schedule of Wages Rules 2005. As per preface of schedule of wages rule vide Para:

- 2(a) The posts shall be advertised properly in leading Newspapers.

- 2(b) The recruitment of all posts shall be made on the basis of merit specified for regular establishment vide Para 11 of the recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004.
- 2(c) Terms and conditions of employment shall be governed under rule 07.12 to 07.14 and 7.37 to 7.41 of DFR Vol. III
- (3) Minimum qualification and experience for appointment to a post shall be the same as has been prescribed for similar post on regular establishment.

Director Engineering & Construction TEPA Lahore paid an amount of Rs 5.239 million as salary of more than fifty work charge establishment i.e. computer operators, composers, Graduate engineers, sub-engineers, work superintendents, work supervisors, sweepers etc. for the period November 2015 to May 2016. It was noticed that appointment of work charge establishment was made without advertisement of posts in newspaper, no merit/qualification was specified alongwith approval of terms and conditions of employment. Further, there were no sanction of the competent authority in respect of each appointment specifying (1) consolidated rates of pay, (2) the period of sanction and (3) full name of the work and the nature of the duties on which the hired personnel were to be employed along with appointment letters & CNIC and documentary proof about qualification of employees.

Violation of Finance Department's instructions resulted in irregular appointments and payment of salary amounting to Rs 5.239 million.

Audit pointed out the irregularity in May 2017. The Agency did not reply.

The para was discussed in the SDAC meeting held on 03.01.2018. The Agency contended that appointment of work charge establishment on daily wages was made after soliciting approval from competent authority.

Audit contended that appointment of work charge establishment was made without advertisement of posts in the newspaper. The Committee directed to obtain condonation of irregularity from Finance Department. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.337)

3.4.4 PARKS AND HORTICULTURE AUTHORITY, FAISALABAD

Irregularity & non-compliance

3.4.4.1 Non-recovery of advertisement charges from companies - Rs 157.693 million

As per section 31 of the Parks and Horticulture Authority Act XLVII of 2012, no advertisement shall be erected, exhibited, fixed or retained upon or over land, building, wall, hoardings, frame, post or structure or place within the operational area of authority without prior written permission of the competent authority , granted in accordance with the provision of these regulations.

3.4.4.1.1 Director Commercial & Marketing PHA Faisalabad did not recover NOC fee and advertisement charges for the year 2014-15 and 2015-16 from various advertisement companies, banks and beverage companies.

Violation of PHA Act resulted in non-recovery of NOC fee and advertisement charges of Rs 154.245 million.

Audit pointed out the Non-recovery in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the notices had been served to defaulters many times but they have paid no heed to it and in some cases Challans were sent to the Magistrate. The Committee directed the Authority to effect recoveries and pursue the cases in the court of law. No further progress was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 265,267,269,273,274&275)

3.4.4.1.2 Director Horticulture PHA Faisalabad awarded the work “Jashan-e-Bharan Canal Mela-2016” to M/s Stepping Stone Lahore and made payment of Rs 6.379 million to the contractor. Two (2) floats were related to Faisalabad Textile Power Looms and Artisan Handicraft cloths for which an amount of Rs 0.783 million was paid to the contractor. Audit is of the view that advertisement charges were required to be obtained from these companies. Further payment for 16 Nos. floats was made but after completion of mela, accountal of these floats was not available in the books of Authority.

Violation of PHA Act resulted in non-recovery of Rs 0.783 million due to non-obtaining of cost of floats from the companies of textiles and non-accountal of floats worth Rs 3.225 million.

Audit pointed out the non-recovery in March 2017. The Authority did not reply.

The para could not be discussed in SDAC meeting due to non submission of working papers. The Committee directed to get the record verified from Audit.

Audit recommends early compliance of the Committee’s directive.

(DP No. 263)

3.4.4.1.3 Director Commercial & Marketing PHA Faisalabad auctioned the canteen inside Bagh-e-Jinnah and contract was awarded for the period of 01.10.2014 to 30.09.2015 for an amount Rs 1.675 million. This contract was extended for further period of one year from 01.10.2015 to 30.09.2016 with 10% increase for Rs 1.842 million. The contractor only deposited Rs 1.619 million on the plea that his canteen remained closed during the period of 01.10.2015 to 10.12.2015. In response of the request an amount of Rs 0.223 million was waved off by the Authority, which was irregular as per agreement.

Violation of PHA Act resulted in non-recovery due to irregular waiver of rent worth Rs 0.223 million.

Audit pointed out the non-recovery in March 2017. The Authority did not furnish the reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the contractor was asked to vacate this building and set up his canteen nearby in the park. The vacation and setting up took 2-1/2 months and during this period, no business was carried out by the contractor. The contractor suffered a considerable loss, therefore, on his request the DG PHA exempted two months installment. The Committee did not agree with the contention and directed to get the waiver from FD or administrative department. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 277)

3.4.4.2 Irregular payment of non-BOQ items – Rs 17.681 million

As per instructions of the Finance Department issued vide No.RO (Tech) FD 1-2/83-VI dated 29.03.2005 read with para 2.7, 2.12 and 2.86 of Buildings and Roads Department Code, during execution of work neither the specification nor quantity of different items approved in the

TSE be changed nor any additional item be approved/executed without prior written approval of such change/new addition by the competent authority along with recording its reasons.

3.4.4.2.1 Director Engineering PHA, Faisalabad awarded the work to the contractor for an amount of Rs 1.575 million and against this estimate only payment of Rs 0.613 million was made. Further some additional work at different sites was executed and a payment of Rs 3.199 million was made to the contractor which was 49.25% above the original estimate against the admissible limit of 15% as per PPRA.

Violation of Finance Department's instructions resulted in irregular payment of Rs 1.623 million.

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

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that DG PHA is empowered to grant approval of the development schemes costing up to Rs 50 million, thus he granted revised approval. The Committee directed to get the estimate revised from the competent authority and get it verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 247)

3.4.4.2.2 Director Engineering PHA, Faisalabad awarded the work to the contractor for Rs 31.527 million against the estimate of Rs 31.846 million. The original T.S. Estimate was enhanced from Rs 33.801 million to Rs 49.859 million which was 47.50% above the original estimate and payment of Rs 39.220 million made to the contractor up to 6th running bill. This shows that the original estimate was not prepared according to the requirement and contract was enhanced and allotted to the contractor without competition.

Violation of Finance Department's instructions resulted in irregular payment of Rs 16.058 million.

Audit pointed out the irregularity in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the whole project was re-estimated. The competent authority accorded the revised AA and RTSE has been prepared on the revised design. Audit informed the Committee that the revised AA and TS were still pending approval of the competent authority. Audit further brought it on record that the authority had enhanced the cost more than 47% which was in violation of PPRA Rules. Had the estimation been correctly done the authority could have fetched more economical rates. The Committee directed to conduct a technical probe. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 435)

3.4.4.3 Overpayment due to application of higher rates of non-MRS item – Rs 10.976 million

As per notification issued by the Finance Department vide No.RO(TECH)/FD2-3/2004 dated 02.08.2004 all the rate analyses of non-standardized items should be prepared by applying input rates notified by the Finance Department for relevant quarter.

Director Engineering PHA, Faisalabad made payment of non MRS items of work i.e. "*Providing and laying gutka 9x2-1/4 x 2-1/4 inch*" & "*P/F J.I Wire guage (Jali) hexagonal complete*" etc. at higher rates than FD's input rates.

Non-observance of FD's instructions resulted in overpayment of Rs 10.976 million.

Audit pointed out the overpayment in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that recovery would be made from the next bill. The Committee directed the Authority to effect the recovery within 30 days and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 238,240,243,246,248,448)

3.4.4.4 Undue financial benefit due to non-obtaining bank guarantee - Rs 5.900 million

According to clause 3 of contract agreement, the contractor was bound to furnish bank guarantee equal to the amount of the contract price.

Director Commercial & Marketing PHA Faisalabad auctioned the canteen outside Bagh-e-Jinnah for the period 01.07.2015 to 30.06.2016 and awarded the contract to Muhammad Suhail Anwar s/o Muhammad Anwar for Rs 5.900 million. The Authority was required to obtain bank guarantee equal to the contract amount of Rs 5.900 million but the same had not been obtained as per terms and conditions of the contract agreement.

Violation of contractual obligations resulted in undue financial benefit due to non-obtaining bank guarantee worth Rs 5.900 million.

Audit pointed out the undue financial benefit in March 2017. The Authority did not furnish the reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that an istigasa was prepared and sent to the special judicial magistrate for recovery. The Committee pended the para as the

matter is subjudice. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 280)

3.4.4.5 Non/less recovery of government taxes - Rs 2.599 million

As per Punjab Revenue Authority letter No. PRA/ENF/2567 dated 25.01.2016 sales tax @ 16% was required to be deducted from the advertisement services and according to Circular No.6 of 2013 issued by the Federal Board of Revenue vide No.4 (36) ITP/2013 dated 19.07.2013, advance income tax at the time of sale by auction under section 236A would be deducted @ 10% and as per directive dated 11.08.2004 and Punjab Finance Act, 1970, the department is bound to deduct professional tax at source from the contractors/ suppliers to render services or make supplies or undertake construction/ repair work each year at the rate according to their class or category.

Director Horticulture PHA Faisalabad, Director Commercial & Marketing, Director Admin & Finance and Director Engineering PHA, Faisalabad awarded the various works to different contractors. These directorates made payment to the contractors but recovery of sales tax, income tax and professional tax were not deducted from the contractors.

Violation of rules resulted in non/less recovery of government taxes worth Rs 2.599 million. .

Audit pointed out the non/less recovery in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the observation not related to Coordination and Marketing Directorate. However, the same was returned to Director (A&F) for further submission to concerned quarter and some challans are

sent to magistrate for recovery of tax. The Committee kept the para pending for verification of recovery and record. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 227,262,264,276,279,446)

**3.4.4.6 Irregular allotment of works in violation of PPRA Rules
- Rs 2.580 million**

According to the Rule 4 and 22 of Punjab Procurement Rules 2014 a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical and the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works.

Director Administration and Finance PHA, Faisalabad awarded contract of parking fee at Bagh-e-Jinnah Faisalabad @ Rs 215,000 per month to the parking company without calling open tenders in violation of PPRA rules.

Violation of rules resulted in irregular allotment of works in violation of PPRA Rules worth Rs 2.580 million.

Audit pointed out the irregularity in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that PHA entered into an agreement with Faisalabad Parking Company and paid only the wages of the employees deputed by the parking company in the parking area. The Committee directed to obtain the advice from PPRA. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 226)

3.4.4.7 Non-recovery of risk and cost - Rs 2.057 million

According to clause 23 of contract agreement, if a contractor fails to complete the period of contract the contract would be re-auctioned on his risk and cost and any recovery would be made from him.

Director Commercial & Marketing PHA Faisalabad auctioned the canteen outside Bagh-e-Jinnah for the period 01.07.2015 to 30.06.2016 and awarded the contract to Muhammad Suhail Anwar s/o Muhammad Anwar for Rs 5.900 million. The contractor after depositing Rs 1.967 million, left the canteen without any intimation to Authority. The contract for the remaining period was allotted to another contractor for Rs 1.285 million on the risk & cost of the original contractor. After adjustment of security deposit of Rs 0.590 million an amount of Rs 2.057 million was still recoverable from the original contractor.

Violation of rules resulted in non-recovery of risk and cost of Rs 2.057 million.

Audit pointed out the non-recovery in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the canteen was left by the contractor without any notice as the contract amount was not rational while Rs 2.557 million including security was received from the contractor before leaving the canteen. The Committee directed to get the fact finding report and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 272)

**3.4.4.8 Non-recovery on account of below specification bricks –
Rs 1.145 million**

As per remarks in MRS against item No. 18 page 54 Chapter 7 in case of use of 2nd class brick the rate of brick work may be reduced to 7%.

Director Engineering PHA, Faisalabad conducted the laboratory test of bricks and all bricks were found below specification because compressive strength of bricks was 1872 PSI against the prescribed strength 2000 PSI and the average crushing strength was 1928 PSI therefore recovery of 7% of the total quantity of brick works was required to be made from the contractor.

Violation of rules resulted in non-recovery of Rs 1.145 million due to use of below specification bricks

Audit pointed out the non-recovery in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that Chief Engineer Buildings has decided the minimum strength is 1800 PSI due to water logged area in district Faisalabad. Audit informed that the rate of bricks should be reduced to 7% as per remarks in MRS. The Committee directed to effect recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 242,244)

3.4.5 FAISALABAD DEVELOPMENT AUTHORITY (FDA, UD-WING), FAISALABAD

Irregularity & non-compliance

3.4.5.1 Non-recovery of building period extension surcharge - Rs 11.946 million

According to the terms and conditions of allotment, the owners of the properties were bound to complete their buildings within 4 years after possession of plots. Further, on the failure, they will be penalized before issuance of completion certificates vide para “2” & “8” of letter No. SO(H-II)2-3/1992 dated 27-10-2010.

Director Estate Management-I, FDA, UD-Wing, Faisalabad did not recover the penalty worth Rs 13.968 million for extension of building period from the owners of plots in Millat Town Faisalabad who failed to complete their buildings within 4 years after possession of plots

Violation of rules resulted in non-recovery of building period extension surcharge amounting to Rs 11.946 million.

Audit pointed out the non-recovery in February 2017. The department admitted the recovery in some cases. However, in other cases the completion certificates were issued within stipulated period and amount could not be recovered, and some have exemptions being government employee. The reply of the department was not tenable because complete record, actual ledger and other relevant documents were not provided to audit for verification.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the amount of Rs 2.855 million has been recovered and efforts are being made to recover the balance amount i.e. Rs 9.091 million. Audit demanded that original record be produced for verification instead of photo copies. The Committee directed to produce original

record for verification in Audit office. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 257)

3.4.5.2 Non-recovery of rent of FDA building - Rs 10.269 million

As per rule 4.1 of Punjab Financial Rules Vol-I, it was the primary duty of the departmental controlling officer to see that all sums due to the Government are properly realized from the concerned.

Director Finance, FDA, Faisalabad, did not recover the rent of FDA building (Dispensary at Madina Town) occupied by the officials of Intelligence Bureau in May 2015. The Intelligence Bureau official established their office in the said building. As per covered area, the rent of Rs 0.254 million was assessed and the Governing body of FDA decided that the rent might be re-examined and settled amicably by negotiation with the concerned department. No efforts were made by the FDA to recover the rent of FDA building.

Violation of rules resulted in non-recovery of rent of FDA building amounting to Rs 10.269 million.

Audit pointed out the non-recovery in February 2017. The Authority replied that the matter relates to Estate Management Directorate-I. The reply of the Authority was not tenable as no efforts were made to resolve the issue as per direction of Governing body of FDA.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the said para relates to EM-I FDA. The Committee pended the para for recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 218,250)

3.4.5.3 Overpayment due to non-recovery on account of de-escalation - Rs 7.234 million

As per -55 of the contract agreement, if any price variation (increase/decrease) to the extent of 5% or more in the price of any of the items takes place after acceptance of tender and before the completion of contract, the amount payable / recoverable shall be adjusted to the extend of actual variation in the cost of the item concerned.

Director Engineering, UD-Wing, FDA, Faisalabad awarded various works to contractors in 2015. During the execution of work rates of bitumen, steel and diesel de-escalated. But the clause department did not make recovery on account of de-escalation in the rate of bitumen, steel and diesel.

Violation of agreement resulted in overpayment of Rs 7.234 million due to price de-escalation.

Audit pointed out the overpayment in February 2017. The department admitted the recovery and promised to deduct the same in the next bill.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that partial recovery has been effected. The Committee reduced the para to the extent of recovery effected and directed to the department to effect the balance recovery and get it from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 285,287,288,291)

3.4.5.4 Non-recovery of income tax – Rs 6.287 million

As per section 153(1)(b) under section 153 of Income Tax Ordinance 2001 income tax was to be deducted from the payments made on account of services w.e.f 01.07.2015@ 10% on the execution of contract.

Director Estate Management-I, FDA, Faisalabad auctioned different plots on 25.05.2016 and 05.11.2015 and recoveries against these auctions had been made but recovery of 10 % advance income tax on auction and lease of residential / commercial plots and petrol pump had not been made.

Violation of rules resulted in non-recovery of Income Tax worth Rs 6.287 million.

Audit pointed out the non-recovery in February 2017. The Authority replied that the auction process of FDA property was arranged by the Director of EM-I. The record of deposit of withholding advance income tax on auction was available with the Directorate of EM-I. The reply of the Authority was not tenable as no record for recovery from concerned directorate was verified.

The para was discussed in SDAC meeting held on 12.12.2017. Working papers were not submitted. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and verification of record.

(DP No. 252,254,255,256,281)

3.4.6 WATER AND SANITATION AGENCY (WASA), FAISALABAD

Irregularity & non-compliance

3.4.6.1 Overpayment due to payment at inadmissible rates – Rs 39.944 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.

3.4.6.1.1 Director Construction-II WASA FDA awarded various works to the contractors. The Department made payment of different items of works at quoted rates which were higher than the TSE rates. The department was required to make payment of MRS items as per notified rates by the Finance Department instead of at higher inadmissible rates.

Violation of Finance Department's instructions resulted in overpayment of Rs 34.939 million due to payment at inadmissible rates.

Audit pointed out the overpayment in March 2017. The agency replied that accepted rate mentioned in the bid were item wise and not overall of 7.82% and the payment was made accordingly. The reply was not correct as the final payment shall be the same percentage above / below the amount as it was at the time of approval of the tender.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the preparation of financial statement is in progress and account would be closed in the light of that statement. Para was kept pending by the Committee for verification of final percentage of payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 174, 177, 179, 180, 185, 188, 297, 439, 443)

3.4.6.1.2 Director Construction-II WASA FDA made payment of various non MRS items of works to the contractor by adopting incorrect rates. The Department prepared incorrect rate analysis of non MRS items by adding extra cost of material and labour. However, the department was required to make payment of non MRS items as per input rates notified by the Finance Department.

Violation of Finance Department's instructions resulted in overpayment of Rs 5.005 million due to payment at inadmissible percentage.

Audit pointed out the overpayment in March 2017. The agency replied that accepted rates mentioned in the bid were item wise and not overall of 7.82% and the payment made accordingly. The reply was not correct as the final payment shall be the same percentage above / below the amount as it was at the time of approval of the tender.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the preparation of financial statement is in progress and account would be closed in the light of that statement. The Committee directed effect the recovery and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.
(DP No. 178, 186, 190, 196, 197)

3.4.6.2 Non-recovery of surcharge on account of delay in payment for rent – Rs 13.630 million

As per clause 1(c) of agreement the lessee shall pay rent in advance and in case of failure 10% additional surcharge will be paid by the licensee and last date of payment was 10th January of each year.

Director Revenue WASA, FDA, Faisalabad lease out 5 Nos. overhead water reservoir alongwith adjoining spaces for setting up Radio base station unit to M/s. Telenor Pakistan (Pvt.) Ltd. and lease agreements were executed for three years for the period 01.01.2014 to 13.12.2016. The rent of Rs 6.099 million for year 2016 was paid on 28-1-2016 instead of 10.01.2016 without any surcharge.

Violation of rules resulted in non-recovery of surcharge due to delay in payment for rent amounting to Rs 13.630 million.

Audit pointed out the non-recovery in February 2017. The Agency replied that letter had been written to the company for payment of surcharge. Reply was not tenable because the recovery of surcharge was required to be made at the time of payment of rent.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the payment was recovered from M/s Telenor Pakistan (Pvt.) Ltd. within the same month and Telenor was uninterested to continue. Therefore, requested for taking lenient view to save loss to the department as normal rent was recovered. The Committee did not agree with contention and pended the para for recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 199, 200, 203, 205, 298)

3.4.6.3 Non-recovery of de-escalation in the rate of Diesel and Steel – Rs 10.011 million

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

Director Construction-II WASA FDA awarded works to different contractors. The base price of diesel and steel at the time of tenders was on higher side which decreased during the months of execution of works. The agency did not recover the cost on account of the said de-escalation from the contractors.

Violation of agreement resulted in non-recovery of Rs 10.011 million on account of de-escalation in the rate of diesel and steel.

Audit pointed out the non-recovery in March 2017. The Agency replied that whenever de-escalation or escalation occurred it would be calculated for all but the audit highlighted only de-escalation of diesel and steel and recovery was not admissible. The reply was not correct as recovery of de-escalation was required to be made and as regards the escalation the claim would be evaluated when submitted as per terms and conditions of agreement.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the recovery of steel and HSD has been made. The Committee directed to get the record verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.192, 423, 424, 425, 449)

3.4.6.4 Less recovery of government taxes – Rs 7.678 million

As per Punjab Revenue Authority letter No. PRA/ENF/2567 dated 25.01.2016 sales tax @ 16% was required to be deducted from the advertisement services and according to Circular No.6 of 2013 issued by the Federal Board of Revenue vide No.4 (36) ITP/2013 dated 19.07.2013, advance income tax at the time of sale by auction under section 236A would be deducted @10% and as per directive dated 11.08.2004 and Punjab Finance Act,1970 , the department is bound to deduct professional tax at source from the contractors/ suppliers to render services or make

supplies or undertake construction/ repair work each year at the rate according to their class or category.

Director Revenue WASA, FDA, Faisalabad awarded the various works to different contractors. These directorates made payment to the contractors but recovery of sales tax, income tax and professional taxes was not deducted from the contractors.

Weak supervisory and financial controls resulted in less recovery of government taxes worth Rs 7.678 million.

Audit pointed out the less recovery in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 12.12.2017. The Authority stated that the observation does not relate to Coordination and Marketing Directorate. However, the same was returned to Director (A&F) for further submission to concerned quarter and some challans were sent to magistrate for recovery of tax. The Committee kept the para pending for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 201, 228, 232, 233, 234, 235, 236)

3.4.6.5 Non-utilization of dismantled material – Rs 6.220 million

According to para 9(i) of chapter 18.1 of book of specifications 1967 execution of work, the dismantled material is the property of the government, it should either be recovered from contractor as credit of dismantled material or it should be counted, measured and recorded for open auction.

Director Construction-II WASA FDA made the provision of Rs 100 to 200 per sft in estimate for payment to TMA on account of

restoration of road dismantled after laying of sewer lines etc. But neither the material of base course and sub base course obtained from dismantling was accounted for to reuse the same in restoration of road, nor any credit was given in the estimate of restoration of road by TMA.

Violation of specification resulted in non-utilization of dismantled material worth Rs 6.220 million.

Audit pointed out the non-utilization in February 2017. The Agency replied that there was a provision of the item dismantling and payment to the contractor.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the dismantled road material was used for backfilling for trench which may be verified from record entries on relevant MB. Audit informed that material dismantled on account of base/ sub base was to be recovered. The Committee directed to get verified the record relating to recovered material from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 187)

3.4.6.6 Undue financial benefit due to irregular grant of secured advance – Rs 1.634 million

According to Para 2.98 of Buildings and Roads Department Code, secured advance will be granted to the contractor on imperishable material brought at site @ 75% of the supplied material.

Director Construction-II WASA FDA allowed secured advance on steel @ 75 % on higher rate than the prevailing market price as obtained from the notification issued for price variation during the month.

Violation of rules resulted in undue financial benefit due to irregular grant of secured advance amounting to Rs 1.634 million.

Audit pointed out undue financial benefit in March 2017. The agency replied that secured advance was paid to the contractor as per prevailing rules and 75% secured advance was allowed on market rates. The reply was not correct as undue benefit was given to the contractor by allowing excess secured advance than actually admissible to the contractor. Recovery of interest @ 12.50% on the payment made in excess of actual admissible amount to the contractor was also required to be made.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the secured advance was paid to the contractor as per prevailing rules and 75% secured advance was allowed on market rates. The Committee did not agree with explanation and directed to get the matter regularized from FD. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 191)

3.4.7 WATER AND SANITATION AGENCY (WASA), MULTAN

Irregularity & non-compliance

3.4.7.1 Non-recovery of water supply, sewerage and drainage charges – Rs 164.936 million

As per notification issued vide No.412/MD/WASA dated 13.12.2003, effective from 01.07.2004, the water and sewerage charges etc. are required to be recovered from the consumers.

Director Recovery, WASA (MDA), Multan failed to recover the water supply, sewerage and drainage charges from 462 consumers including 27 government, 248 commercial, 39 industrial and 148 domestic consumers.

Violation of rules resulted in non-recovery of Water Supply, Sewerage and Drainage charges amounting to Rs 182.660 million.

Audit pointed out the non-recovery in February 2016. The Agency did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Agency stated that a sum of Rs 17.724 million has been recovered. Audit verified the recovery and para was reduced to Rs 164.936 million. The Committee directed to recover the balance recovery and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 421)

3.4.7.2 Non-recovery of lease money – Rs 64.751 million

According to Government of the Punjab (Colonies Department) notification No.11575-70/3811CL.VI dated 01.12.1977, the lease money shall be recovered from the allottees on annual basis.

In terms of Clause-1 of the lease agreement executed on 20.12.1999 between WASA (MDA) Multan and M/s MCR Private Limited (Pizza Hutt) “The lease was for a period of 20 years @ Rs 50,000 per month with 30% increase after every three years and the lessee shall pay the monthly rent to the lessor in quarterly installments in advance.

Directorate of Finance & Administration, WASA Multan made less recovery of lease rent from lessee. The possession of the site was delivered on 06.06.2001 and lease rent was required to be revised @ 30% after every three years. The monthly rent was revised during June 2007 @ Rs 112,857 per month by renting additional land. The revised monthly rent @ Rs 112,857 was recovered since October 2007 to December 2012, whereas rent was required to be revised with 30% increase in June 2010,

June 2013, June 2016 but lessor (WASA) Multan did not revise the rent with 30% increase on due dates.

Violation of agreement clause resulted in non-recovery of lease rent amounting to Rs 64.751 million.

Audit pointed out the non-recovery in February 2017. The Agency did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Agency stated that the possession of land was handed over to the lessee on 25.03.2002 instead of 06.06.2001 due to stay order. The lessee had already paid the rent from the date of possession regularly and Director Admn. WASA constituted a Committee for reconciliation of record. Audit informed that record showing actual date of possession, revised agreement was not produced for verification. The Committee directed to get the record verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 4,7,8)

3.4.7.3 Excess payment due to excess measurements over T.S. Estimate – Rs 43.125 million

As per para 2.7,2.12 and 2.86 of B&R code, construction cost scope and specification of the scheme involving material deviation from the original proposal once approved cannot be modified without approval of the competent authority.

Director Water & Sewerage WASA MDA, Multan got executed seven (07) items of work in excess over T.S estimate without the approval of the competent authority.

Violation of rules resulted in excess payment of Rs 43.125 million due to execution of excess quotations over T.S.E

Audit pointed out the excess payment in February 2017. The Agency did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Agency stated that the quantities of the items of work done were increased due to site requirements which were carried out at site with the prior approval of the competent authority. Audit informed that due to increase of non BOQ items the allowed premium would be increased. The Committee upheld the point of Audit and directed to the department to get the financial statement re-verified. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(PDP 412)

3.4.7.4 Non-imposition of penalty on account of delay in completion of work - Rs 37.500 million

According to MDA Governing Body decision in its 64th meeting dated 18.10.2014 which was conveyed by Executive Engineer-1 MDA to contractor vide No. 685/EE-1/MDA dated 27.10.2014 “the penalty for delay in completion of work after 31.12.14 would be imposed @ Rs 100,000 per day”.

Director Engineering UD-Wing MDA, Multan awarded the work “Construction of Road, Water Supply etc. around Scheme Fatima Jinnah Town, Phase-I, Multan” and granted the time extension in time limit with the imposition of penalty @ Rs 100,000 per day. The contractor did not complete the work even within extended period and the work was still in progress. But the department did not make recovery on account of penalty imposed by the competent authority.

Violation of Governing Body decision resulted in non-imposition of penalty due to delay in completion of work amounting to Rs 49.800 million.

Audit pointed out the non-imposition of penalty in February 2017. The department replied that a penalty @ Rs 100,000 per day will be recovered. The contractor completed the work at site on 31.07.2015 after a delay of 7 months (212 days) and was held responsible for the penalty amounting to Rs 21.200 million.

The para was discussed in SDAC meeting held on 26.12.2017. The Agency stated that the recovery Rs 12.300 million has been effected which has been verified by the Audit. Audit informed that balance recovery of Rs 37.500 million was yet to be effected. The Committee reduced the para to Rs 37.500 million and directed to recover balance amount and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 417)

3.4.7.5 Non-obtaining of performance security and additional performance security - Rs 16.626 million

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

Director Water & Sewerage WASA MDA, Multan awarded the work "*Replacement of outlived Sewer 60" to 12" i/d saifal plaza to west railway cabin etc.*" to Contractor M/s Tahir & Co for Rs 90.886 million (i.e. 5.26% below the estimated cost Rs 100.979 million) but did not obtain the performance security and additional performance security.

Violation of contractual obligations resulted in non-obtaining of performance security and additional performance security of Rs 16.626 million.

Audit pointed out the non-obtaining of performance security in February 2016. The Agency did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The department explained to the Committee that performance security has been provided by the contractor. Audit informed the Committee that work is still running but the valid performance securities were not produced. The Committee directed to the department to conduct fact finding inquiry of the issue besides issuance of warning to the defaulters. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(PDP 418)

3.4.7.6 Irregular appointment and payment - Rs 3.123 million

As per re-employment policy of retired government servants issued by S&GAD department vide No.SOR-I-10/2003 dated 16.06.2003, in future, all cases of re-employment on contract must be examined by the Provincial Re-employment Board/Provincial Re-employment Committee in accordance with the policy and recommendation of the Board/Committee should then be submitted for orders of the Chief Minister.

Director Adminn & Finance UD-Wing MDA, Multan, after superannuation /retirement of Mr. Sabir Khan Sadozai and Mr. Khalid Pervaiz on 09.10.2015 and 03.02.2016 respectively, re-appointed them on contract basis on 10.10.2015 and 04.02.2016 as Technical Advisor in BPS-20 and Executive Engineer in BPS-18 respectively in Metro Bus Project Multan in violation of Re-employment Policy ibid.

Violation of rules resulted in irregular appointment and payment of Rs 3.123 million.

Audit pointed out the irregular appointment and payment in January 2017. Authority replied that the appointment was made after superannuation of the officers by the governing body of the MDA.

The para was discussed in SDAC meeting held on 26.12.2017. The department stated that the CE and XEN Multan Metro Bus Project Multan were appointed as Advisor (Technical) with effect from 10.10.2015 & 04.02.2016 on contract basis with the approval of 67th meeting held on 10.02.2016. Audit contended that policy of the S&GAD was violated. The Committee directed to regularize the appointment through ex post facto approval under intimation to Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 360)

3.4.7.7 Non-recovery of income tax - Rs 1.209 million

As per Income Tax Ordinance amended upto 2015, 5% income tax was required to be deducted from the amount of honorarium /reward.

3.4.7.7.1 During scrutiny of the accounts record of Director Admin & Finance UD-Wing, MDA, Multan, it was revealed that an amount of Rs 0.959 million was paid to MDA employees and private agency/persons as honorarium/reward but 5% income tax was not deducted while making payment.

Violation of rules resulted in non-recovery of income tax of Rs 0.959 million.

Audit pointed out non-recovery of income tax in January 2017. The Authority replied that reward was given as per reward policy of MDA approved by the governing body which is not regular income. The reply of

the Authority was not tenable because 5% income tax on honorarium/record was required to be deducted at source as per Income Tax Ordinance.

The para was discussed in SDAC meeting held on 26.12.2017. The department stated that in one observation the said incentive was given through incentive reward policy of MDA for the year 2016-17 approved by the governing body. The other observation is regarding competition for the beautification of Multan City which was advertised in Daily Express newspaper on 03.02.2016. The said expenditure was duly approved by worthy DG, MDA. The Committee directed to effect the recovery of income tax from the payment of the gazetted officers. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 410)

3.4.7.7.2 Directorate of Finance & Admn WASA Multan did not make the deduction of income tax while making the auction of material /structure of WASA building at Bagh Langay Khan Multan. The auction of material was made to Mr. Waqar Younus S/o M. Younas in open auction dated 12.12.2015 but 10% advance income tax had not been recovered.

Violation of rules resulted in non-recovery of income tax amounting to Rs 0.250 million.

Audit pointed out non-recovery of income tax in February 2017. The Agency did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The department stated that the material was auctioned on 12.12.2015 and 10% advance tax was demanded from the contractor which is yet to be recovered. Audit informed that 10% tax was required to be obtained in advance at the time of auction. The Committee referred the para to the

FBR to seek clarification in the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No. 416)

3.4.8 RAWALPINDI DEVELOPMENT AUTHORITY (RDA)

Irregularity & non-compliance

3.4.8.1 Non-mutation of land in the name of RDA - Rs 1,838.941 million

As per para 17 of "Punjab Private Housing Schemes and Land Sub-Division Rules 2010" a Development Authority shall, prior to issuance of sanction for scheme require a developer (a) to submit a transparency of "approved layout plan also indicating the plots proposed to be mortgaged (e) to submit transfer deed (i) area reserved for road, open space, park and graveyard, solid waste management: arid (ii) one percent of scheme area for public buildings, excluding the area of mosque: to submit mortgage deed in the name of the Development Authority". Also as per para 28 (2) of "Punjab Private Housing Schemes and Land Sub-Division Rules 2010" a development authority shall within 09 months of sanction, get land transferred in its name in revenue record as per transfer deed.

Director Land Development, RDA, Rawalpindi approved various private housing schemes and revised lay out plan of these societies for total area of schemes. Neither the authority executed transfer deed nor mutated the land in the name of RDA, Rawalpindi.

Violation of rules resulted in non-execution of transfer deed and mutation of land worth Rs 1,838.941 million.

Audit pointed out the non-execution of transfer deed and mutation of land in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that reply had already been forwarded to Audit. Audit contended that relevant record was not produced for verification. The Committee directed to get the record verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 19, 21, 23,24)

3.4.8.2 Non-mortgaged of 20% land (saleable area) of Private Housing Schemes – Rs 169.501 million

As per para 17 of “Punjab Private Housing Schemes and Land Sub-Division Rules 2010” a Development Authority shall, prior to issuance of sanction for scheme require a developer (a) to submit a transparency of “approved layout plan also indicating the plots proposed to be mortgaged (e) to submit transfer deed (f) to submit mortgage deed in the name of the Development Authority”.

Director Land Development, RDA, Rawalpindi approved schemes “Elite Revenue Housing Scheme” and “Khuda-dad City” whereas 20% land of these schemes was required to be mortgaged in the name of RDA, Rawalpindi. Neither the land was mortgaged nor any performance bond/bank guarantee was provided by the developers. Due to non-obtaining the mortgage deeds, the developers were at liberty to delay the development.

Violation of rules resulted in non-mortgage of the land worth Rs 169.501 million.

Audit pointed out the non-mortgage of the land in March 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that reply has already been forward to audit. Audit contended that relevant record was not produced for verification. The

Committee directed to get the record verified from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 22)

3.4.8.3 Undue financial benefit to the contractor due to obtaining of less additional performance security - Rs 21.798 million

As per general direction No.26 (A) of the agreement read with Finance Department's letter No.RD (Tech)FD-1-2/83/VI(P) dated 24.01.2006, if contractor quotes his rates 5% or more below the estimated rates, additional performance security at the percentage equivalent to the percentage on which tender is accepted shall be obtained from the contractor within 15 days of the receipt of the acceptance.

Director Engineering, UD Wing, RDA, Rawalpindi, awarded work at 10.211% below estimated rates. But the additional performance security was obtained @ 5% instead of 10.211%. Hence, contractor was provided undue financial benefit due to less receipt of additional performance security in violation of instruction of criteria ibid.

Violation of contractual obligations resulted in undue financial benefit due to less receipt of additional performance security amounting to Rs 21.798 million.

Audit pointed out the undue benefit in March 2017 but the department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that Performance Security should be 5% of bid price in case the bid price exceeds Rs 50.00 Million and in case the total tendered amount was less than 5% of approved bid amount, then the lowest bidder will have to deposit performance security upto maximum of 10%. Audit

informed that additional performance security equal to 10.211% of the estimate was required to be obtained. The Committee directed the department to get the record re-verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 83)

3.4.8.4 Overpayment due to non-adjustment of price variation of bitumen and diesel - Rs 19.870 million

As per clause 55 of the contract agreement, if any price variation (increase/decrease) to the extent of 5% or more in the price of any of the items takes place after acceptance of tender and before the completion of contract, the amount payable/recoverable shall be adjusted to the extent of the actual variation in the cost of the item concerned.

Director Engineering, UD-Wing, RDA, Rawalpindi awarded various works after calling tenders. The price of bitumen and diesel de-escalated during execution of works. But the department did not make recovery on account of de-escalation in the price of bitumen and diesel.

Violation of contractual obligations resulted in overpayment of Rs 19.870 million.

Audit pointed out the overpayment in March 2017. But the department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that Price Variation (Escalation / De-Escalation) to the extent of variation of rate by 5% or more on all the items involved including HSD, Bitumen, Labour and against the all items as mentioned in clause-55 of Contract Agreement will be recovered / paid in the next bill. The Committee directed to recover the amount and get the record re-verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification from audit.
(DP No. 75,98,352,353)

**3.4.8.5 Payment of secured advance against perishable item –
Rs 19.810 million**

As per clause 45 of contract agreement, secured advance on materials brought to site of work would be paid on imperishable items @ 75 % of value of the material assessed by the engineer In-charge.

Director Engineering, UD Wing, RDA, Rawalpindi, granted secured advance on Cement to the contractors in two different works. Cement was a perishable item and secured advance was not admissible.

Violation of contractual obligations resulted in irregular payment of secured advance of Rs 19.810 million.

Audit pointed out the irregular payment in March 2017. The department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that full recovery of Secured Advance paid to the contractor has been made from the contractor upto 5th R/bill. Audit informed that secured advance was given on the perishable item i.e. cement, which was not admissible as per rules. The Committee directed that 12.5 % interest be recovered for period of undue benefit as well as to take action against the responsible and get the fact finding report under intimation to Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 69)

3.4.8.6 Non-reduction of disproportionate rates - Rs 18.480 million

As per Clause 47-A of the Contract Agreement, if a contractor quotes such disproportionate rates in his tender which deviate from the rates provided in the Technically Sanctioned Estimate, the payment of items whose rates are lower will be made at tendered rates in full on the execution of items (s) but the payment of items 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 by the Engineer In-charge till the completion of the work of item for which low rates have been quoted".

Director Engineering, UD Wing, RDA, Rawalpindi, awarded the work to the contractor on item rates basis. The contractor quoted disproportionate rates of the items but payments against items carrying high rates were made at quoted / higher rates instead of the rates in TS estimate.

Violation of contractual obligations resulted in non-reduction of disproportionate rates of Rs 18.480 million.

Audit pointed out the disproportionate rates in March 2017. The department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that the work was at completion stage therefore, payment was made as per quoted rates approved by the competent authority. The Committee directed for a fact finding report and responsibility be fixed. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 70,87)

**3.4.8.7 Non-recovery on account of less use of bitumen –
Rs 4.615 million**

As per condition No. 6 of the Finance Department Notification No. RO (Tech) FD 2-3/2004 dated 02.08.2004, the rate of items 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 the contractor as per job mix formula or actual bitumen used in the work.

Director Engineering, UD-Wing, RDA, Rawalpindi got sanctioned the items “Asphalt wearing Course” and “Asphalt base Course” by incorporating 4.5% and 4.0% bitumen contents respectively. The bitumen contents as per extraction test were 4.20% and 3.7%, but the department did not recover the cost of bitumen less used by the contractor.

Violation of Finance Department instructions resulted in non-recovery of Rs 4.615 million.

Audit pointed out the non-recovery in March 2017 but the department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that payment will be made to the contractor as per Job Mix Formula or actual bitumen used in the work so the payment has been made as per Job Mix Formula. Audit informed that the department made payment of said item at higher rate. The Committee directed to get the fact finding report, recover the amount and responsibility be fixed. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.
(DP No. 71,50)

3.4.8.8 Irregular payment without approval of rate analysis of non-MRS item - Rs 3.778 Million

As per instructions of the Finance Department issued vide No. RO(Tech) FD 1-2/83-VI dated 29.03.2005 read with para 2.7, 2.12 and 2.86 of Building and Road Department code, during execution of work neither the specification nor quantity of different items approved in the T.S. Estimate be changed nor any additional item be executed without prior written approval of such change/new addition by the competent authority alongwith recording reasons.

Director Engineering, UD Wing, RDA, Rawalpindi, measured and paid item “*TP Paint, "painting traffic lane marking 5"* wide complete in all respect” @ Rs 9.30 per rft as non-standardized item to the contractor instead of approved item of work in the bid of the contractor i.e. “*CR paint including glass beads complete in all respect*” Rs 2.00 per rft. The item was paid without prior approval of competent authority which was in violation of FDs Instruction ibid.

Violation of Finance Department instructions resulted in irregular payment of Rs 3.778 million.

Audit pointed out the irregular payment in March 2017. The department did not reply.

The para was discussed in SDAC meeting held on 26.12.2017. The Authority stated that during execution of work, the item was substituted with traffic lane making / pavement marking with thermoplastic paint (TP) by the competent authority as per site requirements and due to its long life in local atmosphere as compared to CR paint. Audit informed the Committee that TP paint was got executed without approval of rate analysis and revision of TS. The Committee directed the department to get the record re-verified from Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee’s directive.
(DP No. 80)

3.4.9 BAHAWALPUR DEVELOPMENT AUTHORITY (BDA), BAHAWALPUR

Irregularity & non-compliance

3.4.9.1 Undue financial benefit due to non-revalidation of performance guarantee/ additional performance guarantee - Rs 10.668 million

According to Clause-7 of the agreement read with para-(h) of the memorandum of the work, the performance security in the form of bank guarantee was required to be obtained up-till the completion of maintenance period @ 5% of the accepted tender price in case of tenders with cost exceeding Rs 50 million. Furthermore, as per general direction No.26 (A) of the agreement read with Finance Department's letter No. RD (Tech) FD-1-2 / 83 / VI (P) - dated 24.01.2006, if contractor quotes his rates below 5% or more, additional performance security at the percentage equivalent to the percentage on which tender is accepted shall be obtained from the contractor within 15 days of the receipt of the acceptance.

Director Engineering BDA, Bahawalpur, awarded a work to the contractor at agreement cost of Rs 76.850 million which was 8.88% below the estimated cost put to tender and obtained performance security @ 05 % for Rs 3.843 million and additional performance security for Rs 6.825 million which expired on 24.03.2017. The time period of the work was extended upto 31.12.2017 and 10th running bill paid upto value of work done Rs 57.077 million but the guarantees were not revalidated.

Violation of agreement resulted in undue financial benefit due to non-revalidation of performance/additional performance guarantee amounting to Rs 10.668 million.

Audit pointed out un-due benefit in October 2017. The department did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that the contractor has completed the work satisfactorily. The Committee directed to get verification of revalidated guarantees or regularize the matter from competent forum. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 844)

3.4.9.2 Non-recovery of de-escalation of bitumen - Rs 1.360 million

As per clause 55 of the contract agreement, if any price variation (increase/decrease) to the extent of 5% or more in the price of any of the items takes place after acceptance of tender and before the completion of contract, the amount payable/recoverable shall be adjusted to the actual variation in the cost of the item concerned.

Director Engineering BDA Bahawalpur open tender for the work in March 2016. The rate of bitumen (packed 80/100) was Rs 71,770 per ton, in district Bahawalpur. A quantity of 305453 sft for the item "P/L Plant premixed bituminous carpet, including compaction and finishing to required camber, grade and density 3.5% bitumen 2" thick was measured in May and June 2017. The rate of bitumen in May and June 2017 was Rs 61,582 per ton. Hence, the difference due to de-escalation came Rs 10,188 per ton (Rs 71,770 - Rs 61,582). The quantity of bitumen used in items of work was 133.46 (119.650 + 13.81) ton

Violation of agreement clause resulted in non-recovery of de-escalation of bitumen for Rs 1.360 million.

Audit pointed out non-recovery in October 2017. The Authority did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority stated that escalation/de-escalation would be calculated in the

final bill. The Committee directed to recover the amount of de-escalation and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 845)

3.4.9.3 Non-recovery of Punjab Sales Tax on construction services – Rs 1.252 million

According to section 10(1) read with section 3 of the Punjab Sales Tax on Services Act 2012 (amended up to 2016), subject to the provisions of this Act and the rules, there shall be charged, levied, collected and paid the tax on the value of a taxable service at the rate of 16 percent and as per FBR / Sales Tax and Federal Excise Wing letter No. 4-2 STB/2007 (PT) dated 13.07.2007, the Government departments have been authorized to function as withholding agents for collection of sales tax on taxable purchases made by them. For this purpose, the Government departments shall deduct an amount equal to 1/5th of the total sales tax amount.

3.4.9.3.1 Director Engineering BDA, Bahawalpur made provisions in different works by adding 1% PST and then subsequently deducted the same amount while making payments to the contractors in violation of Finance Department instructions. Hence, provision of 1% PST in rates stood irregular as the same was to be recovered from the contractors.

Violation of rules resulted in non-recovery of Punjab Sales Tax on construction services amounting to Rs 0.701 million.

Audit pointed out non-recovery in October 2017. The department did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority admitted recovery of PST. The Committee directed to effect recovery and get the record verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of tax and its verification.

(DP No. 848)

3.4.9.3.2 Director Engineering BDA, Bahawalpur entered into a contract on 16.03.2016 with a consultant namely M/s New Vision Engineering Consultant for providing services such as planning, designing, surveys, preparation of estimate, reports and other documents for the project “Installation of Traffic Signals in Bahawalpur City” valuing Rs 1.283 million. The consultant was paid an amount of Rs 1.058 million till 2nd running bill. But the department did not make recovery on account of PST.

Violation of rules resulted in non-recovery of Punjab Sales Tax on services amounting to Rs 0.169 million.

Audit pointed out non-recovery of PST in October 2017. The department did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority admitted recovery of PST. The Committee directed to effect recovery and get the record verified from Audit. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery of tax and its verification.

(DP No. 853)

3.4.9.3.3 Director Engineering BDA, Bahawalpur made payment of Rs 11.245 million to M/s Traffic Network Management on account of supply & installation of item “LED lights” but did not deduct general sales tax amounting to Rs 0.382 million (1/5th of 17% of Rs 11.245 million).

Violation of FBR’s instructions resulted in non-recovery of General Sales Tax Rs 0.382 million.

Audit pointed out non-recovery of GST in October 2017. The department did not reply.

The para was discussed in SDAC meeting held on 28.12.2017. The Authority admitted the recovery. The Committee directed to effect recovery and get the record verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 852)

3.4.10 PUBLIC HEALTH ENGINEERING DEPARTMENT

Irregularity & non-compliance

3.4.10.1 Non-recovery of advances - Rs 642.96 million

According to Finance Department Letter No. RO(Tech) FD8-44/2006 dated 07.12.2014 the mobilization advance should be given to the contractor whose tendered amount in the acceptance letter exceeds 10.00 million @ 15% for mobilization of work. Initially a sum equal to 10% of tendered amount and thereafter a further sum equal to 5% of tendered amount will be granted. The recovery of mobilization advance will be made after expiry of 20% period of completion or 20% of the work done whichever is earlier @ 25% of work done in each bill and according to Para 2.98 of Building and Roads Code, secured advance will be granted to the contractor on imperishable material brought at site @ 75% of the supplied material. Further, as per C&W letter dated 29.05.1997, the secured advance is required to be recovered within three month.

3.4.10.1.1 Executive Engineers of various Public Health Engineering Divisions awarded various works to different contractors during 2016-17. The department granted mobilization and secured advances to the contractors. But some amounts of advances were still recoverable inspite lapse of 20% contract period and three months with regard to mobilization advance and secured advance respectively.

Violation of Finance Department's instructions resulted in non-recovery of mobilization advance amounting to Rs 119.96 million and secured advance amounting to Rs 264.17 million.

Audit pointed out the non-recovery in 2017. The department replied that the recovery of mobilization advance and secured advance would be made on consumption of material at site by contractor. But no progress towards recovery was reported.

The matter was also discussed in SDAC meetings held during December 2017. The department stated that in case of DP. No. 553, secured advance for Rs 3.271 million had been recovered and mobilization advance would be recovered soon and in two cases DP. No.17& 500 recovery of secured advance and mobilization advance would be made in next bill. The Committee directed the department to make full recovery in all cases along with 12% interest on undue benefit (where applicable) within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends complete recovery at the earliest.

(DP No. 17, 500, 553)

3.4.10.1.2 Executive Engineers of various Public Health Engineering Divisions, paid secured advance to the contractors on supply of "*Pumping machinery and other material*" but neither the machinery was got installed nor full recovery was made even after lapse of requisite/ stipulated period.

Violation of Finance Department's instructions resulted in non-recovery of secured advance amounting to Rs 216.07 million as detailed in Annex-XIII.

Audit pointed out this non-recovery in 2017. The department replied that the payments were made to the contractors for the machinery and material brought at site but the work could not be executed due to shortage of funds and site clearance issues. As soon as the funds would be received, machinery would be installed and the amount of secured

advance would be recovered from the contractors. The reply of department was not tenable because as per government instructions, recovery was to be made within three months.

The matter was discussed in SDAC meetings held during December 2017. The department in most of the cases stated that recovery would be made in next running bill and in few cases partial recovery was made. Audit informed that full recovery was required to be made because a considerable time had elapsed. The Committee directed that full recovery be made in next bills and to get it verified from Audit. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP No. 521(2016-17), 12, 116, 132, 344, 384, 395, 444, 445, 501, 563, 597)

3.4.10.1.3 Executive Engineers of various Public Health Engineering Divisions, paid mobilization advance to various contractors but the recovery thereof was not made despite expiry of 20% period of completion of relevant work.

Violation of Finance Department's instructions resulted in non-recovery of Rs 86.64 million.

Audit pointed out the non-recovery in 2017. The department replied that recovery of mobilization advance would be made from next bill as it would be due on work done. In few cases the department stated that recovery had been made. The reply was not acceptable as the department neither made recovery of mobilization advance as per agreement nor presented any documentary evidence in support of its reply.

The paras were discussed in SDAC meetings held during December 2017. The department stated in all cases that partial recovery had been made and balance recovery would be made in next bill but failed to produce documents of recovery for verification thereof by Audit. The Committee directed the department to make full recovery within 30 days.

The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 101, 117, 463, 573)

3.4.10.1.4 Executive Engineers of various Public Health Engineering Divisions, made payment on account of secured advance to various contractors against the item "*Supplying of ductile iron pipe 8" dia, 10" dia and 12" dia*" machinery, pumps, RCC pipe and AC pipe beyond the permissible limit i.e. 75% of the market value of respective item.

Violation of Finance Department's instructions resulted in undue benefit to the contractor amounting to Rs 12.77 million.

Audit pointed out the undue benefit in 2017. The department replied that secured advance would be recovered from the contractor in the next bill. The reply was not tenable as the issue was not a simple recovery on account of secured advance, the department allowed secured advance beyond permissible limit i.e. 75% of total value of material taken on site. Secured advance was granted in June 2017 which means that it was granted to the contractor merely to provide financial benefit and to avoid lapse of funds at the close of financial year 2017. Secured advance granted beyond permissible limit was required to be recovered with interest besides taking its condonation from Finance Department.

The matter was discussed in SDAC meeting held during December 2017. The department stated that in case of DP. 30 the secured advance was granted as per rule and in remaining cases recovery would be made and got verified by Audit. Audit informed that department applied higher rate of secured advance to give undue benefit to contractors. The Committee directed the department to make actual recovery of secured advance along with 12 % markup on the excessive payment. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 30, 115, 171, 579, 595)

3.4.10.1.5 Executive Engineer, Public Health Engineering Division, Jhelum awarded a work "*Rehabilitation of need based (identified through TPV) dysfunctional rural water supply schemes district Jhelum (Group-11)*" to a contractor with agreement amount of Rs 44.153 million having completion period upto 30.06.2017. The payment on account of mobilization advance was made to the contractor. The completion period of the project expired on 30.6.2017 but the department did not recover mobilization advance. Further, the department did not produce TS estimate and tender documents to Audit which rendered the tendering process doubtful.

Violation of Finance Department's instructions resulted in irregular award of work and non-recovery of mobilization advance of Rs 4.41 million.

Audit pointed out the irregular award of work and non-recovery of mobilization advance in August 2017. The department replied that payment of mobilization advance was made after observing all due formalities. Tenders for the said works were invited by the Executive Engineer, Public Health Engineering Division, Shiekhupura after approval of competent authority. The recovery of mobilization advance from the contractor would be made in subsequent interim payments. The reply was not tenable as neither tender documents & comparative statement along with detail of rejected tenders were provided to Audit nor mobilization advance was recovered even after expiry of two (2) months of completion period i.e. upto 30.06.2017.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that mobilization advance was granted after observing all codal formalities. Audit informed that mobilization advance was still recoverable. The Committee directed the department to get the complete record verified within 7 days. In compliance of Committee's directives the department made partial

recovery of Rs 1.104 million. The para was reduced to Rs 3.311 million. The compliance of the Committee's directives of full recovery of mobilization advance was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.186)

3.4.10.2 Non-obtaining of performance / additional performance security – Rs 164.30 million

As per clause-7 read with item (h) memorandum of work, and Finance Department Notification RO (Tech) FD-1-2/83 (V) (P) dated 6th April 2005, the contractor is required to provide performance security in the shape of bank guarantee @ 5% of the accepted tender price within 15 days of receipt of acceptance letter in the case of tenders with cost exceeding Rs 50 million. If the performance security is not furnished within the specified period, the tender already accepted shall be considered as cancelled and the tender security will be confiscated by the Engineer In-charge. Further, as per Clause-26-A of the contract agreement, in case the total tendered amount is less than 5% of the approved estimation (DNIT) amount, the lowest bidder will have to deposit additional performance security from a scheduled bank.

3.4.10.2.1 Executive Engineers of various Public Health Engineering Divisions, awarded various works to contractors @5% (and more) below the TS estimated cost but did not obtain additional performance securities from them.

Violation of Finance Department's instruction resulted in non-obtaining of additional performance security of 81.21 million.

Audit pointed out the irregularity in 2017. In one case (DP No. 603) department stated that partial recovery had been made while in remaining two cases (DP 464, 567) the case of performance security was under process but no record was shown.

The paras were discussed in SDAC meetings held during December 2017 wherein the department stated that in case of DP No.603 partial recovery had been made by leaving balance of Rs 3.284 million, in case of DP No. 567 the case of additional performance security was under process and regarding DP No. 464, no record was produced for verification. The Committee directed the department to obtain additional performance security to full extent and get the record verified in 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.

(DP No. 464, 567,603)

3.4.10.2.2 Executive Engineers of various Public Health Engineering Divisions, awarded works to different contractors valuing contract cost more than 50 million but 5% performance securities were not obtained and in two cases (DP No. 486 & 566) expired performance securities were not got revalidated. Thus, undue financial benefit was extended to the contractors.

Violation of Finance Department's instructions resulted in undue financial benefit of Rs 49.54 million to the contractors.

Audit pointed out this undue financial benefit in 2016 and 2017. The department replied in all cases that obtaining of performance security was under process but no record was shown.

The paras were discussed in SDAC meetings held during December 2017. The department stated that in case of DPs 516 & 110, partial recovery had been made and balance recovery of all cases was under process. The Committee directed the department to obtain performance guarantees from contractors and get it verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 516(2016-17), 110, 486, 566)

3.4.10.2.3 Executive Engineer Public Health Engineering Division, Pakpattan awarded eight works to different contractors in 2009. The agreement cost of each work was more than 50 million but the department did not obtain performance security from contractors.

Violation of Finance Department's instruction resulted in undue benefit of Rs 31.43 million to the contractors.

Audit pointed out the lapse in March 2017. The department did not reply.

The matter was discussed in SDAC meeting held during December 2017. The department stated that schemes had been finalized and handed over to TMA. Audit informed that record of recovery of performance security was not produced. The Committee directed the department to get the record i.e. final bills and deposit registers of all the 8 groups of the work verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 623/2016-17)

3.4.10.2.4 Executive Engineers, of various Public Health Engineering Divisions, executed different works but while making payments, security @ 10% on the work done up to 5.00 million and 5% on the amount beyond 50.00 million was not deducted at prescribed rates.

Violation of Finance Department's instruction resulted in undue financial benefit to the contractor due to less deduction of security Rs 2.12 million.

Audit pointed out the less deduction in August 2017. The department did not reply.

The matter was discussed in SDAC meetings held during December 2017. The department stated that actual recovery would be made in next running bill. The Committee directed to make the recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No.107, 261)

**3.4.10.3 Overpayment due to application of higher rates -
Rs 158.91 million**

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

3.4.10.3.1 Executive Engineers of various Public Health Engineering Divisions, got prepared and approved analysis of rate of the non-standardized item of work "*Providing/laying crush stone ¼" - ¾" to 1" gauge under and around the RCC sewer pipe*" and provided quantity of crushed stone 110 cft in it instead of 100 cft. Moreover, under sub-head labour, number of unskilled coolies was taken as 3 instead of 0.5.

Violation of Finance Department's instructions resulted in overpayment of Rs 91.33 million as detailed in Annex-XIV.

Audit pointed out the overpayment in 2017. The department replied that the rate analysis was prepared as per actual requirements at site and same was incorporated in the technically sanctioned estimate, approved by the competent authority. The reply was not tenable because the analysis of rate was prepared at higher side by including 10% excess quantity of crush and extra unskilled labour.

The matter was discussed in SDAC meetings held during December 2017. The department stated that the rate of the item crush stone was approved in the T.S estimate sanctioned by the Chief Engineer. The department took the Finance Department's analysis of the item "Dry rammed brick ballast" in which three coolies were provided. Audit informed the Committee that the analysis of "*Providing/ Laying bajri ¼"-¾" to 1"* gauge was prepared based on the template of an irrelevant item i.e. "Dry rammed brick or stone ballast 1½" to 2" gauge" whereas providing / laying bajri was quite a different item. The Committee upheld the view point of Audit and directed to refer the para to Finance Department for advice. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 538(2016-17), 539(2016-17), 571(2016-17), 573(2016-17), 574(2016-17), 583(2016-17), 4, 6, 10, 13, 25, 27, 32, 38, 45, 59, 63, 67, 70, 83, 84, 91, 94, 109, 111, 121, 133, 142, 154, 155, 159, 162, 163, 170, 177, 181, 204, 207, 216, 221, 224, 231, 236, 253, 265, 279, 291, 296, 305, 322, 325, 326, 339, 340, 347, 351, 354, 357, 359, 360, 361, 363, 371, 378, 379, 380, 381, 398, 422, 432, 433, 527, 531, 536)

3.4.10.3.2 Executive Engineers of various Public Health Engineering Divisions, got prepared and approved analysis of the non-standardized item of work "*Providing and laying tuff tile pavers 60-80 mm thick having 7000 PSI*" by deriving incorrect rate of tuff paver.

Violation of Finance Department's instructions resulted in overpayment of Rs 46.96 million as detailed in Annex-XV.

Audit pointed out the overpayment in 2017. The department replied that analysis of rate of non-standardized item was prepared by applying input rates notified by the Finance Department for relevant quarter. The reply was not tenable because department derived incorrect/higher rate of the item in question while preparing the rate analysis by taking incorrect input rate of tuff paver and excess labor factor.

The matter was discussed in SDAC meetings held during December 2017. The department stated that the rate analysis was approved by the competent authority keeping in view the labour required at site. Audit informed the Committee that during preparation of rate analysis of tuff tiles, rates of labour were provided on higher side as compared to rates provided in MRS input rates of Finance Department. The Committee directed the department to seek clarification from the Finance Department at the earliest. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and compliance of SDAC directive.

(DP No. 492(2016-17), 542(2016-17), 543(2016-17), 544(2016-17), 545(2016-17), 567(2016-17), 619(2016-17), 108, 129, 202, 215, 223, 254, 274, 284, 285, 431, 434, 477, 478, 480, 588)

3.4.10.3.3 Executive Engineer, Public Health Engineering Division, Khushab got derived the rate of a non-standardized items "*Boring in shingle, gravel and rock i/c sinking and withdrawing casing pipe 8" dia*" as Rs 614.43 per rft instead of correct rate Rs 409.62 per rft. The rate of aforesaid item was available in MRS of respective bi-annual for 12" dia to 18" dia only and department got derived the rate of 8"dia as non-MRS / non-standardized rate by dividing 12" instead of rational figure i.e. 18". It was quite pertinent to mention here that department derived the NS rate of the item "*Direct rotary / reverse rotary drilling of bore for tubewell in all types of soil except shingle, gravel and rock 8" dia*" incorrectly.

Violation of Finance Department's instructions resulted in overpayment of Rs 19.75 million.

Audit pointed out the overpayment in October 2017. The department replied that the rate for boring in shingle, gravel and rock including sinking and withdrawing casing pipe 8"dia was not given in respective MRS. Hence rate was prepared on the basis of rate for 12"dia to 18"dia existing in MRS which had been approved & sanctioned technically by Chief Engineer (North) PHE Department Lahore. The reply

was not tenable as the rate for boring in shingle, gravel and rock including sinking and withdrawing casing pipe 8"dia was derived as non-standardized item Rs 614.43 per rft instead of correct rate Rs 409.62 per rft. The department prepared the rate on the basis of rate for 12"dia to 18"dia existing in MRS by dividing 12" instead of 18"dia or average (15").

The matter was discussed in SDAC meeting held during December 2017. The department stated that the rate of 8" dia was prepared as non-standardized on the basis of respective MRS for 12" dia and 18" dia rate which was approved by the competent authority and payment was made accordingly. Audit informed the Committee that while preparing the non-standardized rate, the department derived the rate by dividing other contents with 12 instead of dividing with the average of 12 and 18 which comes to be 15 and this resulted in overpayment to the contractor. The Committee directed the department to re-derive the rate of 8" dia pipe by dividing other contents with 12" dia, 18" dia and (12+18)/2 respectively to reach the most economical rate that should have been applied and to effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 356, 382, 391)

3.4.10.3.4 Superintending Engineer Public Health Engineering Circle, Dera Ghazi Khan in the TS estimate of the work "Comprehensive Sewerage Drainage Scheme Taunsa Sharif, including tuff tiling of streets" under sub work No.3 "Tuff Tiles" sanctioned an item "*Earth work excavation undressed lead upto single throw of kassi in ordinary soil transportation upto one mile lead*" @ Rs 5,695% cft. The analysis of rate of this item included "Earth work excavation in ashes, sand and soft soil or silt clearance @ Rs 2,148.95% cft whereas item "earth work excavation undressed lead upto single throw of kassi in ordinary soil" was admissible @ Rs 1,758.25% cft (item No.1(b) Chapter-3 MRS 1st Bi-Annual period August 2014 District DG Khan). This item was provided for quantity of 1,288,023 cft.

Violation of Finance Department's instructions resulted in overpayment to the contractors due to allowing excess rate amounting to Rs 0.50 million.

Audit pointed out the overpayment in March 2017. The department replied that rate quoted by the contractor was not based on rate analysis of non-schedule item. The tendered amount of contractor was within permissible limit as notified in Delegation of Financial Powers Rules 2006. The incorrect application of rate was regretted but recovery from contractor was not justified. The reply was not convincing as contractor's quoted rates are evaluated on the basis of TS estimated rates which were on higher side due to incorporating an irrelevant item.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that contractor was paid according to his quoted rate. Audit informed the Committee that item of work "Earthwork excavation undressed lead upto single throw kassi in ordinary soil" of MRS Chapter-3 having rate of Rs 1,758.25% cft was to be applied. The Committee upheld the view point of Audit and directed the department to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 560(2016-17)

3.4.10.3.5 Executive Engineer, Public Health Engineering Division, Rawalpindi provided in the TS estimate as non-standardized item "*Providing laying cutting jointing testing and disinfecting P.E pipe PN-12-5/SDR-13.6 & PN-8/SDR-21 in trenches with special joint complete in all respect and valves*" for 06" dia and 04" dia @ Rs 754 per rft and Rs 336 per rft respectively by adding 5% for unforeseen expenses on all items which was not admissible according to the template approved by the Finance Department. The analysis of rate of this non-standardized item was prepared by Audit and correct rates come to Rs 724 per rft and Rs 311 per rft instead of Rs 754 per rft and Rs 336 per rft. In this way excess rate of Rs 30 and Rs 25 was provided in the TS estimate.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.36 million.

Audit pointed out the overpayment in August 2017. The department replied that detailed response would be submitted after consultation of record. The reply was evasive. The department was required to recover overpaid amount.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that payment was made as per approval of the competent authority. Audit informed that 5% unforeseen charges were not admissible. The Committee upheld view point of Audit and directed the department to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 513)

**3.4.10.4 Non-recovery from the consultant on account of defective/ deficient consultancy and supervision -
Rs 156.584 million**

As per SE PHE Bahawalpur letter No. 3166-74 dated 10.04.2017 an amount of Rs 156.584 million was recoverable against established recovery of Rs 160 million.

Executive Engineer, Public Health Engineering Division, Rahim Yar Khan did not make recovery of Rs 156.584 million decided by SE PHE Circle Bahawalpur against M/s NESPAK on account of loss caused to Govt. because of defective/deficient consultancy and supervision for the work 'Sewerage Scheme Rahim yar Khan City with Treatment Plant'.

Violation of SE's instructions resulted in non-recovery of Rs 156.58 million.

Audit pointed out the non-recovery in September 2017. The department replied that sister divisions were approached for recovery of the amount due against NESPAK.

The matter was discussed in SDAC meetings held during December 2017. The department stated that an amount of Rs 3.416 million was recovered and sister divisions were approached to recover balance amount. However Chief Minister Punjab had reduced the recoverable amount. The Committee directed to make full recovery as per Chief Minister's direction and get it verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.418)

3.4.10.5 Non-revalidation of Bank Guarantee - Rs 64.77 million

As per notification issued by the Finance Department vide No. RO(Tech)FD-18-44/2006 dated 07.12.2007 the contractor shall furnish bank guarantee in favour of the govt from any bank declared to be scheduled bank by the State Bank of Pakistan and would be released after completion of work or recovery of the mobilization advance.

3.4.10.5.1 Executive Engineer, of various Divisions of Public Health Engineering, Department allowed mobilization advance to contractors amounting to Rs 54.774 million against which the contractors submitted bank guarantees. However, the subject bank guarantees had expired. The department neither made recovery of mobilization advance nor got bank guarantees revalidated.

Violation of Finance Department's instructions resulted into undue financial benefit due to non-revalidation of bank guarantees against mobilization advance amounting to Rs 54.77 million.

Audit pointed out the irregularity in August 2016. The department replied that the contractor was directed to get the bank guarantee revalidated who had informed that revalidation was under process and the same would be ensured before the payment of next running bill.

The matter was discussed in SDAC meeting held during December 2017. The department did not show any progress on the issue. The Committee took the issue of non-revalidation of bank guarantees seriously and directed the department to get the bank guarantees revalidated within 15 days or otherwise, case may be moved to Administrative Department for fixing responsibility. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of the Committee's directive.
(DP No. 540 (2016-17), 568, 569)

3.4.10.5.2 Executive Engineer, Public Health Engineering Division, Vehari allowed mobilization advance amounting to Rs 48.748 million to a contractor against which he submitted nine (9) bank guarantees. It was noticed that out of nine (9) bank guarantees two (2) had been released to the contractor despite the fact that the work was at the initial stage and mobilization advance of Rs 35.964 million was still recoverable. In this way, undue financial benefit was given to the contractor by prematurely releasing his performance securities.

Violation of Finance Department's instructions resulted in irregular release of bank guarantees amounting to Rs 10.00 million to the contractor.

Audit pointed out the irregularity in August 2016. Department replied that contractor had provided the bank guarantees against mobilization advance out of which an amount of Rs 12.783 million had been recovered from the contractor in the 3rd and 4th running bills and subsequently bank guarantees of Rs 10.00 million were released.

Department admitted the irregularity which needs to be got condoned from the Finance Department.

The matter was discussed in SDAC meeting held during December 2017. The department stated that bank guarantees were obtained but no record was shown. The Committee directed the department to effect recovery in the next bills along with fixing responsibility. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 537(2016-17)

3.4.10.6 Irregular payment due to non-reduction of disproportionate rates - Rs 43.09 million

As per Clause 47-A of the Contract Agreement, if a contractor quotes such disproportional rates in his tender which deviate from the rates provided in the Technically Sanctioned Estimate, the payment of items whose rates are lower will be made at tendered rates in full on the execution of items (s) but the payment of items 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 by the Engineer In-charge till the completion of the work of item for which low rates have been quoted".

Executive Engineers of various Public Health Engineering Divisions, awarded the works to the contractors on item rates basis. The contractors quoted disproportionate rates of the items but payments against items carrying high rates were made at quoted / higher rates instead of TSE rates.

Violation of contractual clause resulted in irregular payment of Rs 43.09 million.

Audit pointed out the irregularity in 2017. The department replied that amount involved would be recovered in next bills but no progress was reported.

The paras were discussed in SDAC meetings held during December 2017. The department stated that in one case (DP No. 417), the scheme was in progress and the recovery would be made in next running bill. In case of DP No. 522, the department stated that most of items had been executed. Regarding DP No. 512 that work was executed as per TS estimate. The Committee did not agree with the explanation of the department and directed to calculate recoverable amount by preparation of the comparative financial statement as per Finance Department instructions dated 29.03.2005 and get verification thereof from Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 512(2016-17) 522(2016-17), 417)

3.4.10.7 Non-recovery of government taxes - Rs 29.29 million

As per FBR/Sales Tax and Federal Excise wing letter No. 4-2/STB/2007 (PT) dated 13.7.2007, the Government departments would deduct an amount equal to 1/5th of total sales tax amount shown in sales tax invoice issued by the supplier and balance amount of tax would be deposited by the supplier himself in National Bank of Pakistan. Further as per clause 1.7 of consultant agreement, unless specified in the Special Condition, the consultants, sub-consultants and their personnel shall pay such taxes, duties, fees and other impositions as may be levied under the applicable law, the amount of which is deemed to have been included in the Contract Price.

3.4.10.7.1 Executive Engineers of various Public Health Engineering Divisions made payments to contractors on account of "*Provision of pumping machinery, vertical turbine pumps, sullage pumps, submersible pumps and socket spigot pipes etc*". But General Sales Tax @ 1/5th of

17% was not deducted while making payment to the contractors as the component of GST was inclusive in the aforesaid item rate shown in quotation of the item issued by the supplier / importer.

Violation of rules resulted in non-recovery of GST amounting to Rs 28.03 million as detailed in Annex-XVI.

Audit pointed out the non-recovery in 2017. The department replied that as and when the contractor purchases any item from the manufacturer, the manufacturer receives sales tax from the contractor. The reply was not acceptable because no record of deposit of sales tax by contractor was produced/shown in support of reply.

The paras were discussed in SDAC meetings held during December 2017. The department stated that the sales tax was not deductible because electric generators, pumps and pipes etc were the part of civil works and the same were not purchased separately. Audit informed that the GST was applicable but the department did not produce evidence of deposit of amount of GST in National Bank of Pakistan, invoices of manufacturer and sales tax invoices. Moreover, the invoices of sales tax deduction and FBR receipts thereof along with sales tax registration Nos. were required to be produced by the contractors for confirmation that the sales tax was deposited into government revenue. The Committee did not agree with the explanation of the department and directed the department to get the sales tax invoices verified by the Audit, otherwise, the recovery be effected and got verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 500(2016-17), 518(2016-17), 519(2016-17), 584(2016-17), 606 (2016-17), 18, 21, 28, 29, 46, 51, 57, 127, 144, 149, 173, 232, 242, 245, 289, 309, 330, 331, 408, 411, 413, 415, 539)

3.4.10.7.2 Executive Engineer, Public Health Engineering Division, Rawalpindi awarded the contract of consultancy to “M/s Water Wise JV Designemen Pvt. Ltd” for Rs 6.728 million. The contractor included 7% income tax and 16 % GST amounting to Rs 0.383 million and Rs 0.875 million respectively over total cost of financial proposal of Rs 5.470 million. All the taxes, duties, fees and other impositions were inbuilt component of the financial cost and deemed to have been included in the contract cost and separate provision of the same was not justified as per instructions issued by the Finance Department.

Violation of rules resulted in non-recovery of Rs 1.26 million on account of income tax and sales tax.

Audit pointed out the non-recovery of income tax and sales tax in August 2017. The department stated that a detailed reply would be submitted after consultation of record. The reply was not tenable because all the relevant record was available with the department.

The matter was discussed in SDAC meeting held during December 2017. The department stated that payment had been made to the consultant after deduction of all taxes. Audit informed that deduction of tax was not evident from record. The Committee directed the department to make recovery within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.34)

3.4.10.8 Overpayment due to non-deduction of cost of old material - Rs 27.57 million

As per Para No.18 (1) 9(1) of Book of Specifications, all demolished material shall be considered the property of the government, and shall be disposed of as directed by the Engineer Incharge.

Executive Engineers of various Public Health Engineering Divisions, during execution of work measured and paid items of dismantling of bricks or flagged flooring and RCC 1:2:4 etc. but neither old material i.e. bricks and steel was used on work nor the cost thereof was recovered from contractors.

Violation of rules and specifications resulted in overpayment of Rs 27.57 as detailed in Annex-XVII.

Audit pointed out the overpayment in 2017. The department replied that the works were in progress, the deduction of old material would be made after verification of record and complete measurement of the work. Further, useable material i.e. bricks would be used only in case of soling restoration work. The reply was not tenable because recovery was required to be made in running bill while making payment.

The paras were discussed in SDAC meetings held during December 2017. The department stated that recovery would be made in due course of time. While, in few cases the department stated that material was not re-useable. Audit contented that in case of non-reusable material, the engineer incharge would have issued a certificate of non-reusability in this regard. The Committee upheld view point of Audit and directed the department to make recovery within 30 days and get it verified by Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP Nos. 504 (2016-17), 546 (2016-17), 554(2016-17), 562(2016-17), 5, 44, 58, 68, 174, 272, 278, 288, 324, 337, 350, 367, 372, 375, 383, 399, 400, 405, 409, 410, 414, 435, 492, 532, 560, 574, 584, 592)

3.4.10.9 Overpayment due to excess measurement - Rs 15.65 million

As per rule 7.29 of DFR, before signing the bill SDO should compare the quantities in the bill with those recorded in MB and see that

all the rates are correctly entered and that all calculations have been checked.

Executive Engineers of various Public Health Engineering Divisions awarded works to different contractors. During execution of works, item of works such as PCC, earth work excavation etc were measured and paid incorrectly.

Violation of rules resulted in overpayment of Rs 15.65 million as detailed in Annex-XVII.

Audit pointed out the overpayment in 2017. The department did not furnish any reply.

The matter was discussed in SDAC meetings held during December 2017. The department stated that in case of DP No. 585 recovery would be made, while in all of the remaining cases it replied that the work was executed as per approved estimate and site requirement and estimates thereof would be revised. Audit informed the Committee that thickness of PCC width and length of existing streets were measured and paid in excess which was not justified. The Committee directed the department to get the record verified within 30 days and to effect actual recovery if any. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 524(2016-17), 532(2016-17), 591(2016-17), 03, 86, 112, 185, 188, 249, 263, 264, 327, 490, 585)

3.4.10.10 Unjustified payment/execution of work more than the carted stone - Rs 13.73 million

As per approved estimate of the work, the quantity of the carriage of stone and course rubble masonry were equal.

Executive Engineers, Public Health Engineering Division, Chakwal measured and paid quantity of 493,528 cft of an item “*CR Masonry in hammer dressed ratio 1:3*” against 474,726 cft quantity of carted stone as the correct quantity of stone available for CR Masonry was 379,781 cft after deducting 25% void component inclusive in the quantum of carted stone but the department got executed “CR Masonry” for 493,528 cft.

Violation of estimate resulted in unjustified payment of Rs 13.73 million.

Audit pointed out the unjustified payment in August 2017. The department replied that quantity of material was paid and the work was executed at site by keeping in view the Government interest and no excess payment was made. The reply was not tenable because department got carted 474,726 cft of stone wherein 25% void component was inclusive which means that actual quantity of stone available for execution was 379,781 cft which was lesser than the quantity paid.

The matter was discussed in SDAC meeting held during December 2017. The department stated that work was executed at site by keeping in view the Govt. interest. The Committee did not accept the departmental view point and directed to make recovery on account of non-deduction of 25% voids from the CR Masonry. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.164)

3.4.10.11 Loss to Govt due to purchase of machinery through contractor – Rs 12.23

According to instructions issued by the Finance Department Notification dated 08.08.2005 and 30.03.2006, Plant & Machinery and other store items like generators, lifts, air conditioners electric motors turbines, pipes etc. are required to be purchased as per procedure

prescribed in Purchase Manual instead of allowing 20% profit and overheads to contractors by adopting works procedure and 5% services charges + income tax admissible only.

Executive Engineers of various Public Health Engineering Divisions, PHE Circle Gujranwala and DG Khan awarded various contracts to different contractors. The contracts included procurement of pumping machinery, turbine pumps, centrifugal sullage pumps and diesel generators of different capacity. Analysis of machinery was not made available to Audit to verify the facts whether 20% contractor's profit was included in analysis or not. Moreover, machinery was required to be purchased directly from the manufacturer to avoid contractor's profit.

Violation of Finance Department's instructions resulted in loss to Govt amounting to Rs 12.23 million due to purchase of machinery through contractor. (Annex-XIX)

Audit pointed out the loss in 2017. The department did not reply.

The paras were discussed in SDAC meeting during December 2017. Audit informed the Committee that as per Finance Department's instructions 5% contractor's profit was admissible to contractor over and above the prevalent taxes hence 12.5% was admissible instead of 20% for preparation of rate analysis. The Committee directed the department to recover actual amount in the light of Finance Department's instruction. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 557(2016-17), 563(2016-17), 146, 152, 153, 161, 235, 239, 365, 390, 404, 407, 412)

3.4.10.12 Overpayment due to application of incorrect / higher rate - Rs 10.73 million

According to instructions issued by the Finance Department Notification dated 08.08.2005 and 30.03.2006, Plant & Machinery and

other store items like generators, lifts, air conditioners electric motors turbines, pipes etc. are required to be purchased as per procedure prescribed in Purchase Manual instead of allowing 20% profit and overheads to contractors by adopting works procedure and 5% services charges + income tax admissible only.

Executive Engineer, Public Health Engineering Division, Rawalpindi got derived a rate of a non-standardized item "*Providing, laying, jointing, testing and disinfecting of ductile iron standard socket spigot pipe C 40 DN 300 12" dia....etc*" @ Rs 5,450 per rft by adding 5.5% income tax in addition to 20% contractor profit and overhead charges instead of 5% service charges only. The payment was made to the contractor for quantity 41,941 rft @ of Rs 5,687.80 per rft (Rs 5450 + 4.35%) instead of correct payable rate of Rs 5,431.26 per rft (Rs 5204.85 + 4.35%). Application of incorrect rate resulted in overpayment of Rs 10.729 million. (Rs 5,687.80 – Rs 5,431.26 = Rs 255.81 x 41,941 rft).

Violation of Finance Department's instructions resulted in overpayment of Rs 10.729 million.

Audit pointed out the overpayment in August 2017. The department replied that the payment was made to the contractor as per rate approved by the competent authority. The reply was not tenable as department had derived incorrect / higher rate by adding 20% contractor profit + 5.5% income tax instead of 5% service charges only. Further, quoted cushion over TS estimate was also inadmissible in this case.

The matter was discussed in SDAC meeting held during December 2017. The department stated that work was allotted on the basis of TS estimate and through competitive bidding. No profit/overhead was added in quotation. The Committee did not agree with departmental view point as the department failed to substantiate its stance by documentary evidence, hence, it was directed to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.40)

**3.4.10.13 Non-recovery on account of shrinkage allowance -
Rs 10.14 million**

As per provision of Market Rate System under Chapter No.3 “Earth Work”, 10% shrinkage was required to be deducted when the work is done manually.

Executive Engineers of various Public Health Engineering Divisions, got executed an item “Filling, watering and ramming of earth under floor undressed lead upto a single throw of kassi, phaorah or shovel in ordinary soil transportation with different leads” for various works but no deduction of 10 % shrinkage allowance was made as per instructions of MRS. Resultantly, huge quantity of earth work was excessively paid to the contractors.

Violation of regulations resulted in non-recovery of Rs 10.14 million as detailed in Annex-XX.

Audit pointed out the non-recovery in 2017. The department replied that earth filling in streets under PCC was brought at site by the contractor and payment of earth filling was made to the contractor after filling watering and ramming of earth under floor, therefore there was no need of 10% deduction of shrinkage. The reply was not tenable as department got measured the earth in the narrow streets not in borrow pit measurement. Filling of earth under floor was executed undressed and manually. So, department was required to deduct shrinkage keeping in view the Finance Department instructions contained in preface of chapter earth work in MRS.

The paras were discussed in SDAC meetings held during December 2017. The department stated that “Filling, watering, ramming of earth under floor undressed upto a single throw of kassi” was measured and paid. Audit informed the Committee that the earth work was executed

under soling as undressed and in narrow streets the use of compaction road roller was not justified. The Committee upheld the view point of Audit and directed the department to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 561(2016-17), 565 (2016-17), 7, 42, 93, 141, 143, 156, 314, 328, 389, 393, 437, 453, 461, 468, 473, 495, 520, 528, 535, 562, 577, 593)

3.4.10.14 Loss due to execution of costly items - Rs 6.40 million

According to rule 2.10 of PFR Vol-1 every Government officer is expected to exercise the same vigilance while sanctioning or incurring of expenditure from public money as a man of ordinary prudence would exercise while incurring expenditure from his own pocket. Further, as per remarks against item No.1 to 3 chapter 6-Concrete, "the stone blast, crushed bajri, round shingle from nallah or brick ballast may be used according to their comparative cheaper rates in various areas of the province".

3.4.10.14.1 Executive Engineer, Public Health Engineering Division, Sialkot got executed an item "*Earthwork excavation in open cutting for storm water channels, drains, sullage drains....etc upto 5 ft. depth*" and 5.1 ft. to 10 ft. depth @ Rs 4,528.26 (4,337+4.41% above TS) and 5,089(4874.05+4.41% above TS) for the quantity 891,972 cft and 314,777 cft respectively. Audit was of the view that department was required to execute the item "*Earthwork in excavation of drains, irrigation channels through excavator / drag lines in all kind of soil ...etc*"(MRS Ch.03,item no.52) being more suitable and economical having rates of Rs 1,801.07 per % cft (1725+4.41%).

Violation of rules resulted in loss of Rs 3.47 million to govt.

Audit pointed out the loss in September 2017. The department replied that item was provided in the T.S estimate in accordance with the

site requirements and was executed & paid accordingly. The site of work did not permit to execute the work through excavator/drag lines being built up area. The reply was not tenable as department provided incorrect and more expensive item in T.S estimate. The item executed by the department was based on manual labour as shown in rate analysis of FD template whereas such a huge quantum of excavation could be done only by mechanical means as the length of sullage carrier / channel was more than 5 miles.

The matter was discussed in SDAC meeting held during December 2017. The department stated that nature of work was important as this nullah was to be constructed very close to building line and have other structures above and below ground level hence use of machinery would have been dangerous for private buildings. Audit briefed the Committee that as per maps and plans there was no built up area on this nullah so the mechanical means could have been quite suitable for the excavation in most of the area. The Committee directed the department to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.219)

3.4.10.14.2 Executive Engineer, Public Health Engineering Division, Gujranwala got executed items "*Cement concrete brick or stone ballast 1½" to 2" gauge in foundation and plinth ratio 1:7:20*" @ Rs 9,290.93 per % cft below the item PCC 1:2:4 under subhead PCC Flooring and "*Providing & laying crushed stone aggregate sub base course ...etc*" @ Rs 7,026.22 per % cft below RCC 1:2:4 under subhead RCC Road. Audit was of the view that department was required to execute an item having comparatively cheaper and economical rates of Rs 7,026.22 per % cft instead of 9,290.93 per % cft for PCC flooring in compliance of above referred instructions contained in MRS.

Violation of rules resulted in loss to the government because of allowing an item having per% cft higher rate of Rs 2.93 million.

Audit pointed out the loss in September 2017. The department replied that item “cement concrete, brick or stone ballast 1½” to 2”gauge in foundation and plinth ratio 1:7:20 as provided / laid as per provision in T.S estimate and as per genuine site requirements. The reply was not tenable as department was required to keep in view the cannons of financial propriety while incurring expenditure. As per remarks against item No.1 to 3 chapter 6-Concrete, “the stone ballast, crushed bajri, round shingle from nallah or brick ballast may be used according to their comparative cheaper rates in various areas of the province”. While the department approved provisions of expensive item.

The matter was discussed in SDAC meeting held during December 2017. The department stated that cement concrete brick ballast 1:7:20 was used as per sanctioned estimate. Audit informed the Committee that sub base was cheaper and should have been used in streets also. The Committee upheld the view point of Audit and directed the department to effect recovery as factor of economy was not watched by making comparison of rates of both items.

Audit recommends early recovery and its verification.

(DP No.140)

3.4.10.15 Undue financial aid due to premature release of security deposits to the contractors - Rs 4.00 million

As per clause 50 of the contract agreement the amount retained as security deposit shall not be refunded to the contractor before the expiry of 6 months in the case of original work valuing up to Rs 5 million and 12 months or even more as may be determined by the Engineer Incharge with the prior approval of the Chief Engineer in case of works valuing above Rs 5 million, after the issuance of certificate of completion of work under clause 40 of contract agreement.

Executive Engineer Public Health Engineering Division, Khanewal awarded a work “Urban Water Supply & Sewerage Scheme Abdul Hakeem City Phase-I Tehsil Kabirwala District Khanewal” to a contractor

in March 2014 with contract cost of Rs 118.476 million. During execution of work, the department released premature security deposits to the contractor for Rs 4.000 million in respect of above work during February 2017 in violation of contract clause *ibid*.

Violation of contractual clause resulted in undue financial benefit due to premature release of security deposit amounting to Rs 4.00 million.

Audit pointed out the irregularity in August, 2017. The department replied that initially the contractor was allotted the above work and he completed his job. Later on the department got the scheme revised as per site requirement and enhanced the cost to Rs 135.798 million. The security of Rs 4.00 million out of Rs 6.00 million was released in 02/2017 after 10 months of completion of his original contract agreement. The balance amount of security for Rs 2.834 million was still available with the department. No premature release of security deposit was involved. The reply was not tenable because in case of revision of estimate and enhancement of agreement, the deducted security deposit cannot be released. Original work and agreement were intact with the same terms and conditions. Increase in quantities was not a new work. Premature security was released to provide undue financial benefits which was a serious financial irregularity.

The matter was discussed in SDAC meeting held during December 2017. The department stated that the contractor completed his job upto 13th running bill dated 20.04.2016 amounting to Rs 119.8 million against agreement cost of Rs 118.476 million and the security was released in February 2017. The contract was enhanced during 12/2016. Audit informed that release of security deposit was premature because enhancement was made before the release of security deposit. The Committee directed that inquiry be held under administrative department to fix responsibility against those responsible for pre-mature release of security. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of principal amount (Rs 4.00 million) and cost of capital @12% p.a (Rs 197,260) besides fixing responsibility.

(DP No. 292)

3.4.10.16 Overpayment due to non-reduction of rate of brick work - Rs 3.66 million

As per remarks in MRS item No. 7 Chapter “Brick work”, the composite rate of bricks will be reduced by 7% when 2nd class bricks are used.

Executive Engineers of various Public Health Engineering Divisions awarded various works to different contractors. As per lab test report of bricks the dimension of bricks were 8.88" x 4.37" x 2.75" instead of standard size of 9" x 4.5" x 3". Hence under sized bricks come under category of 2nd class bricks but the department did not reduce the composite rate of brick work for 7% as per instruction of MRS.

Violation of rules resulted in overpayment of Rs 3.66 million.

Audit pointed out the overpayment in 2017. The department replied that the test reports were being collected from field and same would be produced to audit in due course. The reply was not tenable as per lab test report of bricks mentioned in audit para. The bricks used were under sized i.e. of (8.88"x4.37"x2.75").

The matter was discussed in SDAC meetings held during December 2017. The department stated that payment was made in cubical contents. Audit informed the Committee that as per Finance Department directions the under sized bricks with length less than 8.92" would be treated as B-class bricks. The Committee upheld the view point of Audit and directed the department to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 250, 252, 262, 420, 556)

3.4.10.17 Payment against inadmissible item - Rs 3.41 million

As per rule 2.10 of PFR volume-I same vigilance should be exercised in respect of expenditure from public money as a person of ordinary prudence would exercise in respect of his own money.

Executive Engineer, Public Health Engineering Division, Rawalpindi got executed 59,452 rft of non-standardized item “*Cutting of cement concrete with machinery i/c cost of machinery charges and labour charges etc complete in all respect*” @ Rs 31.35 per rft for Rs 1.864 million. A composite item “dismantling of cement concrete” was available in MRS of respective bi annual rates. The department allowed both the items simultaneously which showed that aforesaid non-standardized item was unjustified and inadmissible. Audit was of the view that execution of non-standardized item in addition to the complete composite item (duly approved by the technical Committee of the Finance Department) was quite unjustified.

Violation of rules resulted in overpayment of Rs 3.41 million.

Audit pointed out the overpayment in August 2017. The department replied that the rate of non-standardized item was approved by the competent authority. The reply was not tenable as “dismantling of cement concrete” was a composite item in MRS. There was no need to allow extra payment for cutting of cement concrete.

The matter was discussed in SDAC meetings held during December 2017. The department stated that rates of non-standardized items were approved by the competent authority. The provision of cutting of concrete with machinery was made to ensure least damage to PCC as manual dismantling would have damaged width of PCC. The Committee did not accept the view point of department and directed to seek advice

from Finance Department for standardization. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 24, 50, 53)

3.4.10.18 Loss due to inadmissible payment on account of price variation - Rs 3.36 million

As per A&C(PV)s No.1 RO (Tech) FD 10-4/2015 dated 01.06.2015 price variation on course aggregate (bajri) will be admissible w.e.f 01.06.2015

Executive Engineers of various Public Health Engineering Divisions, awarded works to different contractors. The department made payment of price variation on Bajri/crush used in PCC and RCC to the contractor. As per notification issued by the Finance Department regarding price variation on different items, the price variation was allowed only on crush/bajri used in surface dressing. The payment on account of price variation against the crush used in PCC and RCC resulted into loss.

Violation of rules resulted in loss to government of Rs 3.36 million.

Audit pointed out the loss in November 2017. The department replied that payment of price variation on account of crush / bajri used in PCC & RCC (course aggregate) had rightly been made as per addendum and corrigendum No. (ii) dated 05.08.2015 issued by the Finance Department. The reply was not tenable as the works were awarded on 30.12.2009 when the price variation on crush / bajri was not allowed as rate of the item in question was not notified by the Finance Department in the monthly rates for the calculation of price variation. Hence, the payment on account of price variation against crush / bajri used in the works prior to the issuance of aforementioned A&C was not admissible.

The matter was discussed in SDAC meeting held during December 2017. The department re-iterated its previous reply. Audit informed the Committee that price variation on bajri was not admissible on the contracts awarded before 05.08.2015. The Committee upheld view point of Audit and directed to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 507, 523, 529, 530)

3.4.10.19 Overpayment due to incorrect calculation - Rs 3.18 million

According to rule 7.29 of DFR Vol-I before signing the bill the officer/Officials should compare the quantities in the bill with those recorded in M.B and see all the rates are correctly entered and that calculations have been checked arithmetically to be correct.

Executive Engineers of various Public Health Engineering Divisions, during execution of works made incorrect record entries in MBs by wrong carry forwarding of total.

Violation of rules resulted in overpayment due to incorrect calculation of Rs 3.18 million. The detail is as under:

Sr.No	DP No	Name of Division	Amount (Rs in million)
1	206	PHE Sialkot	1.389
2	208	PHE Sialkot	0.775
3	209	PHE Sialkot	0.503
4	519	PHE, Kasur	0.267
5	526	PHE, Kasur	0.249
Total			3.183

Audit pointed out the overpayment in 2017. In most of the cases the department replied that recovery pointed out by the Audit would be made in the next bill but no recovery was got verified.

The paras were also discussed in SDAC meetings held during December 2017. The department stated in respect of DP No. 206, 208, 209 that the recovery would be made in next bill and regarding DP No. 519, 526 that payment was made correctly but no record in support of reply was produced. The Committee directed the department to effect recovery and get it verified by Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.206, 208, 209, 519, 526)

3.4.10.20 Overpayment due to excess lead – Rs 2.00 million

As per rule 2.10 of PFR volume-I same vigilance should be exercised in respect of expenditure from public money as a person of ordinary prudence would exercise in respect of his own money. Further, as per approved TS estimates of works, the lead for transportation of earth, dismantled material and stone was provided as 2 miles 1 mile and 224 km respectively.

3.4.10.20.1 Executive Engineer, Public Health Engineering Division, Sialkot awarded two works to different contractors and got executed an item “*Carriage of 100 cft of all materials like stone aggregate, spawl, kankar lime, surkhi etc by truck or by any other means owned by the contractor*” by taking lead 229 km @ Rs 4,827.27% cft instead of 224 km lead having rate Rs 4,546 as provided in TS estimate.

Violation of estimated provision resulted in overpayment of Rs 0.85 million.

Audit pointed out the overpayment in September 2017. The department replied that lead for carriage of material from Sikhanwal

quarry to site of work and lead chart appended to the estimate technically sanctioned by the Chief Engineer clearly indicated that the lead was actually 230 Km whereas the rate was analyzed for 224 Km. Lead paid was already on lesser side than the approved lead chart. The reply was not tenable as department calculated rate Rs 4,355.65 % cft for taking distance 224 Km against which contractor quoted his bid 4.37% above TS Estimate and correct payable rate came to Rs 4,546 ($4355.65 + 4.37\%$), whereas department made payment for aforesaid item at Rs 4,898.50 % cft.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that low rate was applicable only on the quantity approved in revised TS estimate and actual recovery comes to Rs 0.269 million. Audit briefed the Committee that lead / carriage for 235 kilometers instead of 229 kilometers was paid to the contractor and as per nomenclature contained in acceptance letter and in estimate lead for 229 kilometers instead of 245 kilometers was admissible. The Committee directed the department to get the record verified by Audit and effect due recovery after showing correct calculation. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.222, 226)

3.4.10.20.2 Executive Engineer Public Health Engineering Division, Rahim Yar Khan awarded a work "Rehabilitation and Augmentation of Sewerage System Khan Pur City (Phase-II) District R Y Khan" to a contractor in April 2014 with contract cost of Rs 419.504 million. During execution of work, the item "*Transportation and re-transportation*" was measured and paid with lead two mile @ Rs 3333‰ cft instead of admissible rate of Rs 2,675 ‰ cft.

Violation of estimated provision resulted in overpayment Rs 0.83 million.

Audit pointed out the overpayment in September 2017. The department replied that all the payments were made to the contractor as

per approved rates in T.S estimate sanctioned by Chief Engineer and no overpayment was involved. The reply was not tenable because as per acceptance letter estimated lead of one mile was admissible.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that all the payment was made as per approved rates in TS estimate. Audit informed the Committee that in the estimate of work, the lead was provided for one mile. The DNIT should have been prepared as per estimate. The Committee upheld the view point of Audit and directed to make full recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.423)

3.4.10.20.3 Executive Engineer Public Health Engineering Division, Rahim Yar Khan awarded a work “Rehabilitation and Augmentation of Sewerage System Khan Pur City (Phase-II) District R.Y Khan” to a contractor in April 2014 with contract cost 419.504 million. As per approved TS Estimate the item “*Transportation of old material*”l was approved with one mile but while preparing BOQ and issuance of acceptance letter the lead was increased to two miles.

Violation of estimate provisions resulted in overpayment due to excessive lead amounting to Rs 0.32 million.

Audit pointed out the overpayment in September 2017. The department replied that all the payments were made to the contractor as per approved rates in T.S estimate sanctioned by Chief Engineer. No overpayment was involved. The reply was not tenable because as per acceptance letter and estimate, lead of one mile was admissible.

The matter was discussed in SDAC meeting held during December 2017. The department stated that all the payment was made as per approved rates in TS estimate. Audit informed that in the estimate of work

lead was provided for one mile. The DNIT should have been prepared as per estimate. The department accepted the point of view of Audit. The Committee directed the department to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.424)

3.4.10.21 Loss to government due to execution of work in violation of specification - Rs 1.79 million

According to Chief Engineer (North) PHE Department Lahore Letter No 664-67/P&D-I dated 29.05.2015, thickness of PCC 1:2:4 and 1:7:20 Pavement in Streets 3" and 4" for width of streets upto 6 ft. and more than 6 ft. upto 10 ft. respectively.

Executive Engineer, Public Health Engineering Division, Kasur executed an item "*Cement concrete brick or stone ballast 1½" to 2" gauge in foundation and plinth Ratio 1:6:12*" @ Rs 9,753.01 % cft beneath PCC against the admissible ratio 1:7:20 for which admissible rate comes to Rs 1.79 million.

Violation of Chief Engineer's instructions resulted in loss to government due to application of rich specification of Rs 1.79 million.

Audit pointed out the loss in November 2017. The department replied that payment was made according to the provision of T.S Estimate. The reply was not tenable because as per guidelines / criteria issued by the CE North, the item "*Cement concrete ratio 1:7:20*" was required to be executed under the item "*PCC 1:2:4*" whereas department got executed the item "*Cement concrete brick or stone ballast 1½" to 2" gauge in foundation and plinth Ratio 1:6:12*" which resulted in loss of Rs 1.792 million.

The matter was discussed in SDAC meeting held during December 2017. The department stated that payment had been made according to the provision in the T.S. Estimate. Audit informed the Committee that item in question was included in TS estimate in contravention to specification approved by Chief Engineer (North). The Committee upheld the view point of Audit and directed to make recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 524, 533)

3.4.10.22 Loss to government due to non-deduction of professional tax - Rs 1.72 million

According to Finance Department clarification issued vide No. SO(M-I)1-1/2000(P-I) dated 20.05.2011, professional tax was required to be deducted on first day of July each year.

Executive Engineers of various Public Health Engineering Divisions, did not make recovery of professional tax from the contractors/ suppliers rendered services/ executed work during 2016-17 in their divisions.

Violation of rules resulted in loss due to non-deduction of professional tax Rs 1.72 million. The detail is as under:

Amount in million				
Sr.No	DP No	Year	Name of Division	Amount
1	105	2017-18	PHE, Bahawalnagar	0.200
2	135	2017-18	PHE, Okara	0.200
3	268	2017-18	PHE Multan	0.290
4	310	2017-18	PHE Lodhran	0.230
5	427	2017-18	PHE RY Khan	0.150
6	505	2017-18	PHE, Bahawalpur	0.280
7	580	2017-18	PHE, Layyah	0.130
8	600	2017-18	PHE, Bhakkar	0.150
9	610	2016-17	Secretary HUD & PHE Lahore	0.090
				Total 1.720

Audit pointed out the loss in August 2017. The department did not reply.

The matter was discussed in SDAC meetings held during December 2017. The department stated that the contractors were being approached to verify professional tax deposit receipts and if they fail to produce the same, recovery would be made. The Committee directed the department to get the professional tax deduction/deposit be verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No.105, 135, 268, 310, 427, 505, 580, 600, 610(2016-17))

3.4.10.23 Non-recovery of penalty imposed due to delay in completion of work - Rs 1.41 million

In terms of clause 39 of the contract agreement if the contractor fails to complete the work in the agreement period, due to his own fault, he will be liable to be imposed penalty ranging from 1% to 10% of the agreement amount or such smaller amount as the engineer in charge may decides.

Under the administrative control of the Superintendent Engineer, Public Health Engineering Circle, Dera Ghazi Khan, the XEN PHE Division, Layyah awarded a work "Rural Sewerage /Drainage Scheme Dhori Adda and Adjoining Abadies Chak No.426/AB and Chak No.438/TDA, Distt, Layyah" to a contractor with stipulated period for completion as 12 months from 28.02.2015 to 27.02.2016. The contractor failed to complete the work as per agreement period due to his own fault. Resultantly, a penalty of 0.01% per day of the agreement amount was imposed by the Chief Engineer vide letter No. 305-E/1199/P&D dated 08.06.2016 with extension in time limit up to 31.12.2016. But the penalty amounting to Rs 1.41 million was not recovered.

Violation of contractual clause resulted in non-recovery of penalty of Rs 1.41 million.

Audit pointed out the non-recovery of penalty in March 2017. The department replied that during audit of PHE Division, Layyah (2015-16), similar para was framed. The reply was not tenable because matter regarding non-recovery of imposed penalty was not taken up in the para referred instead that para was about imposition of penalty.

The matter was discussed in SDAC meeting held during December 2017. The department stated that extension in time had been granted by the competent authority. Audit pointed out the penalty @ 0.01% had already been imposed by Chief Engineer on 08.06.2016. The Committee upheld the view point of Audit and directed to make recovery within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 564/ 2016-17)

3.4.10.24 Overpayment due to non-reduction of rate - Rs 1.13 million

As per remarks column Chapter 6 of MRS for the period 1st biannual 2014 of item no. 6 page, the composite rate of RCC 1:2:4 shall be reduced by Rs 5.50 per cft & Rs 12 per cft if chenab sand and local sand respectively is used.

Executive Engineer, Public Health Engineering Divisions, Narowal and Pakpattan made payment of item RCC 1:2:4 in various sub heads of the work by using local sand instead of harrow sand but did not reduce the rate of item @ Rs 12 per cft.

Violation of rules/ MRS resulted in overpayment of Rs 1.13 million due to non-reduction of rate.

Audit pointed out the overpayment in August 2016. The department replied that local sand was not used in R.C.C. 1:2:4, hence no overpayment was involved. The reply was not tenable because the objected quantities of item RCC 1:2:4 was used in base slab of RCC road, core wall of collecting tank and bedding under RCC pipe. The test reports of concrete showing the use of coarse sand and record for the use of harrow sand were not available in the record.

The matter was also discussed in SDAC meeting held during December 2017. The department stated that harrow sand was used in the item of RCC 1:2:4 etc and same was also mentioned in measurement books. Moreover, as per Lab test reports the required strength was achieved and without use of harrow sand the required strength could not be achieved. The Committee directed the department to produce the proof for use of harrow sand i.e. invoices of harrow sand and lab test report and get it verified by Audit within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 511(2016-17), 552)

CHAPTER - 4

IRRIGATION DEPARTMENT

4.1 Introduction of department

Punjab Irrigation Department was established in 1854. The Irrigation System in Punjab is divided into 11 field zones. Each field zone is controlled by a Chief Engineer with the assistance of Superintending Engineers, Executive Engineers and Sub-Divisional Officers etc. Office of the Divisional Engineer is the basic accounting unit assisted by a Divisional Accounts Officer. Irrigation Department has 149 formations out of which 52 were audited. The main functions of the department include:

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

4.2 Comments on Budget and Accounts

The budget of Irrigation Department comprises development and non-development allocations. The non-development budget is allocated under grant No. PC-21009 and PC-21010 which caters for salaries and repair and maintenance works. The development budget is allocated under grant No PC-12037 which is the main grant for civil works. Funds for

development schemes in Irrigation are also allocated under grant No. PC-22036.

Irrigation Department

(Rs in million)

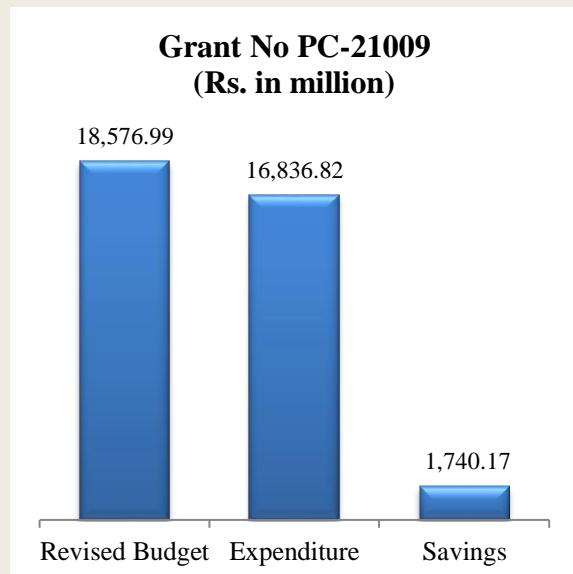
Grant No & Nature	Original Budget	Supplementary, Re-appropriation (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variatio n in %
Non-Development Grants						
PC-21009	209.38	18,367.61	18,576.99	16,836.82	(1,740.17)	(9.37)
PC 21010	324.41	(8.32)	316.09	304.53	(11.56)	(3.66)
Sub Total	533.79	18,359.29	18,893.08	17,141.35	(1,751.73)	(9.27)
Development Grants						
PC-22036	322.00	3.33	325.33	171.25	(154.08)	(47.36)
PC-12037	40,678.00	(7,388.97)	33,289.03	17,694.99	(15,594.04)	(46.84)
Sub Total	41,000.00	(7,385.64)	33,614.36	17,866.24	(15,748.12)	(46.85)
Grand Total	41,533.79	10,973.65	52,507.44	35,007.59	(17,499.85)	(33.33)

Source: SAP R/3 (CODE: YPIFMISPN)

Non-Development Grant

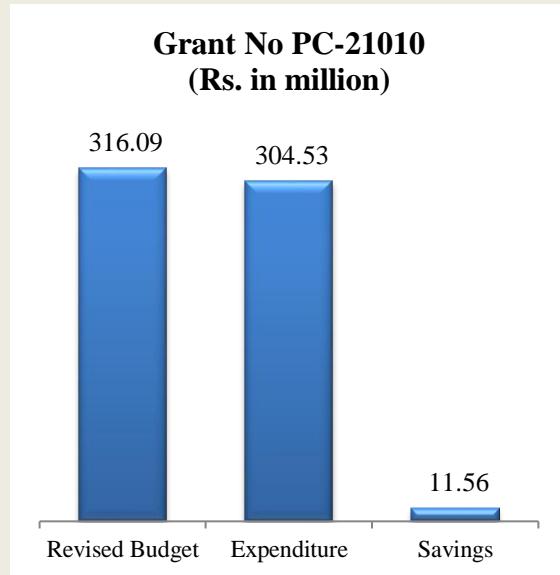
Grant No PC-21009

Under this grant expenditure of Rs 16,836.82 million was incurred against the revised budget of Rs 18,576.99 million. Thus, there was saving of Rs 1,740.17 million which was 9.37% of the revised budget.



Grant No PC-21010

Under this grant expenditure of Rs 304.53 million was incurred against the revised budget of Rs 316.09 million. Thus, there was saving of Rs 11.56 million which was 3.66% of the revised budget.

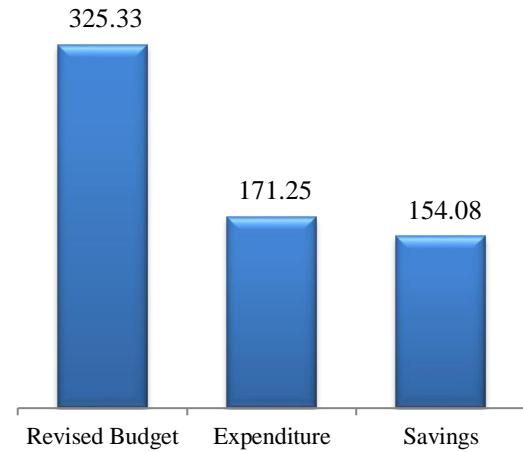


Development Grant

Grant No PC-22036

Under development grant PC-22036, only Rs 171.25 million could be spent against the revised budget of Rs 325.33 million. Thus, there was a saving of Rs 154.08 million which was 47.36% of the revised budget.

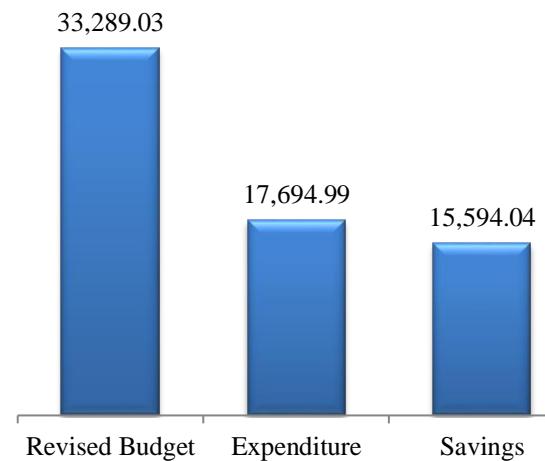
Grant No PC-22036 (Rs. in million)



Grant No PC-12037

Under the development grant PC-12037, the expenditure incurred was Rs 17,694.99 million against the revised budget of Rs 33,289.03 million. Thus, there was a saving of Rs 15,594.04 million 46.84%.

Grant No PC-12037 (Rs. in million)



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 savings of Rs 17,499.85 million.

Savings in development grants depict inefficient project management and their non-surrender is tantamount to blockage of funds which could have been utilized by other departments in the best public interest.

4.3 Brief comments on the status of compliance with PAC directives

Status 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
Irrigation					
1	1956-57 to 1999-2000	1487	-	1487	-
2	2000-01	60	-	60	-
3	2001-02	41	-	41	-
4	2003-04	17	-	17	-
5	2005-06	32	-	32	-
6	2006-07	24	-	24	-
7	2009-10	69	-	69	-
8	2010-11	64	-	64	-
9	2011-12	72	-	72	-
10	2013-14	47	-	47	-
Total		1913	-	1913	-

Source: PAC Digest and PAC Compliance Cell data base

According to Punjab Budget Manual's para 16(25-26), the Finance Department is responsible to watch compliance of PAC directives and actionable points. However, an effective monitoring mechanism to watch compliance of PAC directives on regular basis is not in place either in Finance or in the Administrative Departments.

Principal Accounting Officers was reminded time and again regarding non-compliance of PAC directives but no positive response was received. PAC was also requested by Audit to intervene and take initiatives to institutionalize a review mechanism for prompt and effective compliance of PAC directives. Audit through Compliance Cell is pursuing actively with the Principal Accounting Officers to expedite the compliance of PAC directives.

4.4 AUDIT PARAS

Irregularity and non-compliance

4.4.1 Overpayment due to non-maintenance of quoted percentage – Rs 217.406 million

As per Para (v) of the Finance Department's Notification No.RO (Tech)FD 1-2/83-VI dated 29.03.2005, 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.

Executive Engineers of various Irrigation Divisions awarded different works to the contractors at quoted percentage (below/above) of the estimated amount but could not maintain the same percentage at the time of payment in violation of the notification ibid.

Violation of Finance Department's notification resulted in overpayment due to non-maintenance of quoted percentage amounting to Rs 217.406 million. (Annexure-XXI).

Audit pointed out the overpayment in 2017. The department stated that the contractors offered the lowest bids by quoting item rates irrespective of MRS/technical sanctioned estimate rates. Payments were released to the contractor as per relevant quoted item rates. Reply was not tenable as the department made overpayment in violation of the instructions issued by the Finance Department.

The matter was also discussed in SDAC meetings held during November & December 2017. The department reiterated its previous stance. The Committee directed the department for preparation of financial comparative statement by adopting the Finance Department template and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 608, 1368, 1218, 1386, 646, 539, 1273, 661, 401, 666, 394, 897, 1229, 916, 569, 1078, 1093, 733, 262, 772, 882, 360, 811, 965)

4.4.2 Loss due to preparation of incorrect rate analysis for execution of earthwork - Rs 133.915 million

As per Finance Department's Notification No.RO(TECH)FD2-3/2004 dated 02.08.2004, Chief Engineers shall, on the basis of input rates notified by Finance Department on its website, fix the rate of each item of work for rough cost estimates/administrative approval and detailed estimate for technical sanction.

4.4.2.1 Superintending Engineer, Irrigation Machinery Circle, Lahore issued rates on 28.08.2015 for the item "*Earthwork barrowpit with lead 500 ft, 1000 ft and 1 mile*" as Rs 3,494‰ cft, 4,000‰ cft and 5,334‰ cft respectively based on the diesel price of Rs 85.79 per liter for the year 2015-16 by adding some additional machines in contrary to previous practice. Further, in 2016-17 the same rates were paid during the execution of different works although the rate of diesel decreased during 2016-17. The payable rates came to Rs 1,805.25‰ cft, Rs 2,032.73‰ cft and Rs 2,903.90‰ cft for 500 ft, 1000 ft and 1 mile lead respectively as calculated with the diesel price of Rs 71.12 per liter in March 2016.

Violation of Finance Department's notification resulted in loss due to application of incorrect rate amounting to Rs 124.598 million.

Audit pointed out the loss in May 2017. The department replied that in this particular case, three estimates for a lead of 500 ft, 1000 ft and 1 mile were sanctioned on 28.08.2015 to protect the bunds. The department admitted in its reply that the rates of August 2015 were only for one site which were approved in emergency during flood season. Reply was not tenable as the department used the same rates in various works instead of actual rates as calculated by Audit.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the rate issued in August 2015 was only for one scheme. Audit explained that the same rate had been paid in various job orders all over the Punjab. In the second case audit explained that diesel price in March 2016 had decreased to Rs 71.12 per liter but the S.E did not issue the rate of item on the decreased diesel price, and the same rates issued in August 2015 had been paid in the period 1st biannual 2016 in various job orders all over the Punjab. The Committee took it serious and kept the para pending with the direction to the S.E to check in which job orders incorrect rates had been paid, credit the recovered amount into government revenue and get the record verified in detail from Audit within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 173)

4.4.2.2 Superintending Engineer, Link Circle, Lahore provided the rate for the item "*Earthwork excavation from outside borrowpit dressed lead 500 ft*" through departmental machinery @ Rs 3,494 per %o cft. The rates applied in the TSE were for the period of 1st bi-annual 2016 (1st February 2016 to 31st July 2016). It was observed that the rate applied was circulated by the Machinery Circle Lahore in August 2015 when the price of diesel was Rs 85.05 per liter. For the other item "Earthwork excavation in drains / irrigation channels through excavator/draglines" the rate of Rs 1,472 per 1000 cft was provided in the TSE as notified by the Machinery Circle Lahore in February 2016 calculated at a diesel price of Rs 75.79 per liter but for the item earthwork borrow pit the rate of August 2015 was applied when the diesel prices were higher instead of rate circulated in February 2016. Audit calculated the rate of item earthwork borrow pit lead 500 ft for the month February 2016 as per template of Machinery Circle Lahore when the diesel price was 75.79 per liter which came to Rs 1,917 per %ocft.

Violation of Finance Department's notification resulted in loss of Rs 9.317 million due to provision of incorrect rate.

Audit pointed out loss in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Audit informed the Committee that the Division could not produce the record to Audit for verification. The para was kept pending for verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 182)

4.4.3 Non-recovery of General Sale Tax – Rs 77.971 million

According to Chief Commissioner Inland Revenue, Regional Tax Office Lahore letter No.896 dated 06.08.2013, in case of Public Works, it is clearly directed that the contractor engaged, makes purchases from the firms/persons holding sales tax registration. The government department/organization while undertaking such venture must require contractors to present a sales tax invoice of all material mentioned in BOQ as evidence of its legal purchase, before releasing payment to them.

Executive Engineers of various Irrigation Divisions incurred expenditure on procurement of the items “*Fabrication of mild steel Grade 60*” and “*Geo Membrain Sheet Core Wall*”. But the department neither recovered the sales tax nor obtained sales tax invoices from the contractors/suppliers to prove that purchases were made from sales tax registered firms after payment of sales tax.

Violation of Chief Commissioner Inland Revenue, Regional Tax Office Lahore letter resulted in non-recovery of General Sales Tax amounting to Rs 77.971 million. (Annexure-XXII)

Audit pointed out the non-recovery in 2017. The department did not reply.

The matter was also discussed in SDAC meetings held during August & December 2017. Audit informed the Committee that as per letter No.896 dated 06.08.2013 Sales Tax invoices were to be obtained from the contractor(s) at the time of payment. The Committee kept the para pending with the direction to produce invoices within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and collection of invoices along with its verification.

(DP No. 549, 623, 1370, 03, 29)

4.4.4 Overpayment due to allowing higher rate of bajri – Rs 69.47 million

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

Executive Engineer, DG Khan Construction Division, DG Khan executed the item of “*P/L filter material bajri 1/8 to 1/2 on level and on slope*” and paid @ Rs 4,415.15 & Rs 4,570.30 % cft instead of @ Rs 2,256.70 & Rs 2,411.55 % cft for quantities of 123,881cft & 738,675 cft. Similarly, the item of “*P/L filter material bajri ½ to 2*” was executed and paid @ Rs 2,925.78 & Rs 3,080.63 % cft instead of @ Rs 2,256.70 and Rs 2,411.55 % cft for quantities of 123881 cft & 738675 cft respectively.

Violation of instructions issued by the Finance Department resulted in overpayment of Rs 69.47 million due to excess rates in rate analysis.

Audit pointed out the overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department explained that the estimate was based on Consultant's estimate, which had been incorporated in the approved PC-1. Audit argued that the department used stone of 27 to 36 kg weight for breakage purpose instead of spawl. The para was kept pending for justification from the Consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against the responsible.

(DP No. 536)

4.4.5 Loss due to approval of higher rates – Rs 65.379 million

As per Finance Department's Notification No.R.O(Tech)FD 2-3/2004 dated 02.08.2004, the Chief Engineer was required to fix the rate of each item of work for rough cost and technical sanction estimate on the basis of relevant item of MRS for the respective District / Quarter.

4.4.5.1 Executive Engineer, Pasrur Link Division, Sialkot prepared rate analysis of item "*P/L graded Bajri*" *1/8" to 1"* by *including rate of P/L spawl filling, breaking of stone ballast screened stacked and carriage*" for slopes and levels in package A, B & C and made payment @ Rs 9,668.60 and Rs 9,506.50 % cft. The rate of bajri size *3/8 to 1"* was available vide item No. 6.011 @ Rs 4,450 % cft in material input rates 1st bi-annual 2015. The graded bajri of *1/8" to 1/2"* in the finished form could have been obtained from quarry at lower rates than getting stone/spawl broken by the contractor. Actual rate of bajri with size *1/8 to 1/2* along with labour rate of laying spawl would have come to Rs 5,399.40% cft (4,450+949.40) for slope and Rs 5,246.95% cft (4,450+796.95) for level including carriage of material at site had the material been purchased directly from quarry.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 19.766 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that rate analysis of bajri was prepared and approved by the competent authority. The para was kept pending for a report from the consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1208)

4.4.5.2 Superintending Engineer, Link Circle, Lahore made provision in the TSE for the item "*Providing and Laying 1/8" to ½" and ½" to 2" dia bajri*" @ Rs 3,337.35 % cft which included the rate of bajri @ Rs 2,600% cft and Rs 737.35% cft for laying spawl. Further, the carriage of bajri was separately paid @ Rs 4,725 % cft from quarry to site of work with average lead of 224 km. The rate of required bajri of 3/8" to 1" dia (at site) was available in the input rates of 2nd bi-annual 2014 for district Sheikhupura @ Rs 4,400 % cft therefore the same was required to be paid without carriage.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 7.890 million.

Audit pointed out the loss in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Audit informed the Committee that the division could not produce the record to Audit for verification. The para was kept pending by

the Committee for verification of record within 30 days. The compliance of the Committee directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 199)

4.4.5.3 Executive Engineer, Rachna Drainage Division, Sheikhupura provided quantity of 28554 rft for an item of work, “*Providing and casting in situ bored reinforced concrete pile with type-C nominal mix 1:2:4 using 10% extra cement of 30" dia*” in the estimate @ Rs 3,596.76 per rft as non-scheduled item. Another sub item “*Boring hole 30"*” amounting to Rs 92,190 was also paid. Further, 20% contractor profit was also allowed on this item which was not admissible because the contractor’s profit had already been included in original item of MRS and further profit was not admissible on this item. Due to incorrect rate, an excess rate of Rs 184.37 per rft was approved.

Approval of higher rates in violation of Finance Department’s Notification resulted in loss of Rs 5.264 million.

Audit pointed out the loss in September 2017. The department replied that the non-scheduled rate was approved by the competent authority for estimation purpose. The payment was made to contractor as per his quoted rates which were Rs 2,800 and 3,316.29 per rft respectively. Reply of the department was not tenable because the department prepared incorrect rate by incorporating contractor’s profit on MRS items which was already included.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department explained that non-scheduled item was approved by the competent authority. The para was kept pending for a technical probe by the Chief Engineer, Irrigation Lahore and fix responsibility within 60 days. The compliance of the Committee directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 780)

4.4.5.4 Executive Engineer, Pasrur Link Division, Sialkot made provision of 54625 cft (22425 cft for bed and 32200 cft for walls upto 7' height) quantity of the item “*RCC in roof slab, beams columns lintels*” in the technical sanctioned estimate of the work “Construction of Dheera Sandha Drain from RD 0+000 to 9+500 Package-B” @ Rs 320.10 per cft vide item No.6(a) (i) (2) of MRS, instead of item No.6(a) (ii) (2) @ Rs 237.25 per cft as no horizontal shuttering was involved and rate without horizontal shuttering was required to be paid. Due to incorrect application of rate an excess rate of Rs 82.85 per cft (320.10 - 237.25) was approved and paid to the contractor.

Approval of higher rates in violation of Finance Department’s Notification resulted in loss of Rs 4.506 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that rate for retaining wall with horizontal shuttering was allowed as per Finance Department’s advice and requirement at site. Audit argued that in retaining wall no horizontal shuttering was required therefore rate of RCC without form work was admissible. The para was kept pending for clarification from Finance Department. No compliance of the Committee directive was made till finalization of the report.

Audit recommends early recovery.

(DP No. 1194)

4.4.5.5 Executive Engineer, Drainage Division, Sargodha made provision of a non-standardized item of work “*Provision and fixing MS Liner dia*” rft in the estimate of the work @ Rs 7,700 per rft amounting to Rs 15.592 million. Analysis of rate of this item of work was prepared by

the department by taking market rate of MS Liner for Piles 24" dia – 3/8 thick, @ Rs 5,500 per rft. By adding 20% skilled labor i.e. Rs 1,100 the composite rate worked out to be Rs 7,700 per rft which was higher. Audit worked out component wise rate analysis on the basis of input rates/ MRS of 1st Bi-annual 2016 District Jhang and the composite rate came to Rs 5,415.08 per rft instead of Rs 7,700 per rft.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 4.627 million.

Audit pointed out the loss in September-October 2017. The department replied that the analysis was prepared by the department on basis of lowest prevailing market rate and specifications. Reply given by the department was not convincing because in the light of notification issued by the Finance Department vide No.RO(Tech) FD-18-23/2004 dated 21.09.2004 analysis of rate of providing/fixing MS liner 24' 3/8 thick was to be prepared by the taking the rates of material and labour from input rates of "material and labour" in MRS instead of taking market rate.

The matter was also discussed in SDAC meeting held on 19.12.2017. The department explained that the analysis was prepared by the department on basis of lowest prevailing market rate and specifications required for specific item of work. The para was kept pending for a technical report by the Project Director, Small Dams Organization Islamabad within 30days. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1005)

4.4.5.6 Superintending Engineer, Link Circle, Lahore provided the rate for the item "*Providing and Laying 1/8 to ½" and bajri of ½ to 2"dia*" @ Rs 8,325.05 per 100 cft and Rs 6,046.08 per 100 cft for the work "Construction of Side Drain (6 km) along M.R Link from RD 296+000 to RD 314+000" in the TSE. It was observed that carriage of bajri was separately provided @ Rs 4,951.10 per % cft from quarry to site of work

with average lead of 229 km. The required bajri rate of 3/8 to 1 inch dia size (at site) was available in the input rates of 1st bi-annual 2014 for District Sheikhupura @ Rs 4,400 per 100 cft. So, there was no need to prepare rate analysis and to pay extra carriage.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 4.389 million.

Audit pointed out the loss in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Audit informed the Committee that the Division could not produce the record to Audit for verification. The para was kept pending for verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 181)

4.4.5.7 Executive Engineer Pasrur Link Division, Sialkot made provision of 1091283 cft quantity in the technical sanctioned estimate of an item of work "*Excavation in foundation of building, bridges and other structures including deg belling, dressing, refilling around structure with excavated earth, watering and ramming lead upto one chain (30m) and lift upto 5ft in ordinary soil*" for excavation of stone apron, stone pitching, and removing traffic diversion bank @ Rs 5,219.30 % cft. The rate for this item of work was only applicable for excavation of foundation of building and bridges etc. whereas for execution of this work the item of "Earth work in excavation of drains, irrigation channels through excavator" @ Rs 1,652 % cft was to be provided in the estimate. Due to application of incorrect rate for execution of earth work, an excess rate of Rs 3,567.30 % cft was approved in the estimate and accordingly paid to the contractor.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 3.893 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that variation order was under process and rate for excavation of earth work would be corrected in variation order. The para was kept pending for approval of the variation order within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1205)

4.4.5.8 Executive Engineer, Pasrur Link Division, Sialkot got approved in PC-1/Estimate, items of works "*Providing & laying 1/8" to 1/2" on slope & level*" for quantity of 153867, and 14775 cft @ Rs 5827.30 and 5654.25, and "*Providing & laying 1/2" to 2" on slope& Level*" for quantity of 153867, and 14775 cft @ Rs 3794.17 and 3621.12 per % cft respectively by adding inadmissible sub items of breaking and stacking of stones, whereas as per input rates of 2nd bi-annual 2017 for District Sialkot the finished items were available in input rates vide item No.06.011 Aggregate / Stone Crushed (Graded) 1/8" to 1/2" @ Rs 3,200 % cft and for 1/2" to 2" @ Rs 1,250 % cft (vide item No.06.003), which were required to be applied along with 20% contractor profit and laying charges of bajri @ Rs 4,867.75% cft & Rs 4,694.70% cft and Rs 2,527.75% cft and Rs 2,354.70% cft. In this way excess rate of Rs 959.55 % cft and Rs 1,266.42% cft was got approved and paid to the contractor accordingly.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 3.754 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. The department explained that rate analysis of bajri was prepared and approved by the competent authority. The para was kept pending by the Committee for a report from the consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 1203)

4.4.5.9 During examination of accounts record pertaining to the office of the Secretary, Irrigation Department it was observed that the Superintending Engineer concerned sanctioned the rate of an item of work i.e "*Providing and laying bajri on slope*" as non MRS item @ Rs 9,155.64 % cft for quantity of 96761 cft whereas the rate of bajri in 2nd bi annual 2014 was notified @ Rs 4,450% cft for district Sheikhupura. The department prepared the analysis of rate of said item of work @ Rs 9,155 % cft instead of Rs 5,340 % cft (Rs 4,450 + 20%).

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 3.692 million (96761 x Rs 3815 % cft).

Audit pointed out the loss during May 2017. The department replied that the rate was provided in PC-I. Furthermore, the rate of Bajri on slope and carriage of pitching stone/bajri from crusher to site of work for Rs 4,783.50% cft was included in the calculation.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department did not attend the audit office for verification. The Committee directed the department to get the record verified within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 142)

4.4.5.10 Executive Engineer, Pasrur Link Division, Sialkot provided 9130 rft quantity in the estimate of work for an item of work “*Providing and casting in situ bored reinforced concrete pile with type-C nominal mix 1:2:4 using 10% extra cement for 39" dia*” @ Rs 4,205 per rft as non-scheduled item. Further, a sub item Construction of Temporary Island for Rs 25,000 for 100 rft was provided. This sub item was paid @ Rs 250 per rft along with 20% contractor overhead and profit because pile work was not to be executed in running water. Therefore, the cost of sub item Construction of Temporary Island (Lump sum) for an amount of Rs 25,000 per % rft was inadmissible. Due to non-deduction of cost of Temporary Island excess rate of Rs 300 per rft ($250 \times 20\%$) was to be paid to the contractor.

Approval of higher rates in violation of Finance Department’s Notification resulted in loss of Rs 2.739 million.

Audit pointed out the loss in October 2017. The department did not furnish any reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that pile work was to be done in running water. Temporary Island was for boring purpose of piles. No boring can be done without Temporary Island. The para was kept pending for a report from the consultant and technical probe by SE within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends compliance of SDAC’s directives and early recovery.

(DP No. 1213)

4.4.5.11 In the estimate of work “Flood protection of Sialkot against AIK & Palkhu, Nullah Package-C” Executive Engineer, Pasrur Link Division, Sialkot provided 9130 rft quantity of an item of work “*Providing and casting in situ bored reinforced concrete pile with type C nominal mix 1:2:4 using 10% extra cement in dry mix and course and*

complete in all respect of 39" dia" @ Rs 4,205 per rft as approved by the competent authority in rate analysis as non-scheduled item. Further, the rate for item of bajri was approved @ Rs 6,693.20 % for 730 cft quantity of 100 rft pile. As per input rates of MRS for the period 1st February 2015 to 31st July 2015, the rate for bajri was Rs 4,450 per% cft vide item No.06.011(for district Sialkot) whereas, rate of Rs 6,693.20% cft was incorrectly incorporated in the rate analysis. Hence, an excess rate of Rs 2,243.20% cft for bajri was approved resulting in excess rate of pile @ Rs 196.49 per rft (730 cft @ Rs 2,243.43% cft= 16373.79+20% = 19648.68 or 196.49 per rft) was approved.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 1.793 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. The department explained that rate analysis was approved by the competent authority. The Committee did not accept the viewpoint of the department and kept the para pending for report from consultant and technical probe by SE. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1222)

4.4.5.12 In the estimate of work "Flood Protection of Sialkot against AIK & Palkhu Nullah Package-B" Executive Engineer, Pasrur Link Division, Sialkot provided 16,481 rft quantity of an item of work "*Providing and casting in situ bored reinforced concrete pile with type C nominal mix 1:2:4 using 10% extra cement in dry mix and course and complete in all respect of 30" dia" @ Rs 2,488 per rft as non-scheduled item.* Further, a sub item "*Construction of Temporary Island (L.S)"* for Rs 7,800 for 100 rft was provided. This sub item was required to be deleted because pile work was not to be executed in running water.

Therefore, the cost of sub item Construction of Temporary Island (Lump Sum) for an amount of Rs 7,800 for % rft or Rs 78 per rft along with 20% contractor overhead and profit was inadmissible and required to be deducted from the total payment of piling. Due to non-deduction of cost of Temporary Island an excess rate of Rs 93.60 per rft ($78 \times 20\%$) was paid to the contractor.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 1.543 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that pile work was to be done in running water. Temporary island was created for boring purpose of piles and no boring can be done without temporary island. Audit informed that the work was not executed in running water therefore no separate payment was admissible for temporary island. The para was kept pending for a technical report from the SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directivtes and early recovery.

(DP No. 1212)

4.4.5.13 Chief Engineer, Irrigation Department sanctioned the rate of an item of work "*supply of stone*" @ Rs 658.60 % cft for quantity of 595100 cft. The input rate notified by the Finance Department (item No.08.001) was @ Rs 335.00 % cft. So, the department got sanctioned the higher rate of Rs 256 per % cft.

Approval of higher rates in violation of Finance Department's Notification resulted in loss of Rs 1.523 million ($595100 \times \text{Rs } 256 \%$ cft).

Audit pointed out the loss during May 2017. The department replied that the rate of supply of stone @ Rs 658.60 was sanctioned in PC-I and nomenclature of the item does not match with the item No. 08.001. The reply of the department was not acceptable because the rate was derived from the input rate notified by the Finance Department for item No.08.001.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department did not attend the audit office for verification before the SDAC meeting. The Committee directed the department to produce the record within 15 days. The compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery of loss.

(DP No. 140)

4.4.6 Irregular payment due to use of sub-standard bricks and non-conducting lab tests - Rs 59.95 million

As per Clause-28 of Contract Agreement, all material and workmanship shall be of the respective kind described in the contract and in accordance with the instructions of the Engineer-Incharge and shall be subjected from time to time to such tests as the Engineer-Incharge may direct. And as per remarks against item numbers 3, 4 & 5 under chapter-7 (brick work) the composite rate is to be reduced by 7% and 14% if 2nd or 3rd class bricks are used.

Executive Engineer, DG Khan Canal Division, DG Khan incurred an expenditure of Rs 59.59 million on "*Pacca brick work in F&P and on ground floor with 1:4 to 1:6*". The contractor used under sized bricks. Further, the department did not conduct required lab tests which transpire that the structure was not constructed as per specification due to use of sub-standard bricks.

Violation of contract agreement's clause resulted in irregular payment due to use of sub-standard bricks and non-conducting lab tests of

work worth Rs 59.95 million from “Building Research Station New Campus Lahore”.

Audit pointed out the irregularity in July 2017. The department replied that bricks were tested from time to time and work was executed under the supervision of NESPAK Consultants and as per Departmental specifications. The reply was not tenable because lab test reports were not produced.

The matter was also discussed in SDAC meeting held on 14.12.2017. The Audit stated that as per all lab test reports provided by the department, the size of bricks was less than admissible. The para was kept pending by the Committee for a technical probe by the Superintending Engineer concerned and ADP Consultant regarding reduction of rate of bricks within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early compliance of SDAC’s directives and early recovery.

(DP No. 415)

4.4.7 Overpayment due to incorrect application of rates – Rs 56.150 million

As per Finance Department’s Notification No. R.O (Tech) FD 2-3/2004 dated 02.08.2004, the Chief Engineer was required to fix the rate of each item of work for rough cost and technical sanction estimate on the basis of relevant item of MRS for the respective District / Quarter.

4.4.7.1 Executive Engineer, Rachna Drainage Division, Sheikhupura made provision in the technical sanctioned estimate for the item “*R.C.C 1:2:4 for side protection wall breast wall, wing wall top portion approach slabs parapet and end block for VR Bridges*” @ Rs 306.65 per cft department applied item No.6(a) (i) (3) of MRS instead of item No. 6(a) (ii) (2) @ Rs 224.30 per cft as no horizontal shuttering was involved for execution of these item of works. Therefore, rate without horizontal

shuttering was required to be paid. Due to incorrect application of rate, an excess rate of Rs 82.35 per cft was approved in the estimate and accordingly paid to the contractor.

Violation of Finance Department's Notification resulted in overpayment due to incorrect application of rates amounting to Rs 23.667 million.

Audit pointed out the overpayment in September 2017. The department replied that the items mentioned by Audit mostly involved form work and correct item was applied. Reply was not correct. The department approved and paid incorrect rate for RCC in the estimate which actually did not require horizontal shuttering. Due to incorrect application of rates, excess payment was made to the contractor which needs recovery.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that only approach slab and in RCC wall raft fell under this item. The para was kept pending for detailed verification of record in order to work out the due recovery within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 746)

4.4.7.2 Executive Engineer, Rachna Drainage Division, Sheikhupura made provision for 290,632.95 cft of R.C.C for side protection/protection wall in drain the item "*RCC in roof slab, beams columns lintels Type -B nominal mix 1:1½:3*" was paid @ Rs 334 per cft vide item No.6(a) (i) (2) of MRS, Bi-Annual district Sheikhupura instead of item No.6(a) (ii) (2) @ Rs 251.70 per cft as no horizontal shuttering was involved for execution of this item of work. Due to incorrect application of rate an excess rate of Rs 73.93 per cft was approved and being paid to the contractor.

Violation of Finance Department's Notification resulted in overpayment of Rs 21.487 million due to incorrect application of rates.

Audit pointed out overpayment in September 2017. The department replied that the project was ongoing and work was in progress. The item referred by Audit in its observation included different types of concreting in different component, such as toe and head of retaining walls, retaining wall, lining etc. The observation of Audit at this initial stage of project was pre-mature and may be dropped. Reply of the department was not correct. The department approved incorrect rate for raft foundation and R.C.C work which was not required for horizontal shuttering in the estimate. Due to incorrect application of rates overpayment was made to the contractor.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that only approach slab and in RCC wall raft fell under this item. The para was kept pending by the Committee for detailed verification of record in order to work out the due recovery within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against the person responsible for the overpayment.

(DP No. 796)

4.4.7.3 Executive Engineer, Muzaffar Garh Canal Division, Muzaffar Garh awarded two works namely "Rehabilitation of Bahishti Disty RD-0+000 to 64+300" and "Rehabilitation of Jatoi Branch RD-0+000 to 140+000 tail" to two different contractors at contract cost of Rs 308.92 million and Rs 380.624 million respectively. The item "*Pacca Brick work other than building up to 10" height ratio 1:3*" was sanctioned in estimate for toe wall of side protection of canal to be paid @ Rs 17,418.50% cft instead of item "Pacca Brick work in foundation and plinth" 1:3 @ Rs 17,031.85 % cft. The department executed the total quantity of 929,575 cft (373,741+555,834) up to 14th & 11th running bills resulting in excess rate of Rs 386.65% cft (17,418.50 - Rs 17,031.85).

Violation of Finance Department's Notification resulted in overpayment due to excess rate amounting to Rs 3.423 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 12.12.2017. Audit stated that para consisted of 2 sub paras. Para 22 had been verified in which the payment of item "Pacca brick work 1:3 in Foundation & Plinth" was correctly paid @ Rs 17,031.85% cft. In the other para payment was made @ Rs 17,418.50% (bhahishty branch) resulting in overpayment of Rs 1.372 million. Department explained that works were executed as per TS provision. The Committee settled sub-para 22 by accepting view point of department and directed the department to effect recovery of para 15 in the next bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1074)

4.4.7.4 Executive Engineer, Mailsi Syphon Thingi approved non-scheduled rate of an item "*Removing debris from bed of SMB link canal and dispose off on outer slope*"@ Rs 28,406 %o cft on the basis of input rates of the 1st bi-Annual 2017. Audit was of the view that for removal of debris, the item of earth works excavation with additional lead if required @ Rs 5,474.10 %o cft was payable vide item No.10(ii) Chapter-3 of MRS of 1st bi-Annual 2017. Due to preparation of incorrect rate as non scheduled item instead of the actual rate for this item as per MRS, an excess rate of Rs 22,931.90 %o cft (28406 - 5,474.10) was approved and paid to the contractors.

Violation of Finance Department's Notification resulted in overpayment due to incorrect rate amounting to Rs 1.941 million.

Audit pointed out overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Department stated that the works were of special nature due to specific site conditions and specific nature of the material to be removed which could not be treated as earth work. The para was kept pending for a technical report by the Superintending Engineer, RY Khan Canal Circle, within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 418)

4.4.7.5 Executive Engineer, Small Dams Division, Islamabad in the execution of work "Construction of Chahan Dam Project (Part-I)" measured and paid an item of work "*Excavation in rock dressed to designed section, grades and profiles, excavated material disposed of within 100' and lift up to 5' medium hard rock not requiring occasional blasting with extra lead 650 m*" under sub head "Spillway/Bridge" for quantity of 3953955 cft @ Rs 11,262.78 %o cft instead of admissible rate of Rs 10,686.78 %o cft as provided in MRS 1st bi-annual 2012.

Violation of Finance Department's Notification resulted in overpayment due to higher rates amounting to Rs 1.880 million.

Audit pointed out the overpayment in September 2017. The department replied that the rate calculated by audit was not according to applicable MRS bi-Annual 2012 which actually came out as Rs 11,262.78 %o cft. The reply was not tenable as the item paid was without blasting, hence rate of Rs 10,686.78 %o cft was to be paid.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department argued that rate of item "Medium hard rock requiring occasional blasting with extra lead 650m" under sub head spillway/bridge had been correctly technically sanctioned by the competent authority @ Rs 11,262.78 per %o cft and accordingly executed. The para was kept pending for a report from the consultant and technical

probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 714)

4.4.7.6 Executive Engineer, Development Division, Bahawalnagar paid RCC work for 19,746.30 cft @ Rs 293.50 cft. The composite rate already included horizontal shuttering which was not required to be paid therefore, rate of Rs 216.60 per cft was payable.

Violation of Finance Department's Notification resulted in overpayment of Rs 1.518 million due to incorrect application of rate.

Audit pointed out the overpayment in February 2017. The department replied that horizontal shuttering was required for different components of structure. Reply was not tenable because the RCC structure which was built did not require horizontal shuttering as per record entries.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated by the department that the shuttering was involved in the horizontal concrete for different components of the structure. The para was kept pending for detailed verification of record alongwith revised reply within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 13)

4.4.7.7 Executive Engineer, Kalabagh Headworks Division, Daudkhail made provision in technical sanction estimate for an item of work "*Earth work in ordinary soil for making embankment lead up to 100 ft including ploughing making with blade grade of disc harrow 90% compaction*" for quantity of 4,363,031cft @ Rs 4,173.85 per % cft amounting to Rs 8,782,398. The rate of this item could also be derived & provided in

the estimate of the work @ Rs 3,873.95 per % cft instead of Rs 4,173.85. In this way excess rate of Rs 299.90 % cft (4173.85-3873.95) was provided in the estimate.

Violation of Finance Department's Notification resulted in overpayment of Rs 1.0967 million.

Audit pointed out the overpayment in August-September 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department explained that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. The Committee pended the para for clarification from TPM and FD within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 735)

4.4.7.8 Executive Engineer, Kot Adu Canal Division, Kot Adu awarded the work "Concrete Lining of Maggi Magasson Link RD-0+58+500 (Tail)" to contractor at contract cost of Rs 362.431 million. The rate of item "*Earth work excavation in irrigation channel etc*" was taken in T.S. estimate @ Rs 3,017.05% cft instead of admissible rate of Rs 2,919.85 % cft. The contractor quoted his rates @ 9.15% below T.S. estimates. The contractor executed the quantity of 5,311,344 cft up to 12th Running bill and excess payment of Rs 97.2 per cft was made to contractor.

Violation of Finance Department's Notification resulted in overpayment due to higher rate amounting to Rs 0.469 million.

Audit pointed out the overpayment in October 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 12.12.2017. It was stated by the department that the rates were provided in the TS estimate for the said item. The para was kept pending for verification of estimate, and reduction in rate analysis within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1137)

4.4.7.9 Executive Engineer, Dallas Canal Division, R.Y Khan awarded two packages of work "Rehabilitation of Ahmadpur Lamma Disty System" to same contractor at agreement costs of Rs 317.142 million and Rs 323.243 million respectively. The department sanctioned the rate of item "*Compaction of earth work with power road roller 90% etc*" in T.S. estimate /comparative statement as Rs 664.35‰ cft and the contractor quoted his rates @ 4% above T.S estimate. Payment was made @ Rs 690.92 ‰ cft instead of actual rate of Rs 525.30‰ cft vide Item 25(ii) Chapter-3 of bi-annual period (1st February 2015 to 31st July 2015).

Violation of Finance Department's Notification resulted in overpayment of Rs 0.408 million.

Audit pointed out the overpayment in September 2017. The department replied that according to approved PC-1, estimated rate was technically sanctioned and rate for compaction of earth work was taken as Rs 664.35 ‰ cft and was paid accordingly. The reply was not tenable because department had taken incorrect rate of compaction of Rs 664.35 ‰ cft in T.S estimate/ comparative statement instead of correct rate of Rs 525.30 ‰ cft as provided in MRS of relevant period and on the basis of which contractor quoted his rates 4% above. So, recovery of overpayment due to higher rate should be made.

The matter was also discussed in SDAC meeting held on 11.12.2017. Recovery was admitted by the department. The para was kept pending by the Committee for actual recovery in next running bill within

30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 704)

4.4.7.10 Executive Engineer, Flood Bund Division, Narowal measured and paid 3818.10 cft quantity "*R.C.C. for approach slabs of bridge and foot path and paid the item of RCC in roof slab, beams columns lintels Type – B nominal mix 1:1½:3*" @ 320.95 per cft vide item No. 6(a) (i) (2) of MRS, Bi-Annual Period (1st February, 2014 to 31st July, 2014) District Sheikhupura instead of item No.6(a) (ii) (2) @ Rs 252.30 per cft as no horizontal shuttering was involved for execution of this item of work. Therefore, rate without horizontal shuttering was required to be applied. Due to incorrect application of rate, an excess rate of Rs 68.20 per cft (Rs 320.95 – Rs 252.30) was paid to the contractor.

Violation of Finance Department's Notification resulted in overpayment due to incorrect application of rate amounting to Rs 0.260 million.

Audit pointed out the overpayment in September 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. It was explained by the department that the amount involved in the para will be recovered. The para was kept pending by the Committee for effecting recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 907)

4.4.8 Non-recovery of price de-escalation – Rs 53.118 million

According to clause-55 of contract agreement, where any variation (increase or decrease) to the extent of 5% or more in the price of item of

work takes place after acceptance of tender and before completion of work, the amount payable should be adjusted to the extent of actual variation in the cost of concerned item of work.

Executive Engineers of various Irrigation Divisions awarded different works to the contractors. The rates of diesel, steel, bricks and MS sheets prevailing on the date of tendering decreased during execution of works. However, the recovery of de-escalation was not made from contractors.

Violation of contract agreement's clause resulted in non-recovery of price de-escalation on diesel, steel, bricks and MS sheets valuing Rs 53.118 million. (Annex-XXIII)

Audit pointed out the overpayment in August 2017. The department replied in some cases that the works were in running condition and price variation recovery would be made/adjusted through running bills of the contractors but no recovery was made/ got verified.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department reiterated its previous reply. The Committee upheld the view point of audit regarding recovery of de-escalation. The Committee directed the department that the recovery / adjustment be made and got verified from Audit within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 551, 628, 1376, 728, 1315, 14, 719, 1130, 729, 1276, 1040, 504, 76, 1019)

4.4.9 Overpayment due to application of incorrect rate – Rs 31.205 million

As per MRS, Chapter No.3 item No. 52, rate for the item of work "Earthwork excavation of drains, irrigation channels through excavator / drag lines in all kind of soil and conditions (dry, wet, slush, daldal and

under water) including its disposal with path making” was payable for earthwork excavation in apron and drain instead of item No.10.

Executive Engineers of various Irrigation Divisions made payments to different contractors for earthwork excavation in apron and drain vide item No.10 of MRS Chapter-3 “*Earthwork excavation in irrigation channel, drains etc to designed section, grade and profiles, excavated material disposed off dressed lead up to 50 ft*” which was for execution of earthwork through manual labour only whereas the work was being executed through machinery therefore, the item No.52 of MRS Chapter-3 “*Earthwork excavation of drains, irrigation channels through excavator / drag lines in all kind of soil and conditions (dry, wet, slush, daldal and under water) including its disposal with path making*” was to be applied.

Violation of MRS rates resulted in overpayment due to application of incorrect rate amounting to Rs 31.205 million. (Annex-XXIV)

Audit pointed out the overpayment in 2017. The department replied that the item of work “Earthwork excavation in irrigation channel, drains etc vide item No.10 (i)” includes excavation to designed section, grades and profile etc. whereas the item No.52 as pointed out by audit, does not include required activities. The reply given by the department was not tenable because the work at site was executed with machinery. Therefore, rate with machine was to be paid instead of item paid with manual labour. Moreover, the item of excavation was executed for dumping of stone in apron in which no profiles were to be made and in drain no side slopes were required to be prepared.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was explained by the department that the estimate was based on the Consultant’s estimate, which had been incorporated in the approved PC-1. Viewpoint of the department was not accepted. Audit argued that the work involved (i) excavation through machinery as well as (ii) excavation through manual labour. For rough excavation item No. 52 of chapter 3 of MRS would be used and where fine excavation was

required for dressing the channel into the design section grade, slope and profile, item No. 10 of chapter 3 of MRS would be applied and paid. The para was pended for want of justification from the consultant and bifurcation of both the items of excavation so that overpayment involved might be ascertained accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1269, 474, 339, 913, 748, 1007, 1280, 953, 343)

4.4.10 Overpayment due to payment of excess lead – Rs 23.571 million

According to F.D letter No.R.O (Tech) FD2-3/2004 dated 02.08.2004 and R.O(Tech) FD 18-23/2004 dated 21.09.2004, shortest route shall be used for carriage of material.

4.4.10.1 Executive Engineer, Small Dam Division, Islamabad, during the execution of work “Construction of Chahan Dam Project (Part-I)”, measured and paid an item of work “*Supplying and laying cleaned and screened river or pit sand including compaction with power road roller including ploughing mixing moistening sand to OMC in layers etc 95 to 100% max modified AASHO dry density*” for quantity of 826,809 cft @ Rs 3,973.49 % cft instead of admissible rate of Rs 2,659.24 % cft. While calculating the rate, the component “Carriage of 100 cft all materials like stone, aggregate spawl, kankar, lime (un slaked) surkhi etc or 150 cft of timber by truck or by any other means owned by the contractor” was incorporated @ Rs 3,436.74 % cft with lead of 155 km instead of Rs 2,123.09 % cft for 90 Km lead as calculated by Audit.

Violation of Finance Department's letter resulted in overpayment of Rs 8.971 million.

Audit pointed out the overpayment in September 2017. The department replied that the source of sand was Lawrencepur quarry, which was 155 km from site of work, therefore, sand had been carted from there,

whereas stone was carted from Trakki quarry having lead 90 Km from site of work being nearest source of stone. The reply was not tenable as no documentary evidence regarding non-availability of material from nearest quarry was produced.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that different kinds of material were carted from different sources/approved quarries vide Chief Engineer, Highway Lahore letter No.3588-3593 dated 22.08.2005. The para was kept pending by the Committee for verification of use of harrow sand. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 715)

4.4.10.2 Executive Engineer, UJC Division, Gujrat made provision of an item of work "*Carriage of 100 Cft of all material like stone aggregate, spawl, kankar etc. from Sikhanwali quarry to site of work lead 190 km*" for quantity of 3,014,173 cft @ Rs 4,060 per % cft amounting to Rs 122,375,424. Actual lead from Sikhanwala quarry to site of work was 181 km, therefore, excess lead of 9 km was provided in the estimate. Rate of carriage of stone to be paid was Rs 3,884.50 per % cft instead of Rs 4,060 per % cft. In this way excess rate of Rs 175.50 per % cft was allowed to contractor.

Violation of Finance Department's letter resulted in loss of Rs 4.573 million.

Audit pointed out the loss in July 2017. The department replied that the lead from Sikhanwali Quarry to site of work was provided as 190 K.M in T.S estimate. The same was got verified from NESPAK ADP Consultants. The reply given by the department was not convincing because as per lead diagram prepared by Audit, the lead was 181 km instead of 190 km.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. It was stated that the lead was approved by the authority. The para was kept pending for vetting the lead diagram by XEN of Highway Division within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 479)

4.4.10.3 Executive Engineer, Rachna Drainage Division, Sheikhupura provided 472645 cft quantity "*Carriage of stone or bajri from Sikhanwali quarry to site of work with average lead of 183 Km*" while calculating the lead the distance from Pindi Bhattian was shown as 93 Km instead of 73 Km. Further, distance from Sheikhupura to site of work as 16 km whereas the site was in district Sheikhupura and total length of drain was 13 km therefore, lead of 16 km was unjustified. Due to incorrect calculation, excess lead of 36 km was incorporated in the estimate and excess rate of Rs 700.20 % cft was approved.

Violation of Finance Department's letter resulted in loss due to incorrect lead amounting to Rs 3.309 million.

Audit pointed out the loss in September 2017. The department replied that payment would be made as per correct lead as verified by Highway Department. Reply of the department was not tenable. The incorrect lead was approved in the estimate. The correct lead after confirmation from highway department may be approved.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department admitted the approval of excess lead. The Committee directed that recovery be made within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 753)

4.4.10.4 Executive Engineer, Khanpur Canal Division measured borrow pit earth for a quantity of 325,311 cft with lead 200' & 325,850 cft with lead 500' instead of actual lead of 100' on account of Shikrani Flood Bund and made payment accordingly. Similarly, in the work of Abehayat disty, borrow pit earth for quantity of 461,971 cft with lead 2.5 mile were & for 425,013 cft with lead 2.5 miles was provided instead of actual lead of 1 mile & 500'.

Violation of Finance Department's letter resulted in overpayment of Rs 1.985 million.

Audit pointed out the overpayment in September 2017. The department replied that the payment was made as per approved T.S Estimate. Reply was not tenable because actual lead of the distance was admissible to the contractor and in one case the earth work was executed by dragging the earth and in 2nd case the earth was carted from a source not provided in TSE.

The matter was also discussed in the SDAC meeting held on 11.12.2017. Audit stated that department had shown executed borrow pit earth for a quantity of 325,311 cft with lead 200' & 325,850 cft with lead 500'feet and made payment accordingly instead of actual lead of 100' because the work was done through dozar by dragging the earth. Department explained that the work was executed and the pointed out recovery should be made as the lead issue was also highlighted by the TPM consultant during physical site visit of the work. The Committee pended the para for technical probe report by the SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.685)

4.4.10.5 Executive Engineer, Rachna Drainage Division, Sheikhupura approved an item "*Carriage of stone or Bajri from Sikhawali quarry to site of work with average lead of 200 km*" for

quantity of 367,400 cft @ Rs 4,082.85 per % cft and awarded to contractor @ Rs 3,300 per % cft instead of actual lead of 167 km. In this way excess lead of 33 km resulted into excess rate of Rs 524.95% cft.

Violation of Finance Department's letter resulted in loss due to calculation of excess lead for carriage of stone amounting to Rs 1.929 million.

Audit pointed out the loss in September 2017. The department replied that the payment would be made as per correct lead as verified by Highway Department. Reply of the department was not tenable. The incorrect lead was approved in the estimate. The correct lead after confirmation from highway department may be approved.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department admitted the approval of excess lead. The Committee directed that recovery be made within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 788)

4.4.10.6 Executive Engineer, Pasrur Link Division, Sialkot made provisions of quantity of 128760 cft stone (23760 cft +105000 cft) in the technical sanctioned of the work "*Flood Protection of Sialkot against AIK & Palkhu Nullah Package A & C*" for sub base with the lead of 229 KM and 252 km. The stone was required to be carted from Kirana, which was nearest to site of work with lead of 129 km and 152 Km instead of Dina quarry. In this way, the department provided 100 Km (229-129 and 252-152 = 100 km) extra lead in estimates of the schemes and got approved from competent authority which was not justified.

Violation of Finance Department's letter resulted in loss amounting to Rs 1.470 million due to allowing inadmissible lead.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated that the provision provided in the estimate was for the work of dumping and stone pitching. The stone used for dumping and pitching was having specified weight of 36 kg and 27kg respectively. Audit argued that as per approved quarry for sub base, the material was required to be used from Dina quarry. The para was kept pending for a report from the consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1210)

4.4.10.7 Executive Engineer, Small Dams Division, Islamabad in the execution of work "Construction of Chahan Dam Project (Part-I)" measured and paid an item of work "*Carriage of 100 cft all materials*" for a quantity of 721,535 cft @ Rs 2,123.09 % cft with lead of 90 km instead of 80 km @ Rs 1,920.99 % cft as provided in case of bajri so excess lead of 10 km was paid to the contractor.

Violation of Finance Department's letter resulted in overpayment of Rs 1.208 million.

Audit pointed out the overpayment in September 2017. The department replied that pitching stone was not available at Margalla quarry, therefore, same had been carted from nearest source of Trakki quarry which was 90 Km from site of work. The reply was not tenable as two different leads could not be taken for the same item.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that different kinds of material were carted from different sources/ approved quarries vide Chief Engineer, Highway Lahore letter No.3588-3593 dated 22.08.2005. The para was

kept pending by the Committee for a technical report by the ADP's Consultant within 15 days regarding non-use of Margla quarry stone. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 707)

4.4.10.8 Executive Engineer, Drainage Division, Sargodha in the analysis of rate of item of work "*P/L crushed stone aggregate 3/8" to ½"*" provided the carriage from Quarry to site of work for 47 Km @ Rs 1,240.45 per % cft. It was further observed that in case of another item of work "Carriage of stone from Sikhanwali Quarry to site of work" the lead had been provided as 56 Km. Audit was of the view that the distance between site of work and the quarry is the same but there was a difference of lead of 9 km between carriage of crush stone 3/8" to ½" and carriage of stone (56-47).

Violation of Finance Department's letter resulted in overpayment of Rs 0.126 million due to allowing excess rate.

Audit pointed out the overpayment in September-October 2017. The department replied that two leads i.e 47 Km and 56 Km existed in the sanctioned estimate. Two separate items of works had been provided in the estimate. The item "Carriage of stone from Sikhanwali Quarry lead 56 Km last 4 kilometer katcha" was taken from Sikhanwali Quarry and the lead came out as 56 Km to site of work and only carriage of stone was paid to the contractor whereas the item "Providing crushed stone filter 3/8" to 1" size including carriage of material from crushing plant to site of work average lead 47 Km last 4 Km katcha" was taken from Pull-111 from crushing plant and the payment of crushed stone to the contractor was as per rate in the sanctioned estimate. The reply given by the department was not tenable because both the items i.e. crushed stone aggregate 3/8 to ½" thick" and stone were taken from Sikhanwali quarry. Therefore lead should be the same i.e. 47 KM in both the cases.

The matter was discussed in SDAC meeting held on 19.12.2017. Audit stated that during verification it was observed that the department added carriage and income tax in the rate analysis while calculating the composite rate of the item under question. The para was enhanced to Rs 1,041,532. The para was kept pending by the Committee for detailed verification of record within 07days. The compliance of the Committee's directive was not reported till the finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 1013)

4.4.11 Short-recovery of toll tax amount / advance income tax and fine - Rs 22.198 million

According to Clause No. 22 (a) of Lease agreement relating to toll tax collection at Marala Barrage Maralla, Sialkot the monthly installments would be deposited on 1st working day of each month. As per sub clause C of same clause, in case of delay in depositing the monthly installment on 1st working day of each calendar month to which it relates, a fine @ 15% per month of the amount due for particular months for each day of delay in payment of monthly installment and income tax installment shall be added up to 10th of each calendar month, and after that contract shall stand rescinded automatically and earnest money shall be forfeited. In case lessee continues his possession after the automatic rescission of contract, he shall pay to the government the penal rent as fine @ Rs 5,797 per day as provided in clause 18 of same agreement. As per Finance Act 2014, Govt. of Pakistan, 10% advance income tax was to be deducted on each installment of lease.

4.4.11.1 Executive Engineer, Islam Head Works Division, Pallah auctioned the toll tax plaza at Islam Headworks Bridge for Rs 26.400 million for 2016-17. The toll rates were increased by 59.09% w.e.f 23.8.2016 but recovery with enhanced rates was not made from the lessee.

Violation of lease agreement's clause resulted in less-recovery on account of toll tax plaza of Rs 15.600 million.

Audit pointed out the less-recovery in February 2017. The department replied that lessee went to Lahore High Court against enhanced rates. The court transferred the case to arbitrator who directed the lessee for recovery at enhanced rate. The lessee again moved to Civil Court Bahawalpur which was under trial. Reply was not tenable because department did not produce any record in support of reply.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The para was discussed in detail. It was apprised by the Chief Engineer Irrigation Multan Zone that the recovery was genuine. The contractor was still in the court of law and case was under trial. As soon as any decision was made by the Court, it would be intimated to Audit. The Committee kept the para pending and directed to pursue the case vigorously and observed that clause in respect of increase in rate should have been added in toll collection agreement. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and production of requisite record.
(DP No. 90)

4.4.11.2 Executive Engineer UCC Marala Division, Sialkot did not recover an amount of Rs 6.598 million on account of toll tax collection, advance income tax and fine (penalty) due to late deposit at Maralla Barrage Maralla, Sialkot leased out to M/s Muhammad Nawaz during the financial year 2016-17. Total agreement amount was Rs 17.005 million which was further enhanced to Rs 22.752 million. Lessee failed to deposit the monthly installment along with income tax.

Violation of lease agreement's clause resulted in short-recovery of toll tax amounting to Rs 6.598 million.

Audit pointed out the non-recovery in October 2017. The department did not furnish reply

The matter was also discussed in SDAC meeting held on 20.12.2017. Recovery was admitted by the department. The para was kept

pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 987)

**4.4.12 Overpayment due to application of incorrect input rate -
Rs 20.720 million**

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

4.4.12.1 Executive Engineer, Ahmadpur Canal Division, Ahmadpur (East) got executed, measured and paid the item of work, "*Providing and casting in situ bored reinforced concrete pile with type 'C' concrete (Nominal mix 1:1.5:3), 22" dia" complete in all respect*" at Rs 1,323.30 per rft by including additional labour of Mason, Coolies, skilled & unskilled Bahisthi etc and extra provision of casing pipe instead of admissible rate of Rs 1,167.31 per rft.

Violation of Finance Department's instructions resulted in overpayment of Rs 6.285 million.

Audit pointed out the overpayment in March 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department explained that all the works have been approved by the competent authority. The para was kept pending for verification of complete record alongwith consultants' reports within 30

days. The compliance of the Committee's directive was not reported till finalization of the report.

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

(DP No. 42)

4.4.12.2 Executive Engineer, Jampur Construction Division, DG Khan awarded a work "Remodeling and extension of Tayyab Drain" during 2/2015 and got approved and made payment for a non-standardized item "*Providing and casting situ bored RCC Pile type B concrete (Nominal mix 1:1/1/2:3) 24" dia*" @ Rs 2,140.42 per rft instead of Rs 1,813.83 per rft by including excess material and machinery in the rate analysis which were not admissible as per template of the Finance Department.

Violation of Finance Department's instructions resulted in overpayment of Rs 4.724 million.

Audit pointed out the overpayment in August 2017. The department replied that the PC-1 and TSE were sanctioned by the competent authority and the rate analysis was got approved. Reply was not tenable as the department made overpayment in violation of the input rates approved by the Finance Department.

The matter was also discussed in SDAC meeting held on 14.12.2017. It was explained that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. The para was kept pending for report from the Consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 629)

4.4.12.3 Executive Engineer, Small Dams Division, Jhelum measured and paid sub item “*Cutting bore hole by percussion method as per site condition, in all types of rock etc*”. @ Rs 3,500 per Rft. This sub item was required to be approved @ Rs 1,600 per Rft vide item No. 06-P of input rates of material for bi-annual 2013 instead of Rs 3,500 per rft. Due to incorrect application of rates, an excess rate of Rs 1,900 (3500 - 1600) was approved in the rate analysis along with 20% contractor overhead and profit.

Violation of Finance Department’s instructions resulted in overpayment due to incorrect preparation of rate analysis amounting to Rs 4.049 million.

Audit pointed out the overpayment in October 2017. The department replied that keeping in view the nature of soil and site condition the rates were negotiated with contractor and approved by competent authority and also approved in the revised PC-1. Reply of the department was not tenable. The rate for boring of pile was required to be approved and paid as provided in input rate of MRS for same nature of works. The rate analysis was prepared on extra higher rates in violation of terms and condition of contract agreement.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that the rates had been approved by the competent authority. Audit argued that extra rate of drilling of bore hole of RCC pile was allowed. The para was kept pending for clarification from Finance Department within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1259)

4.4.12.4 Secretary Irrigation Department sanctioned the rate of an item of work i.e “*supply of stone*” @ Rs 658.60% cft for the quantity of 1,115,546 cft. As per input rate notified by the Finance Department item

No.08.001 the rate of stone was notified @ Rs 335.00 % cft. However, the department sanctioned higher rate for Rs 256 % cft.

Violation of Finance Department's instructions resulted in overpayment of Rs 2.855 million.

Audit pointed out the overpayment during May 2017. The department replied that rate was provided in PC-I by inclusion of supply of stone from Sikhanwali quarry and input rate pointed out by the Audit does not match with the item taken in sanctioned estimate. The reply of the department was not tenable, because the department was bound to apply the input rate notified by the Finance Department.

The matter could not be discussed in SDAC meeting held on 24-25.08.2017 because the department did not attend the meeting.

Audit recommends early recovery.

(DP No. 143)

4.4.12.5 Executive Engineer, Flood Bund Division, Narowal measured and paid 3620 rft quantity of an item of work, "*Providing and casting in situ bored reinforced concrete pile complete in all respect of 42" dia*" @ Rs 5,231 per rft as non-scheduled item. Further scrutiny of rate analysis revealed that incorrect rate of labour i.e. Rs 65,880 was approved in the rate analysis instead of Rs 51,138 for 100 rft pile. Due to incorrect rate of labour and excess rate of Rs 191.75 per rft (Rs 14,750 for 100 rft pile or 147.50 per rft + 20% Contractor's profit and 10% sundries = Rs 191.75) was approved which resulted in overpayment of Rs 0.694 million.

Violation of Finance Department's instructions resulted in overpayment due to preparation incorrect rate analysis amounting to Rs 0.694 million.

Audit pointed out the overpayment in September 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. It was stated that the payment was made on approved rate analysis being non scheduled item, but Audit insisted on recovery. The para was kept pending for revision of rate analysis within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 910)

4.4.12.6 Executive Engineer, Flood Bund Division, Narowal measured and paid 3620 Rft quantity of an item of work, "*Providing and casting in situ bored reinforced concrete pile with type B nominal mix 1:½:3 using 10% extra cement in dry mix and coarse and complete in all respect of 42" dia*" @ Rs 5,231 per rft as non-scheduled item. Further the rate of Rs 6,100 % cft (for 808.17 cft of bajri) was added in the rate analysis instead of Rs 4,200 % cft, whereas rate of Rs 6,100% cft was approved. Due to incorrect rate, excess rate of Rs 15,355.23 for 100 rft pile or 153.55 per rft plus 20% was approved.

Violation of Finance Department's instructions resulted in overpayment due to application of incorrect rate amounting to Rs 0.667 million.

Audit pointed out the overpayment in September 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. It was stated that the payment was made on approved rate analysis being non scheduled item. The Committee upheld the view point of audit and directed to revise rate analysis within 30 days and effect recovery accordingly. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 909)

4.4.12.7 Executive Engineer, Small Dams Division , Jhelum, got executed, measured and paid an item of work of package-A&B “*Providing, laying, cutting, jointing, testing and disinfecting MS Pipe complete in all respect*” (5 mm wall thickness) 30 inch dia” for quantity of 2,258 rft @ Rs 8,956.68 per rft by preparing rate analysis. The department added 10% sundries on total amount/ charges of rate analysis (material, carriage and Labour) instead of only on labour in violation of instruction of Finance Department. In this way excess rate Rs 265.05 per rft was approved and paid to contractor.

Violation of Finance Department’s instructions resulted in overpayment due to incorrect preparation of rate analysis amounting to Rs 0.597 million

Audit pointed out the overpayment in October 2017. The department replied that the rate was approved by competent authority keeping in view the market conditions. The payment was authorized as per provisions of TSE and contract agreement. Reply of the department was not tenable. The rate analysis was prepared after allowing 10% sundries on total cost of material instead of labours only in violation of instruction issued by the Finance Department.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that the payment of the item had been provided and paid as per technically sanctioned estimate and contract agreement. Audit argued that sundries were admissible on labour only. The para was kept pending for a technical report by the Project Director, Small Dams Organization, Islamabad within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1268)

4.4.12.8 Executive Engineer, Small Dams Division, Jhelum measured and paid 90 meter quantity of an item of work “*Drilling of bore*

hole upto maximum depth of 50 meter below ground surface by percussion method as non-schedule item @ Rs 6,573.28 per meter. The rate of this item was required to be approved and paid @ Rs 2376 per meter vide item No. 04-P of input rates of material for 1stbi-annual 2013. Due to incorrect application of rates, an excess rate of Rs 4,197.28 (6573.28 - 2376) was approved in the rate analysis along with 20% contractor overhead and profit and paid to the contractor.

Violation of Finance Department's instructions resulted in overpayment due to incorrect preparation of rate analysis amounting to Rs 0.378 million.

Audit pointed out the overpayment in October 2017. The department replied that the site of work was difficult to approach and execution was hard to be carried out in irregular terrain. The rate was approved by competent authority as non scheduled item and payment had been made accordingly. Reply of the department was not tenable. The rate for boring of pile was required to be approved and paid as provided in input rate of MRS for same nature of works. The rate analysis was prepared on extra ordinary rates in violation of terms and condition of contract agreement.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that the rate had been approved by the competent authority as non scheduled item and payment has been made accordingly. Audit argued that extra rate for drilling bore hole was allowed. The para was kept pending for a clarification from Finance Department within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1267)

4.4.12.9 Executive Engineer, Marala Division UCC, Marala awarded the work "Protection of Villages in Chaprar from threats of River Jammu Tawi" to M/s. Global Construction Company with contract

amount of Rs 70.595 million in May 2017 against the estimated cost of Rs 94.953 million. As per specification and estimates of other projects, the aggregate/crush stone for base material of stone pitching was being used in two layers of 6" size with different sizes i.e. 1/2" to 1½" and 3/8" to 1". The department used the base material of 3/8" to 1" for one foot depth instead of 1/2" to 1½" and 3/8" to 1" in 6" layers each and rate of Rs 3840 % cft vide item No.6.011 was paid instead of Rs 1,500 % cft vide item No. 6.03 for 1st layer of 6" and an excess rate of Rs 2,340 % cft was paid for 8,986.50 cft quantity.

Violation of Finance Department's instructions resulted in overpayment due to incorrect application of rates amounting to Rs 0.210 million.

Audit pointed out the overpayment in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. It was explained by the department that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. Viewpoint of the department was not accepted. The para was kept pending for justification from the Superintending Engineer within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 967)

4.4.12.10 Executive Engineer, DCC Division Kasur got an item of work, "*Providing & Placing cement sand & bitumen joint sealant ratio 1:2:3, 1/5" wide & 1" deep @ 10 ft*" executed for quantity of 65,629 rft @ Rs 11.96 per rft as Non-MRS in PC-I /TSE by making rate analysis. Further scrutiny of record has revealed that in rate analysis a sub item i.e. carriage @ Rs 90 was added which was inadmissible because rates of all items i.e Cement, Sand and Bitumen were of site rates. Further, input rate

of material and labour were added on higher side instead of admissible rates available on website of Finance Department.

Violation of Finance Department's instructions resulted in loss due to application of incorrect input rate and inadmissible carriage amounting to Rs 0.137 million.

Audit pointed out the loss in September 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Recovery was admitted by the department. The para was kept pending for adjustment within 90 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 579)

4.4.12.11 Executive Engineer, Jhang Division LCC (West), Jhang approved rate of Rs 9.13 per rft for a non schedule item "*Providing and placing cement, sand and bituminous joint sealant ratio 1:2:3 1/2*" wide and 1" deep" on the basis of input rates for the Bi-Annual Period. It was further observed that in the rate analysis under sub head "Labour" the cost of labour had been worked out as Rs 300.30 instead of actual labour cost of Rs 262.35. Thus the composite rate was worked out to Rs 9.13 per rft instead of Rs 8.74 per rft. In this way excess rate of Rs 0.39 per rft (9.13–8.74) was provided in the estimate of the work.

Violation of Finance Department's instructions resulted in overpayment due to excess rate for Rs 0.124 million.

Audit pointed out overpayment in October 2017. The department replied that the rate analysis was prepared and approved by the competent authority by applying correct input rates of bi annual 2014. Reply given by the department was not convincing because under sub head "Labour" the

cost had been provided Rs 300.30 instead of actual labour cost of Rs 262.35 per day.

The matter was also discussed in SDAC meeting held on 19.12.2017. Department reiterated its previous reply. The para was kept pending for verification of record within 7 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 1022)

4.4.13 Overpayment due to non-deduction of shrinkage allowance - Rs 20.668 million

As per provision of Market Rate System under Chapter No.3 "Earth Work", 3% to 6% shrinkage was required to be deducted as "settlement allowance" when the work was done by machine.

4.4.13.1 Executive Engineer, Sahiwal Division LBDC, Sahiwal made payment for a quantity of 3,860,223 cft (2481739 + 1378484) for the item "*Earth work without compaction with power road roller in layers upto 90% maximum modified AASHTO dry density*" as required. Further, as the work was executed without any compaction therefore shrinkage allowance @ 10% was also required to be deducted from the total quantity of earth work which had not been deducted.

Violation of MRS resulted in execution of work below specification worth Rs 17.536 million and overpayment due to non recovery of shrinkage allowance worth Rs 2.256 million.

Audit pointed out overpayment in July 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. It was stated that shrinkage would be adjusted in the revised TS estimate which was under process. The para was kept pending by the

Committee till revision of the estimate. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 352)

4.4.13.2 Executive Engineer, Jhang Division LCC (West) Jhang got executed the item of work "*Earthwork in excavation from outside borrow pit lead upto average lead 3 mile including dressing & leveling for all type of soil i.e. ordinary / soft / hard*" for a quantity of 2,281,562 cft @ Rs 6,400 % cft from Machinery Division, Multan but deduction of shrinkage @ 6% was not made.

Violation of MRS resulted in overpayment of Rs 0.876 million.

Audit pointed out the overpayment in October 2017. The department replied that the job order was issued to Executive Engineer, Machinery Division Multan. The Machinery Division Multan deployed the machinery for the above said work which was in progress and yet to be finalized. On making final measurement due shrinkage allowance would be deducted from the work measurements. The department has admitted that on the final measurement, due shrinkage allowance would be deducted.

The matter was also discussed in SDAC meeting held on 19.12.2017. Recovery was admitted by the department. The para was kept pending for recovery in next running bill within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 1020)

**4.4.14 Overpayment due to incorrect calculation of price variation -
Rs 15.169 million**

According to clause-55 of contract agreement, where any variation (increase or decrease) to the extent of 5% or more in the price of item of

work takes place after acceptance of tender and before completion of work, the amount payable should be adjusted to the extent of actual variation in the cost of concerned item of work.

4.4.14.1 Executive Engineer, Jampur Construction Division, D.G. Khan awarded works “Remodeling and extension Tayyab Drain” to M/s Khyber Grace during 2/2015 and made payment Rs 935.252 million up to 23rd bill. The labour rate at the time of award was Rs 450 per day and during December 2016, it increased to Rs 538 per day but the department took the rate as Rs 550 per day. Further, the department calculated date-wise escalation without mentioning the page Nos & reference of MBs.

Violation of contract agreement’s clause resulted in overpayment of price escalation on labour amounting to Rs 9.631 million.

Audit pointed out the overpayment in August 2017. In one case the department stated that the detail of reply would be submitted after examination of record [para 26] and in 2nd case labour rate was increased more than 5% during execution of work. Reply was not tenable because the department calculated escalation by applying incorrect rate of Rs 550 instead of Rs 538 and in 2nd case escalation was worked out by applying incorrect mode of calculation as page Nos & reference of MBs were not entered on price variation sheets.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department stated that the recovery of de-escalation of labour had been made from the contractor. The para was kept pending by the Committee for detailed verification of record within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and verification by producing requisite record.

(DP No. 627)

4.4.14.2 Executive Engineer, Small Dams Division, Islamabad in the execution of work “Construction of Chahan Dam Project (Part-I)” made excess payment of price variation of Rs 2.126 million to contractor by calculating incorrect value of work done i.e. Rs 27.217 million & Rs 24.609 million for 4th and 10th running bill instead of actual value of work done as Rs 12.218 million and Rs 21.069 million.

Violation of contract agreement’s clause resulted in overpayment of Rs 2.126 million.

Audit pointed out the overpayment in September 2017. The department replied that the value of work done upto 4th running bill was Rs 27.217 million as per M.B No. 1163/S, page 15. The reply was not tenable being partial and elusive.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that payment of price variation had been made to the contractor as per actual value of work done. Audit contended that value of work done was 12.218 million and 21.069 million. The para was kept pending detailed verification within 15 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 726)

4.4.14.3 Executive Engineer, Ahmadpur Canal Division, Ahmadpur East awarded the work “Providing Drainage System with the command area 3-R/Abbasia Canal” to the contractor at an agreed cost of Rs 138.371 million. The department made incorrect calculation of item “*Carriage of 100 cft of all materials etc*” (Item-14) in the comparative statement by taking incorrect product of quantity. Total cost in the abstract column of T.S for quantity a of 246,270 cft @ Rs 2,224% cft was taken as Rs 5.878 million instead of actual total of Rs 5.477 million. Hence, amount of above item was excess by Rs 0.401 million (5.878-5.477). By considering the correct amount of T.S. estimate, percentage of award

worked out to 4.77% against the awarded percentage of 4.45% above resulting in excess percentage @ 0.32% (4.77 -4.45).

Violation of contract agreement's clause resulted in overpayment of Rs 1.086 million.

Audit pointed out the overpayment in September 2017. The department replied that the contractor had quoted his rates 4.45% above the tender rate and calculation mistake does not affect the overall payment of the project. The reply of the department was tenable as the calculation mistake in comparative statement had affected the overall payment of percentage of work. The contractor quoted the rates 4.45% above but due to incorrect calculation in the item of carriage, the overall percentage had increased to 4.77% and contractor had been overpaid by Rs 1.085 million.

The matter was also discussed in SDAC meeting held on 11-12.2017. The department did not submit the working papers due to which the para was not discussed in SDAC meeting.

Audit recommends early recovery.

(DP No. 1227)

4.4.14.4 Executive Engineer, Small Dams Division, Jhelum got executed, measured and paid an item of work, "*Providing, laying, cutting, jointing, testing and disinfecting MS Pipe complete in all respect*" 42 inch dia and 36 inch dia by preparing rate analysis based on Finance Department input rates. The department added 10% sundries on total amount/ charges of rate analysis (material, carriage and Labour) instead of only on labour charges in violation of instruction of Finance Department. In this way excess rate of Rs 372.50 per rft and Rs 371.97 (36 inch dia) was paid to contractor.

Violation of contract agreement's clause resulted in overpayment due to application of higher rate amounting to Rs 1.035 million.

Audit pointed out the overpayment in October 2017. The department replied that the payment of the item had been provided and paid as per technical sanction estimate and contract agreement. The rate was approved by competent authority keeping in view the market conditions. Reply of the department was not tenable. The rate analysis was prepared after allowing 10% on total cost of material instead of labour only in violation of instructions issued by the Finance Department.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was explained by the department that the payment of the item had been provided and paid as per technically sanctioned estimate and contract agreement. Audit argued that sundries were admissible on labour only. The para was kept pending for a technical report by the Project Director, Small Dams Organization, Islamabad within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1275)

4.4.14.5 Executive Engineer, Eastern Bar Division, Pakpattan made payment of price variation amounting to Rs 4,723,332. The dates of record entries were not recorded as per actual work done at site. These dates were inserted later with different ink which was not admissible. The work done of 3rd running bill was executed during the month of January 2015 but the date of record entry was shown in the MB No. 3230 at page 3 as 5.2.2015 instead of actual dates of January 2015. Further, no date was mentioned in CMB No.3223 by the SDO at the time of recording measurement in CMB. During the month of January 2015, the labour rate was the same as per tender rate and no price variation was admissible to the contractor during the month of January 2015. By showing the incorrect date of record entries price variation for labour was paid to the contractor.

Violation of contract agreement's clause resulted in overpayment due to incorrect calculation of price variation amounting to Rs 0.476 million.

Audit pointed out the irregularity in August 2017. The department replied that matter would be replied after detailed scrutiny of record.

The matter was also discussed in SDAC meeting held on 12.12.2017. Department stated that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. The Committee kept the para pending for verification of work executed during the month of January 2015 from the Consultant within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and fixing responsibility against the person responsible for this overpayment.

(DP No. 598)

4.4.14.6 Executive Engineer, Eastern Bar Division, Pakpattan made payment of price variation amounting to Rs 4.723 million by showing the work done during November 2016 and labour rate was paid as Rs 538 per day against the base rate of Rs 345 whereas as per Measurement Book, the actual work was executed during the month of July and August 2016 and during this period the labour rate was Rs 500 per day.

Violation of contract agreement's clause resulted in overpayment due to incorrect calculation of price variation amounting to Rs 0.419 million.

Audit pointed out the overpayment in August 2017. The department replied that matter would be replied after detailed scrutiny of record.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Recovery was admitted by the department. The para was kept pending for recovery in next running bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and fixing responsibility against the person(s) responsible for overpayment

(DP No. 464)

4.4.14.7 Executive Engineer, Jampur Construction Division, awarded work “Remodeling and extension Tayyab Drain” during 2/2015 and made payment of Rs 935.252 million up to 23rd bill. The base rate of cement was increased from Rs 499 to Rs 502 per bag which was within 5%. The rate of cement was taken as Rs 528 per bag in May 2015 instead of Rs 519 per bag. In 2nd case the rate of diesel was increased from Rs 80.61 to Rs 82.83 liter which was also within 5% and in part-2, the incorrect figures of adjusted amount was taken as Rs 2.104 million instead of Rs 1.956 million.

Violation of contract agreement's clause resulted in overpayment of price escalation valuing Rs 0.396 million.

Audit pointed out the overpayment in August 2017. The department stated that detailed reply would be submitted after examination of record. The reply was not tenable because all the record was available with the department but it was reluctant to effect actual recovery.

The matter was also discussed in SDAC meeting held on 14.12.2017. It was explained that the steel used in reinforcement was according to provision of the estimate. The para was kept pending for detailed verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification by producing requisite record.

(DP No. 626)

4.4.15 Loss due to non-recovery of drainage / effluent charges – Rs 14.763 million

As per rules 4.7(1) of PFR Vol-I read with notification No.SO(REV) Irrigation-2-19/97 dated 12.06.2014, the recovery of

drainage charges on account of effluent water was enhanced from 11000 to 35000 per cusec per annum with effect from 01.07.2014. It is primarily the responsibility of the departmental authorities to see that all revenue or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account.

4.4.15.1 Examination of record maintained by office of Superintending Engineer, Drainage Circle, Lahore revealed that Executive Engineer, Rachna Drainage Division, Sheikhupura & Executive Engineer, Drainage Division, Lahore did not recover drainage charges of effluent water for the year 2015-16, from various clients amounting to Rs 10.98 million.

Violation of PFR Vol-I resulted in loss of Rs 10.982 million.

Audit pointed out the lapse in May 2017. The department replied that despite best possible efforts recovery of effluent charges could not be made. The matter was referred to the concerned Deputy Commissioners for recovery. The reply was not tenable because no realization was reported.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Department explained that the recovery was under process. The para was kept pending for recovery within 90 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 190)

4.4.15.2 Examination of record maintained by office of Superintending Engineer Drainage Circle, Lahore has revealed that an amount of Rs 2.906 million on account of drainage charges for the year 2015-16 were recoverable from various clients. But Executive Engineer failed to recover a huge amount of drainage charges. S.E Circle Office was

required to take action against concerned Executive Engineer for non recovery of Rs 2.906 million.

Violation of PFR Vol-I resulted in non-recovery of drainage charges amounting to Rs 2.906 million.

Audit pointed out non recovery in May 2017. The department replied that despite best possible efforts recovery of effluent charges could not be made. The matter had been referred to the concerned Deputy Commissioners for recovery of effluent charges.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Department explained that the efforts are being made for recovery. The para was kept pending for recovery within 90 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of drainage/ effluent charges with its verification from Audit.

(DP No. 327)

4.4.15.3 Executive Engineer, Fordwah Canal Division, Bahawalnagar did not recover the effluent charges of Rs 1.540 million (1.015 + 0.525) for the period 2015-16 from the users/owners of industrial units.

Violation of PFR Vol-I resulted in non-recovery of effluent charges worth Rs 1.540 million.

Audit pointed out the non-recovery in February 2017. The department replied that total recovery has already been made. Reply was not tenable because relevant record of recovery was not got verified.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department explained that out of Rs 1.540 million, an amount of Rs 0.665 million had been recovered / adjusted, which had been

verified. The para was reduced to Rs 0.875 million for recovery / verification within 30 days. The para was reduced and kept pending. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides providing requisite record.

(DP No. 15)

4.4.16 Overpayment on account of price variation on bajri used in RCC - Rs 13.947 million

As per clause 55(5) of contract agreement, if no notification in respect of any of the item mentioned in sub-clause (2) is issued under sub-clause (4), no price variation shall be admissible in respect of that item during that month. As per A & C No. 2 vide No. RO (TECH) FD 2-3/2012 Vol-II dated 05.08.8.2015 price variation was admissible for bajri on the contracts executed after 01.04.2015.

Executive Engineer, Small Dams Division, Jhelum made payment of price variation amounting to Rs 13.947 million on the item "*Crush/bajri* used in the item of "cement concrete and RCC" in violation of contract and instructions issued by the Finance Department.

Violation of contract agreement's clause resulted in overpayment on account of price variation of bajri used in cement concrete/RCC amounting to Rs 13.947 million.

Audit pointed out the overpayment in October 2017. The department replied that the escalation was allowed as per spirit of clause 55 (4) and the A&C No.2 dated 05.08.2015 RO (tech)FD 2-3/2012 Vol-II. Reply of the department was not tenable. The amendment issued by the Finance department issued on 05.08.2015 was not applicable on the contract executed before issuance of the same.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that price variation for coarse stone aggregate (bajri) had been allowed in line with FD's amendment issued on 05.08.2015. Audit argued that price variation was not admissible on the contracts executed before issuance of amendments. The para was kept pending for technical advice from Finance Department within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1255)

4.4.17 Overpayment due to non-reduction of rate - Rs 11.518 million

As per Irrigation and Power Department's letter No.SO(PAC)I&P-86-1 dated 20.10.1987, no separate payment should be made for dressing as provided in item No.18 of CSR 1979 in case of compacted earth work. Further, as per rule 2.33 of Punjab Financial Rules Volume-I every government servant shall realize fully and held personally responsible for any loss sustained by the Government through fraud or negligence.

4.4.17.1 Executive Engineer, Upper Gugera Division Sheikhupura made payment for the item "*Earth work in irrigation channels, drains, etc. undressed within 50 ft. @ Rs 2,919.85 %o cft.*" Further, a separate item "Compaction of earth work with power road roller" was also measured and paid. In this way the department did not deduct the rate of dressing @ Rs 228.50%o cft from the item earthwork excavation in irrigation channels.

Violation of Irrigation and Power Department's letter resulted in overpayment due to incorrect application of rates amounting to Rs 5.794 million.

Audit pointed out the overpayment in September 2017. The department replied that the payment was made to the contractor as per provision in the TS estimate sanctioned by the competent authority and duly verified by the consultant. Reply of the department was not tenable.

The rate with dressing was paid to the contractor whereas as per estimate and measurement book the work was executed without dressing.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department admitted the recovery. The Committee kept the para pending for recovery within 30days.

Audit recommends early recovery.

(PDP No. 837)

4.4.17.2 Executive Engineer, Ahmadpur Canal Division, Ahmadpur East awarded the work “Rehabilitation of Ahmadpur Branch System Package - (A)” to the contractor at an agreed cost of Rs 207.545 million. The department paid an item “*Earthwork excavation in irrigation channel etc disposed off and dressed with in 50 ft etc*” (Item-19) for a quantity of 1428036 cft @ Rs 1,536.50 %cft which included dressing and preparation of sub grade. The department also paid two items “*Formation dressing and preparing of sub grade on level*” for a quantity of 48,154 sft @ 433% sft amounting to Rs 208,507 (Item-2) and on slope with quantity of 375,872 sft @ 500% sft amounting to Rs 1,879,359 (Item-3). Payment of these two items was not admissible as dressing was included in item No.19.

Violation of Irrigation and Power Department’s letter resulted in overpayment of Rs 2.088 million.

Audit pointed out the loss in September 2017. The department replied that these were two different items with different scope of work. The reply was not tenable as the formation dressing and preparation of sub grade was built in the item 19 above.

The matter was discussed in SDAC meeting held on 11.12.2017. It was explained that the estimate was framed on the basis of Consultant’s estimate, which has been incorporated in the approved PC-1. The para was kept pending for justification from the consultant and technical probe by

SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP No. 1098)

4.4.17.3 Executive Engineer, Rachna Drainage Division, Sheikhupura awarded a work to a contractor and quoted the rate 19.5% below the estimated rates against the item of work "*Providing and costing in situ board reinforcement cement concrete pile with type C*". The rate for this item was approved by the Superintending Engineer @ Rs 2,473 per rft and after deduction of 19.5%, the rate of Rs 1,991 was required to be paid whereas full rate of Rs 2,473 per rft was paid for quantity of 3,368.48 rft to the contractor.

Violation of Irrigation and Power Department's letter resulted in overpayment due to incorrect application of rates amounting to Rs 1.624 million.

Audit pointed out the overpayment in September 2017. The department replied that the payment was made after getting approval of the competent authority and fulfilling all codal formalities. Reply of the department was not tenable. The payment was required to be made at 19.5 % below the estimated rate as per agreement / acceptance letter.

The matter was discussed in SDAC meeting held on 04-05.12.2017. The department pleaded that rate for the item was provided in TS @ Rs 3,284.90 per rft and contractor quoted 19.5% below which came to Rs 2,676 per rft and accordingly acceptance letter was issued to contractor. Later on, Superintending Engineer approved the rate of Rs 2,473 per rft. Audit argued for recovery of overpaid amount. The para was kept pending for a technical report by the Chief Engineer, Irrigation Lahore Zone within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 766)

4.4.17.4 Executive Engineer, Rachna Drainage Division, Sheikhupura made a provision of quantity of 79,040 sft @ Rs 718.10 per sft in the estimate and paid the item of formation, dressing and preparing sub grade in bed and on slope for quantity of 13,864 sft whereas its rate was included in the allied item of earthwork.

Violation of Irrigation and Power Department's letter resulted in loss due to provision of incorrect item amounting to Rs 0.567 million.

Audit pointed out loss in September 2017. The department replied that mode of execution of work was not understood by Audit. As per actual mode of execution of work, the provision was justified. Reply of the department was not correct. The payment for dressing and preparation of sub grade was not admissible as clarified by the Finance Department.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department explained that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. The para was kept pending for justification from the consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 751)

4.4.17.5 Executive Engineer, Khanpur Canal Division, Khanpur got executed item of work "*Earth work ashes, soft soil with dressing etc.*" in three works of re-sectioning of the distributaries without dressing but dressing was recorded in MBs and payment was also made after including it in the item of work.

Violation of Irrigation and Power Department's letter resulted in unjustified payment of Rs 0.386 million.

Audit pointed out the overpayment in September 2017. Department replied in one case that the execution of dressing component was made at site and paid accordingly and in 2nd case admitted recovery. The reply was not satisfactory as the TPM consultants clearly advised the department to effect recovery on account of making payment of dressing without actual execution at site.

The matter was also discussed in SDAC meeting held on 11.12.2017. Audit stated that in three works of re-sectioning the item “Earth works of ashes, soft soil with dressing” were recorded in M.B and payment was made accordingly. In para 13 the department stated that estimate was revised with provision of undressed earth. As regards para 15, department admitted that recovery would be made from the final bill. The para was kept pending for verification of dressed rates which has not been paid and recovery of admitted amount of Rs 286,501 within 10 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against the defaulters.

(DP No. 691)

4.4.17.6 Executive Engineer, Upper Gugera Division, Sheikhupura made provision of 680,173 cft quantity of an item “*Excavation in foundation of building bridges in ordinary soil etc*” in the TS estimate. Payment for quantity of 645,626 cft was made at full rates which included the rate of dressing and ramming of earth behind retaining walls etc i.e. @ Rs 228.50 per %o cft and Rs 728.65 per %o cft respectively despite the fact that 430,284 cft quantity of (2/3rd of 645,626 cft) earth was not refilled around structure. Therefore, due to non-deduction of rate of dressing and ramming from the item rate, an excess rate of Rs 957.15 per %o cft (228.50 + 728.65) was paid to the contractor.

Violation of Irrigation and Power Department’s letter resulted in overpayment due to inadmissible payment of dressing and ramming amounting to Rs 0.382 million.

Audit pointed out the overpayment in September 2017. The department replied that the refilling after the construction at site should be deducted having 2/3rd volume of structure. Reply of the department was not tenable. No dressing and ramming was involved in the 2/3rd quantity of earth obtained from excavation in foundation, therefore, the recovery of ramming and dressing was required to be made from the payment of excavation.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department explained that the estimate was framed on the basis of the Consultant's estimate, which had been incorporated in the approved PC-1. The Audit argued that the composite rate of the item "Excavation in foundation of buildings in ordinary soil" includes the rate of dressing and ramming. So the full rate was to be paid for 1/3rd quantity and the remaining 2/3rd quantity of earth, which was disposed off by the department, was to be paid after deducting the rate of dressing and ramming. The Committee pended for the para for justification from the consultant and technical probe by SE. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 840)

4.4.17.7 Executive Engineer, Kasur Division DCC, Kasur awarded the work Concrete Lining of Lower Ganja Minor form RD: 0+000 to 42+850 tail. As per technically sanctioned estimate a quantity of 14,711,175 cft of an item "*Earth work in irrigation channels, drains, etc. to designed section, grades and profiles, excavated material disposed off and undressed within 50 ft. @ Rs 4,237.75 % cft* (vide item No.10 Chapter 3 of MRS, Bi-Annual Period District Kasur) was to be obtained from prism cutting and this quantity was required to be used on bank of canal with compaction upto 90%. As the earth obtained from prism cutting was required to be compacted upto 90% for which compaction was paid separately therefore, rate of earth work in irrigation channel was required to be paid after deduction of the rate of Rs 334.20 % cft of dressing.

Violation of Irrigation and Power Department's letter resulted in overpayment due to incorrect application of rates amounting to Rs 0.379 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Department admitted the pointed out recovery but had not yet effected. The Committee pended the para with the direction to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(PDP No. 576)

4.4.17.8 Executive Engineer, DCC Division Kasur got approved in TSE, the item of work, "*Earthwork excavation in irrigation channel, drains etc to designed section, grade and profiles, excavated material disposed off as dressed lead up to 100 ft*" for quantity of 1140719 cft @ Rs 4,237.75 per cft vide item No.10 (i) chapter No.3 of MRS 2nd bi-annual 2016 for district Kasur. The rate of dressing @ Rs 334.20 per % cft was required to be deducted because this quantity was not required for dressing as evident from X-section of earth work attached with technical section of scheme. Furthermore, all the quantities brought from outside, adjusted from cutting and used for prism filling / bank filling were 90% compacted.

Violation of Irrigation and Power Department's letter resulted in loss of Rs 0.298 million due to allowing excess rate of dressing.

Audit pointed out the loss in September 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Department explained that the TSE revision was under

process. The para was kept pending till revision of the estimate within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of loss and its verification.

(DP No. 581)

4.4.18 Overpayment on account of higher / incorrect rate – Rs 10.169 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.

Executive Engineer, Drainage Division, Sargodha executed item of work "*Earthwork in excavation of drains, irrigation channels through excavator / Drag lines in all kinds of soil and conditions (dry, wet, slush, daldal and under water) including its disposal with path making*" in different works for a quantity of 32,610,918 cft @ Rs 1,462 & 1,415 % cft. Work was got executed from Machinery Division, Lahore & Machinery Division, Multan through departmental machinery. Further, the aforesaid item existed in respective MRS @ of Rs 1,564.00 & and Rs 1,519 % cft. It was pertinent to mention here that 20% contractor profit plus overhead charges were included in this rate. Moreover, 10% cost/ rent of machinery and operator were also the part of this rate. In addition to the aforesaid components, the rate of item "removal of weeds and roots" was also built in the rate notified by S.E (Thal Canal Circle). So, Audit was of the view that department was required to get executed the item @ Rs 1,063.30 % cft (1519 - 30%) & Rs 1,094.80 (1564 - 30%) as 20% contractor profit and 10% rent of machinery and operator should have been excluded.

Violation of Finance Department's letter resulted in overpayment of Rs 10.169 million on account of higher / incorrect rate.

Audit pointed out the overpayment in October 2017. The department replied that in compliance with the instructions of department the works were allotted to Irrigation Machinery division Lahore & Multan during June 2016 & June 2017. The payment was made as per technical sanctioned rate i.e. Rs 1,415 & Rs 1,462 % Cft for the item according to the rate approved by Superintending Engineer, Irrigation Machinery Circle, Lahore. The Machinery Circle executed the departmental works on no profit / no loss basis. The rates provided in the respective MRS' i.e. Rs 1,564 & Rs 1,519 % cft were much higher than the approved rates i.e. Rs 1,415 & Rs 1,462 % cft of above item of work and paid by the department. The reply given by the department was not convincing because the rate calculated and approved by SE (Mech.) was not rational keeping in view the fact that all machinery divisions worked on "no profit, no loss" basis and a huge amount of expenditure was incurred on repair and maintenance of machines/equipments, salary of operators and other overhead charges. Moreover, the component pertaining to removal of weeds and roots were involved in very rare cases whereas rate was made permanent part of the item.

The matter was also discussed in SDAC meeting held on 19.12.2017. It was argued that the work was executed through Machinery Division, Lahore as per approved rate. The para was kept pending subject to provision of rate analysis from Superintending Engineer, Machinery Circle within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1012)

4.4.19 Overpayment due to allowing inadmissible carriage – Rs 8.284 million

According to input rates of 1st quarter 2015 of district Sahiwal for, the rate of item, graded bajri size 1/8 inch to ½ inch and crushed stone of size ½ to 1.5 inch was Rs 1,900 per 100 cft and Rs 3,700 per 100 cft at site vide item 6.010 and 6.011.

4.4.19.1 Executive Engineer, Small Dams Division, Jhelum got executed, measured and paid two items of work, “*Supplying and laying Fine sand of Chenab River with lead of 142 km*” for quantity of 520,824 cft @ Rs 2,850 % cft and “*Supplying and laying Course sand (harrow) along with lead of 110 km*” for quantity of 252,550 cft @ Rs 2,850 % cft whereas actual estimated rates of both item come to Rs 2,322.80 % cft and Rs 2,442.8 % cft without carriage as carriage of sand was not admissible being at site.

Violation of Finance Department’s input rates resulted in overpayment due application of higher rates amounting to Rs 7.540 million.

Audit pointed out the overpayment in October 2017. The department replied that the sand was carted from Chenab and Harrow River vide MRS item No.41 of earth work which was excluding carriage and no overpayment was made. Reply of the department was not tenable. As per inputs rates, the rate of sand was at site therefore, the same was required to be paid without any carriage.

The matter was also discussed in SDAC meeting held on 26.12.2017. The department stated that sand carted out from Chenab and Harrow River had been utilized as filter material according to specifications. Audit argued that as per inputs rates of MRS at the site rates were required to be paid without carriage. The para was kept pending by the Committee for clarification from Finance Department within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1287)

4.4.19.2 Executive Engineer, LBDC Division, Sahiwal got executed items of work “*Providing and laying crushed stones on slopes / level (size ½ to 1.5 inch)*” and “*Providing and laying well graded bajri on slope and level (size 1/8 to ½ inch)*” as non scheduled items along with

170 km carriage of Rs 3,521.84 per % cft from Sikhanwali quarry to site of work which was not admissible as the input rates of these items were “at site” rates and no separate payment of carriage was admissible.

Violation of Finance Department’s input rates resulted in overpayment of Rs 0.638 million due to application of incorrect rate by adding inadmissible carriage.

Audit pointed out the overpayment in July 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. It was stated that the approved rates for non schedule items included in the TS estimate and paid accordingly. The para was kept pending for a technical report by the Superintending Engineer concerned within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 344)

4.4.19.3 Executive Engineer, Khanwah DCC Division, Depalpur got executed , measured and paid an item of work, “*Providing & Placing cement sand & bitumen joint sealant ration 1:2:3 , 1/5" wide & 1" deep @ 10 ft*” in two works as Non-MRS by making rate analysis with addition of sub item carriage @ Rs 90 which was inadmissible because rates of all items i.e Cement , Sand and Bitumen were at “site rates” as per input rates of 1st biannual & 2nd bi-annual 2015 for district Pakpattan. Hence, addition of carriage was inadmissible.

Violation of Finance Department’s input rates resulted in overpayment of Rs 0.106 million due to application of incorrect rate by adding inadmissible carriage.

Audit pointed out the overpayment in August 2017. The department replied that carriage provided in the rate basically includes the

drum, burning material, heat checking instruments with mixing etc and this item does not contain the rate at site. Rate so analyzed was fully justified. Reply of the department was not tenable because no carriage was admissible as per input rate. The rate of each item of work was at site rates and excess rates were incorporated.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. It was stated that carriage was provided on the drums, burning material, heat checking instruments etc. The para was kept pending for detailed verification of record and actual recovery within 7 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 511)

4.4.20 Overpayment due to allowing excess rate - Rs 7.951 million

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

4.4.20.1 Executive Engineer, Shujabad Canal Division, Multan, incurred expenditure of Rs 4.642 million on account of "*Deployment of excavator for flood emergency along various flood bunds*" during the year 2016-17 and made payment to the Machinery Division Multan @ Rs 1,742 per hour instead of @ Rs 1,642 per hour in accordance with 2nd biannual 2016 Multan resulting in excess payment. Further, Rs 1.040 million was paid as carriage charges from Faisalabad, Sargodha, RY Khan and Multan to various sites which were not admissible as per directions of the Finance Department.

Violation of Finance Department's instructions resulted in unjustified payment on account of crawling charges valuing Rs 1.040 million and overpayment of Rs 1.230 million due to excess rate.

Audit pointed out the lapses in October 2017. The department stated that funds were transferred to the other division and audit of the executing agency should be conducted. Reply was not tenable as the estimate and rate analysis on which the amount of funds transferred were not produced. Further, the transferred amount was overpaid due to excess rates which were not recovered from the responsible officers.

The matter was also discussed in SDAC meeting held on 12.12.2017. It was stated by the department that the work was done through the Machinery Division, Multan. The para was kept pending for justification of rate analysis from Machinery Circle, Lahore within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification at the earliest.

(DP No. 1042)

4.4.20.2 Superintending Engineer, Link Circle, Lahore provided in rate for the item "*Earthwork in excavation of drains*" in the TSE for the work of "Construction of Side Drain (6 km) along M.R Link from RD 296+000 to RD 314+000", @ Rs 2,247 per %o cft. Audit was of the view that the work should have been executed through departmental machinery. The rate of Machinery Circle was also attached in the TS estimate @ Rs 2,187 per %o cft but the rate was provided on the basis of MRS.

Violation of Finance Department's instructions resulted in loss amounting to Rs 1.432 million due to provision of higher rate.

Audit pointed out loss in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Audit informed the Committee that the Division could not produce the record to Audit for verification. The para was kept pending for verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 198)

4.4.20.3 Executive Engineer, Ahmadpur Canal Division, Ahmadpur (East) awarded the work "Concrete lining of 2-R/AC Disty RD 0+000 to 15+200" and payment of Rs 48.08 million was made upto 10th running bill during 2015-16. The item of work "*Borrow pit excavation undressed*" was provided in the TS estimate with lead up to 1 mile but the contractor brought borrow pit earth within a distance of 100' as depicted from the site visit of SE dated 19.01.16.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.158 million.

Audit pointed out the overpayment in March 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department explained that for the item of work "borrow pit excavation undressed lead upto 1 mile" provided in the estimate was approved by the competent authority. The para was kept pending for a technical probe by the Superintending Engineer concerned within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery besides providing requisite record and initiating disciplinary action against the person(s) responsible for negligence.

(DP No. 33)

4.4.20.4 Executive Engineer, Pasrur Link Division Sialkot got approved in PC-1/Estimate, an item of work, “*Reinforced cement concrete in roof slab, beams, columns lintels, girders and other structural members laid in situ or precast laid in position, or pre-stressed (3) (c) Type C (nominal mix 1: 2: 4)*” for quantity of 17,195.92 cft @ Rs 326.50 per cft. It included quantity of 8,024 cft for inlet at RD 10+750/L and 7,761.33 cft for inlet at RD 30+ 150/L where no horizontal shuttering was required and simple rate of vertical shuttering @ Rs 238.50 per cft was required to be applied. In this way excess rate of Rs 88 per cft (326.50 - 238.50) was got approved and paid accordingly.

Violation of Finance Department’s instructions resulted in loss due to application of higher rates amounting to Rs 0.813 million.

Audit pointed out the loss in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that rate for retaining wall with horizontal shuttering was allowed as per Finance Department’s advice and requirement at site. Audit argued that in retaining wall no horizontal shuttering was required therefore rate of RCC without form walls was admissible. The para was kept pending for clarification from Finance Department. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1204)

4.4.20.5 Executive Engineer, Rachna Drainage Division Sheikhupura made provision in the technical sanctioned estimate for the item “*Fabrication of mild steel Grad-40*”. Record entries were recorded in the measurement book for mild steel Grade 40 for quantities of 205,211.20 kg and 19,125.42 Kg for district Gujranwala and Sheikhupura. However, the rate for mild steel of Grade 60 was paid instead of Grade 40. Due to incorrect application of rates, an excess rate of Rs 389.75 per % kg

(- 8.5% as per tendered rate) for Gujranwala district and Rs 389.70% kg (- 8.5% as per tendered rate) for Sheikhupura district was approved and paid to the contractor.

Violation of Finance Department's instructions resulted in overpayment due to incorrect application of rates amounting to Rs 0.800 million.

Audit pointed out the overpayment in September 2017. The department replied that the contention of Audit was unjustified as the work was carried out as per approved drawing and technical sanctioned estimate. Lab tests were carried out to ascertain quality and strength. Reply of the department was not correct. As per estimate, steel 40 grade was required to be used and same was recorded in the measurements books whereas the payment was made for steel grade 60 on higher rate.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department argued that steel grade 60 was used as per steel test. The para was kept pending for verification of test reports & IPC alongwith explanation of the Sub Engineer concerned for MB entries within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 763)

4.4.20.6 Executive Engineer, D.G. Khan Construction Division, D.G. Khan executed the item of “*Carriage of 100 cft of all material like stone etc up to 50 KM*” and made payment to the contractor @ Rs 1,500 % cft instead of @ Rs 1,322.79 % cft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.653 million due to higher rate of stone carriage.

Audit pointed out the overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. Recovery was admitted by the department. The para was kept pending for actual recovery in next running bill within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 546)

4.4.20.7 Superintendent Engineer, Link Circle, Lahore, got approved the rate for "*Cost of stone at quarry over 36 kg and 27 kg*" @ Rs 658.59 and Rs 944.07 % cft respectively instead of admissible rate of Rs 462 per % cft and made payment accordingly. In this way the department paid excess rate of Rs 196.90 and 282.07 per % cft respectively against the quantity of 121440 cft.

Violation of Finance Department's instructions resulted in loss amounting to Rs 0.651 million due to approval of excess rate.

Audit pointed out the loss in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Audit informed the Committee that the Division could not produce the record to Audit for verification. The para was kept pending for verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 197)

4.4.20.8 Executive Engineer, Small Dams Division, Jhelum made payment for the items "*Providing and embedding 9" wide 3/8" thick water stopper*" for quantity of 3,173.5 rft @ Rs 578 per rft as non standardized item instead of Rs 430.68 per rft as approved by the competent authority.

Due to incorrect application of rate an excess rate of Rs 147.32 per rft was paid to the contractor.

Violation of Finance Department's instructions resulted in overpayment due to incorrect application of rates amounting to Rs 0.467 million.

Audit pointed out the overpayment in October 2017. The department replied that the necessary adjustment would be carried out in next bill.

The matter was also discussed in SDAC meeting held on 26.12.2017. Recovery was admitted by the department. The para was kept pending for recovery in next running bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1264)

4.4.20.9 Superintending Engineer, Irrigation Machinery Circle, Lahore made provision for the item "*Transportation of earthwork lead 1000 ft*" in various job orders by applying MRS rates @ Rs 1,576.90 % cft and Rs 1,917 per % cft which included 20% contractor profit. As the Machinery Divisions executed work on no profit no loss basis therefore, 20% contractor profit was not required to be paid to a government agency.

Violation of Finance Department's instructions resulted in loss due to provision of higher rates of Rs 0.437 million.

Audit pointed out the loss in May 2017. The department replied that reply would be submitted to Audit after verification of record.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department explained that the work was done by the Machinery Division on the rate of Machinery Circle, Lahore. Audit contended that the rate of item transportation of earth work was not

circulated by the S.E. It was the rate of MRS which included 20% contractor's profit so the executing agencies had received excessive amounts which should have been recovered. The Committee upheld the viewpoint of the audit and directed to effect recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss.

(DP No. 168)

4.4.20.10 Executive Engineer, Small Dams Division, Jhelum, provided in estimate an item of work, "*Providing, laying, cutting, jointing, testing and disinfecting MS Pipe complete in all respect*" (6 mm wall thickness) 30 inch dia for quantity of 415 rft @ Rs 9,629.48 per rft and 30 inch dia for quantity of 585 rft @ Rs 6,878.36 rft by preparing rate analysis Further, in the rate analysis 10% sundries were calculated on total amount of rate analysis (material, carriage and Labour) instead of only on labour charges in violation of instruction of Finance Department. In this way excess rate of Rs 309.84 was calculated and provided in estimate.

Violation of Finance Department's instructions resulted in loss due to application of higher rate for Rs 0.310 million.

Audit pointed out the unjustified payment in October 2017. The department replied that the payment of the item was provided and paid as per technical sanction estimate and contract agreement. Infact the rate worked out was compatible and approved by competent authority. Reply of the department was not tenable. The rate analysis was prepared after allowing 10% sundries on total cost of material instead of labour only in violation of instruction issued by the Finance Department.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was explained by the department that the payment of the item had been provided and paid as per technically sanctioned estimate and contract agreement. Audit argued that sundries were admissible on labour only. The para was kept pending for a technical report by the

Project Director, Small Dams Organization, Islamabad within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1298)

4.4.21 Overpayment due to enhancement of lead than provided in original TS estimate – Rs 6.371 million

According to Appendix-5 of PFR Vol-II, Sr. No. 4 terms of contract once entered into should not be materially changed. Moreover, as per PAC directive, lead once approved cannot be changed.

4.4.21.1 Executive Engineer, Multan Canal Division, Multan awarded the work “Concrete Lining of Faizpur Disty RD 112+300 to 166+200 (Tail)”to contractor at cost of Rs 149.466 million. As per original T.S. estimate the item “*Earth work excavation from o/s borrow pit with 100ft lead undressed*” was provided for a quantity of 2700 cft @ 2,735.05% cft. But department executed and paid the above item for a quantity of 1672925 cft with transportation of 1 mile lead @ Rs 5,341.55 (2,735.05+2,606.50) instead of Rs 2,735.05% cft as per original TSE.

Violation of PFR Vol-II resulted in overpayment of Rs 4.552 million due to higher rate.

Audit pointed out the overpayment in October 2017. The department replied that earth work borrow pit for concrete lining portion was provided for 1566113 cft and strengthening banks portion was for 2532746 cft. The reply was not tenable because the earth work borrow pit for concrete lining was provided with 100' lead, the same was awarded and contract agreement made with the same 100' lead which cannot be changed.

The matter was also discussed in SDAC meeting held on 12.12.2017. Audit stated that as per original TSE, barrow pit earth with

100 feet lead was provided but payment was made with one mile for 1672925 cft in violation of agreement/original estimate and PAC directive. The Committee kept the para pending for justification from the consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery at the earliest and production of requisite record.

(DP No. 1236)

4.4.21.2 Executive Engineer Western Bar Division, Thingi Vehari changed the lead for earth work in revised sanctioned estimate by reducing the quantity of earth with less lead already approved in original technical sanctioned estimate and adding new lead by violating the directions of PAC.

Violation of PFR Vol-II resulted in loss due to change of lead in revised estimate amounting to Rs 1.819 million.

Audit pointed out loss in August 2017. The Department replied that site for this scheme was surveyed during 2014 and accordingly provision was made in the PC-I/T.S estimate. Later on during the course of execution, the earth was not available as per lead provided in the estimate, then provision of extra lead was made in revised PC-I as well as in revised T.S estimate according to site conditions. Reply of the department was not tenable because contractor quoted the rates after site visit and as per decision of PAC lead once approved cannot be changed.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. The department explained that scope of work was enhanced for which earth with extra lead was provided in the revised TS estimate. Audit contended that the contractor was bound to execute the quantities provided in the bid/acceptance letter but executed less quantities against the provided lead. For further quantities higher lead was provided. The SDAC directed to effect recovery of Rs 0.733 million on account of less executed quantities paid at higher rate for enhanced lead. Para was

kept pending for recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends probe of matter, recovery of loss either from contractor or person at fault.

(DP No. 369)

**4.4.22 Overpayment due to excess quantity of stone dumping –
Rs 2.74 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, pitching and stone behind retaining wall respectively.

Executive Engineer, DG Khan Construction Division, executed the item "*carriage of stone*" for a quantity of 1,218,146 cft stone against which quantity of 1,322,322 cft stone (loose) was carted resulting in excess dumping of stone measuring 104176 cft.

Violation of Finance Department's letter resulted in overpayment due to excess quantity of stone dumping valuing Rs 2.743 million.

Audit pointed out the overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department stated that the work was in progress. The recovery/adjustment would be made in next running bill. The para was kept pending for recovery in next running bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 529)

4.4.23 Overpayment due to incorrect price variation - Rs 1.97 million

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

Executive Engineer, D.G. Khan Construction Division, awarded 2 works “Management of H/T DG Khan Sorro Lund Nawab Branch and Nutkani Drain” to M/s Hafiz Rab Nawaz and Rana traders during 3/2015 and allowed payment of price variation on diesel and cement incorrectly. In two cases (Para 41 & 43) the increase in rate of cement and diesel was less than 5%. In 3rd case [para42], cement rate was taken incorrect and in 4thcase[para 34], payment was made by taking incorrect cement rate and increase in diesel was less than 5%.

Violation of contract agreement’s clause resulted in overpayment of Rs 1.971 million due to incorrect calculation for price variation.

Audit pointed out the overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. It was stated by the department that total amount had been recovered and verified against para No. 34. The para was settled. The detail reply of para No. 41, 42 & 43 would be submitted after thorough examination of record. The record of these paras could not be verified during verification. The Committee directed for complete verification of record for actual recovery within 7 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 545)

4.4.24 Overpayment due to allowing extra misc/idle hours in the formula - Rs 1.799 million

As per Manufacturing Estimate of working Daewoo Hydraulic Excavator Crawling type No. DS-08 for the year 2015-16 and approved by SE Machinery Circle Lahore on 28.08.2015, wherein the cost of crawling hours for which material/POL was required for 1600 hours in a year and outturn was for 1500 hours in a year.

Executive Engineer, Machinery Division, Irrigation Department, Lahore prepared the manufacturing estimate of working Daewoo Hydraulic Excavator Tyres type No. DS-08 (1.19 cyd bucket capacity) for the year 2015-16 which were approved by SE Machinery Circle Lahore on 28.08.2015 and calculated the out-turn Rs 1,700 cft per hour. The rate per hour comes to Rs 2,027 and for earthwork Rs 1,087 per thousand cft. The log book of the excavator revealed that misc/crawling 966 hours during the year 2015-16 were added which were already included in the cost of out-turn in the log book. Moreover, as per log books of excavators Nos. DS-12, DS-10, no POL consumption was shown. Hence the POL charged for the inadmissible/ extra working hours resulted in overpayment and loss of Rs 1.799 million to government which needs to be recovered.

Violation of manufacture estimate by allowing of extra crawling hours in addition to cost already included in the formula resulted in overpayment of Rs 1.799 million and also resulted in unauthentic payment of petrol.

Audit pointed out the overpayment during June 2017. The department did not reply.

The para was not discussed in SDAC meeting as no working paper was submitted by the department for discussion.

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

(DP No. 152)

4.4.25 Non-rescission of contract at the risk and cost of contractor - Rs 1.492 million

As per clause 60 & 61 of contract agreement, on default of a contractor, his work would be rescinded and remaining work would be completed at risk and cost of original contractor, besides forfeiting his securities.

Executive Engineer, B.S. Link Division, Lahore allotted work on 23.7.2015 to a contractor for supply / carriage of 50,000 cft stone @ Rs 5,043.72 amounting to Rs 2.522 million. The carriage of stone was to be completed in 15 days. It was observed that out of 50000 cft of stone, the contractor only supplied 20,427cft. Remaining quantity of stone 29,573 cft had not been carted so far. Although the work was allotted to contractor on 23.07.2015 but up to October-November 2017 only 40.85% work was completed but no action under clause 60 & 61 of the contract agreement was taken against the contractor.

Violation of contract agreement's clause resulted in non-rescission of contract at the risk and cost of contractor amounting to Rs 1.492 million.

Audit pointed out the irregularity in November 2017. The department replied that the contractor had carted only 20,427 cft. at site, which had been verified by audit representative during physical verification on 27.10.2017. Remaining 14,964 cft was not carted by the contractor. Various notices were served to the contractor for completion of work, but all in vain. The higher office was approached for initiating legal proceeding vides No. 206/3-S Dated. 25.06.2016 under clause No.60 & 61 but response from higher office was still awaited.

The matter was also discussed in SDAC meeting held on 26.12.2017. Audit informed that acceptance letter was issued on 23.07.2015 for completion of carriage of stone within 15 days i.e. by 14.08.2015 but the contractor could not complete the work within stipulated period. A period of more than two years had elapsed but the

department did not take any action against the contractor. The para was kept pending to rescind the work within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early action against the defaulting contractor and its verification.

(DP No. 1343)

**4.4.26 Overpayment due to inadmissible item of re-handling -
Rs 1.308 million**

According to rule 2.10 of PFR Vol-I, a government servant should exercise the same vigilance for incurring expenditure from government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

Executive Engineer, Bhakkar Canal Division, Bhakkar measured and paid the item "*Earth work excavation in ashes, sand and soft soil or silt clearance upto 50 ft lead*" alongwith rehandling of the same as the excavated earth was required to be reused in embankment of J-head spur. Audit was of the view that rehandling of excavated earth was not admissible because after excavation, the earth was required to be reused in embankment of J Head Spur directly. Instead of payment of the item rehandling only extra lead was admissible if the lead was more than 50 ft.

Violation of PFR Vol-I resulted in overpayment of Rs 1.308 million due to inadmissible item of re-handling.

Audit pointed out overpayment in April 2017. The department replied that only 50' lead was provided in the item of work, whereas the filling of earth in shank or bund requires $(104.50 - 50) = 54.50'$ lead and 12' lift so the total lead after conversion of lift into horizontal lead was worked out as $12 \times 6 = 72 + 54.5 = 126.50'$. In the prevailing scenario and to complete the configuration of bund in its designed shape, re-handling was necessary. Reply was not tenable because there was total of 100ft distance where the earth was required to be disposed of. Rate of 50 ft lead was

included in the item of excavation and for further 50 ft lead the rate of 50ft lead was available in item No.16(i) chapter No. 3 @ Rs 32.40 % cft which was required to be paid instead of a complete item re-handling of earthwork lead 50 ft @ Rs 1,275 10% cft

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department requested the Committee for detailed re-verification. The plea of the department was accepted by the Committee and it directed the department to get the record re-verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 260)

4.4.27 Unjustified payment to the consultant without approval of the Finance Department - Rs 1.17 million

As per rule 2.10 of PFR volume-I, every government servant should exercise the same vigilance for incurring an expenditure from public money as a person of ordinary prudence would exercise in respect of his own money.

Executive Engineer, Jampur Construction Division, awarded, got executed and made payment on account of consultancy "Feasibility Study of Dams Kaha, Chachar, Vidore, and Mithan Kot Hill Torrent in DG Khan and Rajanpur" of Rs 60 million by allowing 20% project allowance not admissible under the rules without permission by the Finance Department

Violation of PFR Vol-I resulted in unjustified payment for Rs 1.17 million without approval by the Finance Department.

Audit pointed out the overpayment in August 2017. The department replied that payment was made to the consultants as per agreement. Reply was not tenable as the said allowance was kept in

Appendix-E Remuneration, of the agreement with the consultants without consultation with Finance Department.

The matter was also discussed in SDAC meeting held on 14.12.2017. It was stated that the payment was been made to the consultant M/S NESPAK according to agreement for the purpose of feasibility study of Kaha Dams. The para was kept pending for verification of bid evaluation report and comparative statement within 07 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and production of requisite record.

(DP No. 617)

Internal Control Weaknesses

4.4.28 Loss due to encroachment on government land - Rs 1,538.261 million

As per Para 1.55 of B&R Code, read with Section-70 of Canal and Drainage Act, 1873 amended 1975, the Divisional Officer is responsible to keep the Government land safe from encroachers/illegal occupants and to eject the encroachers by law besides making fines by confiscating their properties.

Executive Engineers of various Irrigation Divisions neither got vacated the land of Irrigation Department nor was recovered lease/rent money from illegal occupants.

Violation of B&R Code resulted in loss due to non-vacation of land and non-recovery of lease/rent money from illegal occupants amounting to Rs 1,538.261 million. (Annex-XXV)

Audit pointed out the loss during 2017. The department replied that some cases were in NAB/Courts. The reply was not tenable because no recovery was made from illegal occupants.

The matter was also discussed in SDAC meeting held in November & December 2017. The department stated that efforts were being made for vacation of the government property from the encroachers. In some cases (para No.24, 35, 380, 403, 433, 605, & 1157) the matter had been referred to NAB for vacation and take action against the illegal occupants. For para No.102, the department informed that the issue was subjudice and for (para No.995) the land was under the administrative control of Punjab Rangers. For remaining three cases (para No.364, 55 & 555) the department was making efforts for vacation from illegal occupants. The Committee directed the department to pursue the cases vigorously with NAB, Court & Punjab Rangers and all corresponding record be produced to Audit for verification. The para was kept pending by the Committee till the decision of NAB/Court. No further progress was reported till finalization of the report.

Audit recommends early vacation of government land besides recovery of lease/rent money from the illegal occupants.

(DP No. 24, 35, 55, 102, 364, 380, 403, 433, 555, 605, 995, 157)

4.4.29 Loss due to non-leasing of government land – Rs 786.864 million

According to Secretary Irrigation Department's letter No.SO (REV)IRR/12-70/15 (Pond Area) dated 24.06.2015 "Government land may be leased out in lots not exceeding subsistence holding of 100 kanal each for a maximum period of three years through open auction to eligible participants. Before putting the land for auction the XEN, shall get the reserve price determined from the District Rent Assessment Committee on the basis of the prevailing market rent of similar land in the vicinity.

Executive Engineers of various Irrigation Divisions neither leased out nor got its reserve price assessed from the District Rent Assessment Committee lying vacant which was in violation of the notification ibid.

Violation of Secretary Irrigation Department's letter resulted in loss of Rs 786.864 million due to non-auction of government land on lease for cultivation. (Annex-XXVI)

Audit pointed out loss in 2017. The department replied in some cases that the matter was under investigation in NAB and in some cases the process of auction was underway.

The matter was also discussed in SDAC meeting held on 12.12.2017. The department stated that efforts were being made for auction of government land. In some cases the matter was under investigation by NAB and under trial in Courts. Further, in one case the department made recovery at lesser rate. The Committee directed the department to pursue the cases vigorously with NAB/Court and ensure early completion of auction process besides effecting recovery at full rate under intimation to Audit. The matter was kept pending by the Committee. No further progress was reported till finalization of the report.

Audit recommends early auction of vacant land besides recovery.

(DP No. 606, 1121, 577, 982, 1169, 381, 513, 40, 432, 635, 1061, 656, 19, 1196, 89, 1039, 1050, 101, 690, 679, 295, 1120)

4.4.30 Undue financial benefit due to non-obtaining of additional and performance security - Rs 775.170 million

As per acceptance letter condition No.1 & 4, performance security in the shape of bank guarantee is to be obtained at the rate of 5% of the contract sum. According to the Finance Department's letter No.RO (Tech) FD 1-2/83 (VI) (P) dated 06.04.2005, additional performance security equal to the amount of less quoted rates by the contractor is to be obtained within 15 days of issuance of acceptance letter or within expiry period of bid, whichever is earlier.

Executive Engineers of various Irrigation Divisions awarded different works at quoted percentages which were 5% below or more but did not obtain additional performance securities as well as performance securities from the contractors which was undue financial benefit to the contractors.

Violation of acceptance letter's condition resulted in undue financial benefit to contractors amounting to Rs 775.170 million. (Annex-XXVII)

Audit pointed out the undue financial benefit to the contractors in 2017. The department replied that the performance/additional performance securities were obtained from the contractor during issuance of acceptance letter. The reply was not tenable as no any record was produced in support of its reply regarding obtaining of performance/additional performance securities.

The matter was also discussed in SDAC meeting held in August, November and December 2017. The department stated that in some cases, performance /additional performance securities were deducted from the running bills of the contractors but could not get these verified from Audit. In some cases, the department admitted the irregularity and promised to effect recovery in due course of time. Further, in some cases the department explained that the securities @ 10% of contract amount were obtained as per PPRA Rules. The Committee kept the paras pending for recovery of balance amount as per clauses of the agreement and getting it verified from Audit. The compliance of the Committee directive was not reported till finalization of the report.

Audit recommends early recovery of balance amounts and its verification.

(DP No.718, 1271, 428, 44, 117, 853, 147, 492, 1235, 585, 762, 1092, 1134, 851, 568, 805, 342, 264, 350, 516, 402, 1304, 988, 687, 1011)

4.4.31 Irregular award of work in violation of PPRA Rules - Rs 311.661 million

As per rule 12 of Punjab Procurement Rules 2014 “all procurement opportunities over two million rupees would be advertised on the PPRA website as well as in the other print media or newspapers having wide circulation and under no circumstances, the response time would be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement”.

4.4.31.1 Executive Engineer, DG Khan Construction Division did not advertise 15 deposit works on PPRA website for wide publicity. The works were also not advertised in national newspapers. Audit also observed that DG Khan Construction Division was not a Machinery Division but other sister divisions were/are assigning the deposit works to it and this Division was executing the work by hiring the relevant machines from private persons/parties. This division was not maintaining any record because no record was produced to audit during scheduled verification.

Violation of Punjab Procurement Rules 2014 resulted in irregular award of works valuing Rs 266.56 million in violation of PPRA rules.

Audit pointed out the overpayment in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department stated that 11 works were entrusted to DG Khan Construction Division through job orders by the different sister divisions and D.G Khan Construction division hired private machinery in violation of PPRA Rules. The para was kept pending for a technical probe by the Superintending Engineer concerned, within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 535)

4.4.31.2 Executive Engineer, Marala Division UCC made procurements i.e. Polypropylene Bulk Bag, Thinner, generator & Wire rope etc. and maintenance of Marala head works from different contractors during the year 2016-17 without calling open tenders to achieve competitive rates in violation of PPRA rules. Undue benefit was given to specific persons and procurements were made without out fair competition.

Violation of Punjab Procurement Rules 2014 resulted in irregular procurement/award of contract without fair competition in violation of PPRA rules amounting to Rs 21.244 million.

Audit pointed out the irregularity in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. The department stated that all the amounts were under Rs100,000. Audit stated that the procurements were worth more than one lac which was required to be advertised to achieve competitive rates. The para was kept pending by the Committee for a technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 991)

4.4.31.3 Executive Engineer, Dallas Canal Division, made purchases & made payment on account of T&P articles and hiring of machinery etc. amounting to Rs 10.551 million during 2016-17 without advertisement and with splitting.

Violation of Punjab Procurement Rules 2014 resulted in irregular payment of Rs 10.551 million due to splitting and award of work without advertisement.

Audit pointed out the irregularity in September 2017. The department replied that purchases were made on quotations without splitting. The reply was not satisfactory as no advertisement record was produced.

The matter was also discussed in SDAC meeting held on 11.12.2017. Audit informed the Committee that department made purchase of flood fighting material, T&P partels and hiring of machinery by splitting and without advertisement. Department stated that all these items had been purchased through local purchase by calling the quotations in different periods as per requirement. The para was kept pending for a technical report by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 698)

4.4.31.4 Executive Engineer, RY Khan Canal Division, made purchases on account of T&P articles and hiring of machinery amounting to Rs 3.130 million and Rs 1.205 million during 2016-17 without advertisement and with splitting.

Violation of Punjab Procurement Rules 2014 resulted in irregular payment of Rs 4.335 million.

Audit pointed out the irregularity in August 2017. The department replied that works were awarded as per PPRA Rules and record would be produced. Reply was not satisfactory as no advertisement record was produced for verification.

The matter was also discussed in SDAC meeting held on 11.12.2017. Audit informed that no record of local purchase / emergency purchase was produced during verification. Department stated that the work was done on emergent basis due to flood preparation. The Committee kept the para pending for a technical report by the Superintending Engineer concerned within 07 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 636)

4.4.31.5 Executive Engineer Eastern Bar Division Pakpattan purchased the automatic level set (Top con- B)/Sokia B 20 complete including tow Nos. leveling staves, solar system accessories and electric water cooler & Air cooler in piece meal quotations. This was done to keep the amounts below Rs 0.100 million in order to avoid open competition through tendering.

Violation of Punjab Procurement Rules 2014 resulted in irregular purchase of different item amounting to Rs 1.799 million.

Audit pointed out irregularity in August 2017. The department replied that according to the Rule-12 & Rule 59(b) of PPRA, the procurement below Rs 0.100 million does not require to be published in press. Reply of the department was not tenable. The work was split and awarded through piece meal quotation in order to avoid open tenders.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. It was stated that the work was done according to PPRA Rules 12 & 59(b). The view point of the department was not accepted because PPRA did not allow purchase through splitting. The para was kept pending for the probe by the concerned SE. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 518)

4.4.31.6 Executive Engineer, Machinery Division, Irrigation Department, Lahore made payment to various contractors during 2015-16 on account of "Repair and maintenance of Machinery/Vehicles of SDO-I & SDO-II and purchase of batteries for vehicles of SDO-II". The contracts were split into small works to avoid open advertisement in print media and PPRA website.

Violation of Punjab Procurement Rules 2014 resulted in irregular payment of Rs 1.753 million.

Audit pointed out the irregular payment during June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The para was kept pending for a technical probe by the Superintending Engineer concerned and its verification alongwith report by TPM (Third Party Monitoring) consultant within 30 days.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 158)

4.4.31.7 Executive Engineer, D G Khan Canal Division, DG Khan hired idle machinery for deploying at seven (7) sites during the financial year 2016-17 without tendering process. This deprived the government from benefits of open tender.

Violation of Punjab Procurement Rules 2014 resulted in irregular payment of Rs 1.779 million due to award of work without tendering.

Audit pointed out the irregularity in July 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department argued that the work was done during flood season. The para was kept pending for a technical report from the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 407)

4.4.31.8 Executive Engineer, Khanpur Canal Division made purchases on account of T&P articles and hiring of machinery amounting to Rs 1,453,179 during 2016-17 without advertisement by splitting the orders.

Violation of Punjab Procurement Rules 2014 resulted in Irregular payment of Rs 1.453 million due to award of work without advertisement and with splitting.

Audit pointed out the irregularity in September 2017. The department replied that all legal formalities were fulfilled and contract was awarded as per PPRA Rules and record was available. Reply was not tenable as no advertisement record was produced.

The matter was also discussed in SDAC meeting held on 11.12.2017. Department stated that tenders were advertised for purchase of outlets materials and other articles were purchased on emergent basis. But department could not provide press clipping/DNIT and approval of the competent authority (Secretary) for purchasing on emergent basis. Audit informed the Committee that the department made purchases and payments were made on account of T & P articles, materials for outlets and hiring of private machinery by splitting and without advertisement. Individual voucher amount was more than 1 lac. Further, during verification 4 and 75 bamboos amounting to Rs 112,400 were found short in the T&P / stock register. The Committee directed the department to get technical probe report by S.E within 30 days and kept the para pending.

The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 682)

4.4.31.9 Executive Engineer, Mailsi Syphon, Thingi purchased grease and gear oil without calling of open tenders in violation of PPRA Rules. Further, the rate of grease was paid @ Rs 719 per kg whereas as per Inputs rates 1st bi-annual 2017 (01.01.2017 to 30.06.20) the rate for grease was Rs 85 per kg and after adding 20% profit rate of Rs 102 per kg was to be paid to the supplier.

Violation of Punjab Procurement Rules 2014 resulted in irregular expenditure without calling open tenders worth Rs 1.243 million and overpayment of Rs 0.415 million.

Audit pointed out the irregularity in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Department stated that lubricants were purchased from P.S.O through Al-Masood Petroleum Service Khairpur Temewali and Shakeel Petroleum Service Multan, Thingi at the rate fixed by the Government. Therefore open tendering was not required. The actual rates of PSO were without payable taxes and agency profit, delivering charges, GST etc. were included in notified rates. The audit argued that those taxes were not payable because neither GST/ other taxes were deposited by the supplier nor deducted by the department. The Committee directed the department for re-verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives and early recovery.

(DP No. 419)

4.4.31.10 Executive Engineer, Hakra Canal Division, Bahawalnagar purchased various supply items but did not place the works on PPRA's website for wide publicity and healthy competition to achieve competitive rates.

Violation of Punjab Procurement Rules 2014 resulted in irregular allotment of works without fair competition in violation of PPRA Rules amounting to Rs 0.529 million.

Audit pointed out the irregular expenditure in February 2017. The department replied that due to shortage of time, the works could not be uploaded on PPRA website properly. The department admitted the irregularity but did not get condonation from the competent forum.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department stated that the work was published on PPRA Website. The para was kept pending for a technical probe by the Superintending Engineer concerned and its verification within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides fixing responsibility for this lapse.

(DP No. 107)

4.4.32 Non-recovery of mobilization advance - Rs 70.900 million

As per Para-5 of notification issued by the Finance Department vide No. RO(Tech)F-D.18-44/2006 dated 07.12.2007 recovery of mobilization advance shall commence after the lapse of 20% of contract period or after the execution of 20% of the work (in financial terms) whichever is earlier. The rate of recovery shall be 25% of the value of work done in each interim payment certificate (running bills).

4.4.32.1. Executive Engineer, Development Division No.1, Sidhnai awarded the work "Rehabilitation of Tarimmu Sidhnai Link Canal.

(Package-C)” at contract cost of Rs 342.515 million. The department paid an amount of Rs 51.380 million (10% 34,251,000 + 5% 17,129,000) to the contractor on account of mobilization advance. The completion date was 20.06.18 & 20% of work was executed upto 2nd/running bill but recovery on account of mobilization advance was not yet started despite the fact that contractor was paid upto 6th/running bill which was undue financial benefit to the contractor.

Violation of Finance Department’s Notification resulted in undue financial benefit to contractor of Rs 51.380 million.

Audit pointed out the non-recovery of mobilization advance in November 2017 but the department did not reply.

The matter was discussed in SDAC meeting held on 26.12.2017. Out of Rs 51.380 million, an amount of Rs 3.994 million had been recovered and verified. The para was reduced and kept pending by the Committee for balance recovery of Rs 47.386 million within 30 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery besides taking disciplinary action against the persons responsible for this lapse.

(DP No. 1250)

4.4.32.2 Executive Engineer, Eastern Bar Division Pakpattan granted mobilization advance of Rs 23.381 million (Rs 15.587 million + Rs 7.793 million) to M/s Al-Arbab Associates on 21.10.2014 & 12.03.2015 on bank guarantees which had already expired on 25.05.2014 & 25.11.2015. The bank guarantees were not got revalidated till 15.03.2017. The last 9th running bill of Rs 141.855 million was paid vide Vr No.05 dated 24.06.2016 wherein mobilization advance of Rs 11.650 million was shown recovered leaving a balance of Rs 11.731 million, further revalidation of bank guarantees was not got done to safeguard the government interest.

Violation of Finance Department's Notification resulted in non-recovery of balance mobilization advance of Rs 11.732 million and non-revalidation of bank guarantees.

Audit pointed out the non-recovery of mobilization advance in March 2017. The department did not reply.

The matter was discussed in SDAC meeting held on 18-19.10.2017. The department did not produce the re-validated bank guarantees along with proof of recovery of mobilization advance. The para was kept pending by the Committee for detailed verification of bank guarantee and recovery of mobilization advance. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of mobilization advance.

(DP No. 326)

4.4.32.3 Executive Engineer CBDC Division Lahore allowed mobilization advance amounting to Rs 13.573 million & Rs 6.786 million to contractors vide voucher No.10 and 29 dated 16.12.2014 and 14.01.2015 respectively. Audit observed that 20% time period from the allotment of work expired on 24.04.2015, but, recovery of mobilization advance was not made.

Violation of Finance Department's Notification resulted in non-recovery of mobilization advance Rs 6.753 million.

Audit pointed out the non-recovery of mobilization advance in November 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. Recovery was admitted by the department. The para was kept pending for recovery of total amount from the next running bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of mobilization advance besides fixing responsibility of this lapse.

(DP No. 1324)

4.4.32.4 Executive Engineer, Khanwa Division DCC, Depalpur awarded the work to M/s. Hastam Khan construction at an agreement cost of Rs 114.357 million and allowed mobilization advance of Rs 11.436 million but did not recover mobilization advance at 25% of the value of work done from each interim payment certificate as per terms and conditions of contract agreement.

Violation of Finance Department's Notification resulted in undue financial benefit of Rs 3.518 million and non-recovery of interest @ 12 % of the amount utilized which works out to Rs 0.425 million.

Audit pointed out the irregularity in August 2017. The department replied that recovery would be affected in the next running bill.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Recovery was admitted by the department. The para was kept pending for recovery within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of mobilization advance besides fixing responsibility of this lapse.

(DP No. 496)

4.4.32.5 Engineer Lahore Drainage Division Lahore allowed the mobilization advance of Rs 20,429,457 to a contractor. The recovery of advance was to be made @ 25% of the running bills. However, upto 10th running bill, but advance of Rs 6,934,205 was recovered instead of actual recoverable Rs 8,020,586 @ 25% out of the total payment of Rs 32,082,346.

Violation of Finance Department's Notification controls resulted in less recovery of mobilization advance amounting to Rs 1.086 million.

Audit pointed out the less-recovery in May 2017. The department replied that the recovery from 1st to 10th bills was made as per rule, however, the stance of the Audit was admitted and recovery of Rs 1,086,381 as mobilization advance would be made from the next bill and be got verified.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that due recovery would be made from the next running bill in due course of time. The para was kept pending for recovery within 90 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of mobilization advance besides fixing responsibility of this lapse.

(DP No. 196)

4.4.33 Shortage of reserve stock of stone - Rs 68.114 million

As per rule 2.34 of Punjab Financial Rules Volume-I, all cases of theft, losses & shortage of material may be reported to the government and higher officers of the department.

4.4.33.1 Record of Executive Engineer Trimmu Barrage Division Jhang revealed that 1,138,529 cft quantity of stone was available in stock register of Hydraulic section of Headworks Sub Division Trimmu Barrage. It was noticed from the charge list of stock (submitted by a Sub-Engineer on 17.10.2017) that in hand quantity of stone was 351,611 cft and the remaining quantity of stone 786,918 cft was short. Moreover, as per report of sub-Engineer, huge quantity of stone was scattered / misplaced and not measureable till re-stacking in proper shape.

Violation of PFR Vol-I resulted in shortage of stone valuing Rs 38.474 million.

Audit pointed out the shortage of stone in October 2017. The department replied that an application was submitted by Malik Mazhar

Hussain Sub Engineer (Retired) for re-measuring the stock of the stone. The Executive Engineer, Trimmu Barrage Division Trimmu ordered the Sub Engineer, Head Works section to re-measure the stone along with Ex-Sub Engineer, jointly under supervision of Sub Divisional Officer, Head Works Sub Division Trimmu. Reply given by the department was not sufficient because huge amount of Rs 38.474 million was involved and department had not completed the measurement of this reserve stock stone.

The matter was also discussed in SDAC meeting held on 19.12.2017. It was stated by the department that total stock was available at site. The para was kept pending for a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives.

(DP No. 1158)

4.4.33.2 Executive Engineer, UCC Division, Gujranwala did not make recovery on account of shortage of stone measuring 250,647 Cft shown by the sub-Engineer in the stock register of stone.

Violation of PFR Vol-I resulted in loss to government amounting Rs 13.493 million.

Audit pointed out the loss in August 2017. The department replied that shortage of stone for quantity of 250,647 Cft had been raised due to non handing over and taking over the charge by the concerned Sub Engineers. A probe committee had been constituted vide this office letter No. 1594 dated 23.08.2017 and the exact shortage of stone (if any) would be sorted out after report of the probe committee.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. It was stated that question of shortage of stone had been raised due to non-handing over and taking over the charge by the concerned Sub Engineer. The Committee pended the para for a technical

report by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives.

(DP No. 808)

4.4.33.3 Executive Engineer, Bhakhar Canal Division Bhakkar, did not make recovery from Mr. Muhammad Khurshid, Sub-Engineer who was found guilty for the shortage of stone 355,379 cft pertaining to "Reserve stock" in the light of enquiry report submitted by Superintending Engineer Sargodha Drainage Circle Sargodha. Moreover, a penalty of stoppage of three increments was imposed upon him on 04.10.2012 which was also not implemented as yet even after a period of five (05) years.

Violation of PFR Vol-I resulted in loss of Rs 8.048 million on account of shortage of stone besides non-stoppage of increments.

Audit pointed out the loss in October 2017. The department did not furnish any reply.

The matter was also discussed in SDAC meeting held on 19.12.2017. It was stated by the department that the case was under trial in Court. The para was kept pending till the decision of the Court. No further progress was reported till finalization of the report.

Audit recommends early recovery of the loss.

(DP No. 1108)

4.4.33.4 Executive Engineer, Central Store Division Lahore auctioned/awarded the contract of the unserviceable tube well machinery to Mr. Muhammad Azam, contractor vide letter No. Works/2011/8977-79/140/2012/CSR dated 11.08.2010 for lot No 10 & 11. The auctioned material / tube well machinery could not be handed over to the contractor and the contractor through an application approached the SE, Mechanical Circle, Lahore for return / refund of remaining auctioned material. The

balance material to be handed over to the contractor was worth Rs 3,062,701 as per probe report of S.E, Mechanical Circle, Lahore, The probing officer recommended to initiate disciplinary proceedings against concerned sub-engineer on the charge of shortage of material vide No. 97/Admn/2017/1200-02/5/15 dated 17.02.2015. Although, a period of more than two years had elapsed but neither the enquiry completed nor the shortage of stone was recovered.

Violation of PFR Vol-I resulted in shortage of stone item/material valuing Rs 3.063 million.

Audit pointed out the shortage in June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department explained that the matter was already under enquiry. The para was kept pending with the direction that the said enquiry be completed within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of the amount involved besides fixing responsibility of the loss.

(DP No. 219)

4.4.33.5 Executive Engineer, Development Division No II, Lahore conducted an enquiry against Mr. Furrukh Hussain Bajwa, Sub Engineer, Lahore Drainage Division, Lahore regarding shortage of stone. As per recommendations of inquiry report, the charges in the statement of allegation leveled against the accused stood proven. The enquiry officer recommended vide letter No. Admn/(ii)/Lhr/2017/14827-32/E/File, dated 18th July, 2017 to recover the cost of shortage of stone worth Rs 2,466,000 and minor penalty of withholding of three increments for three years. The needful was still pending even after the lapse of seven months.

Violation of PFR Vol-I resulted in non-recovery of cost of shortage of stone worth Rs 2.466 million and withholding of three increments.

Audit pointed out the non-recovery in November 2017. The department replied that the enquiry report had been sent to Chief Engineer, Irrigation Lahore Zone, Lahore vide letter No.Admn/(II)/ Lhr/2017/14827-32/E/File dated 18/07/2017, for its implementation. However, the penalty imposed was not implemented as yet.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that the inquiry officer imposed the recovery of shortage of stone valuing Rs 2.466 million with minor penalty of withholding of 03 increments for 3 years on Mr. Farrukh Hussain Bajwa Sub Engineer working at drainage division Lahore. The para was shifted to the Drainage Division, Lahore for intimation of the status of recovery and its verification from Audit within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss and its verification.

(DP No. 1380)

4.4.33.6 Executive Engineer, UJC Division, Gujrat did not make recovery on account of shortage of stone as per findings of the enquiry officer against the accused Sub Engineer. The competent authority imposed the penalty of recovery of cost of stone shortage.

Violation of PFR Vol-I resulted in non recovery of Rs 1.203 million.

Audit pointed out the non-recovery in July 2017. The department replied that the official had filed an appeal against imposition of penalty in the Honorable Court of Punjab Service Tribunal under appeal No.219/15 dated: 24.07.2015. The matter was subjudice.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. The department stated that the case was subjudice. The Committee kept the para pending till the decision of the Court and directed that the case be pursued in the Court vigorously. No further progress was reported till finalization of the report.

Audit recommends vigorous pursuance of case for early decision and its verification.

(DP No. 471)

4.4.33.7 Executive Engineer, UJC Division, Gujrat did not make recovery on account of shortage of stone from a contractor who unauthorizely lifted stone from reserve stock of a guide wall bund spur without any approval by the competent authority.

Violation of PFR Vol-I resulted in non-recovery of Rs 1.092 million.

Audit pointed out non-recovery in July 2017. The department replied that due to excessive rainfall in the catchment area of River Munwar Tawi during the year 2013, there was a flood in the river resultantly structure under construction was getting damaged. The adjoining abadies were under threat and to protect their lives and properties, the contractor lifted the stone from the nearby structure stacked as reserve stock of stone unlawfully without getting permission from the Competent Authority. Both the Sub Engineers were duty bound to get the indent or deduct the cost of stone from the contractor's bill but they failed to do so. However, inquiry was under process to fix responsibility and to recover the government loss. The department admitted that the contractor lifted the stone un-lawfully without getting permission from the competent authority, therefore, recovery of Rs 1,092,297 was required to be made from contractor.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. The department stated that the matter was under enquiry. The para was kept pending by the Committee for finalization of the

enquiry within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 472)

4.4.33.8 Executive Engineer, TOD Division, Khanpur did not recover the cost of tube wells material worth Rs 275,000 shown against Mr. Ghaus Bukhsh Waris (Electrician) since 2.11.2016 on account of tube wells No.77& 408.

Violation of PFR Vol-I resulted in loss due to shortage of material of Rs 0.275 million.

Audit pointed out the loss in March 2017. The department did not reply.

The matter was discussed in SDAC meeting held on 24-25.08.2017. The department stated that efforts were being made for recovery. The para was kept pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No.75)

4.4.34 Non-utilization/deduction of available earth - Rs 57.950 million

In terms of item 11 of chapter No. 17.1 (A) regarding "Earth Work General" of specification for execution of works, if cutting and filling were being done simultaneously, all suitable material obtained from excavation shall be used in filling. Further, according to section 402.6 & 411.9 of B&R specification, the earth available at site obtained from excavatiovan be deducted from the quantity of earth brought from outside.

Executive Engineers of various divisions of Irrigation Department measured and paid the items “*Earthwork in irrigation channels*” and “*Earthwork excavation undressed lead upto single through of kassi in ordinary soil*”, but the quantities of these items were not deducted / adjusted from the quantity of the item “*Borrowpit excavation from different leads*”.

Violation of B&R specification resulted in overpayment due to non-utilization of available earth valuing Rs 57.950 million. (Annex-XXVIII)

Audit pointed out the overpayment in July 2017. In some cases the department admitted the non-utilization of earth and promised to recover/adjust the available earth in next running bills of the contractors while, in some cases the department stated that the earth had been utilized. The reply was not tenable regarding utilization of earth because no record was produced in support of their reply.

The matter was also discussed in SDAC meetings held in November & December 2017. The department reiterated its previous stance. The Committee directed the department regarding admitted non-utilization of earth, for verification of recovery / adjustment in next running bills of the contractor while getting verified the record pertaining to used earth alongwith MB within 7 days besides technical probe by the SE concerned. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 414, 1385, 145, 923, 463, 1076, 841, 1215, 644, 466, 498, 462, 477, 736, 1165, 1151, 476, 1026)

4.4.35 Non-recovery of dismantled material – Rs 47.983 million

According to para 9(i) of chapter 18.1 of book of specifications 1967 execution of work, the dismantled material is the property of the government, it should either be recovered from contractor as credit of

dismantled material or it should be counted, measured and recorded for open auction.

4.4.35.1 Executive Engineer, Small Dams Division, Jhelum got executed, measured and paid an item of work, “*Excavation in rock dressed to design section, grade and profile, Medium Hard Rock, requiring occasional blasting*” for quantity of 3,772,838 cft @ Rs 14,000‰ cft but neither the dismantled material @ 60% (minimum) of excavated quantity was taken on stock/material at site register nor its credit @ Rs 425% cft was recovered from contractor whereas in Highway Division Jhelum, Rawalpindi and Attock, recovery of this item was being made @ 60% to 90%. Further, another item of work, “*Excavation in shingle or gravel formation and rock not requiring blasting*” was also measured and paid for quantity of 243,280 cft @ Rs 3,500 % cft against estimated rate of Rs 9,082.93 % but credit of this excavated material @ 1,900% cft was neither provided in estimate nor recovered from contractor.

Violation of book of specification resulted in non-recovery of dismantled material valuing Rs 14.243 million.

Audit pointed out the non-recovery in October 2017. The department replied that the excavated material was medium hard rock which does not conform to the specifications of stone required for use in apron or at other irrigation infrastructure. Reply of the department was not tenable. The contractor received the payment for excavation with occasional blasting and excavation in shingle and gravel therefore, recovery of cost of stone was required to be made as being made by highway department during execution of same nature of work in the same vicinity.

The matter was discussed in SDAC meeting held on 26.12.2017. It was argued by the department that excavated material was medium hard rock which does not conform to the specification of stone required for use in apron or at other irrigation structures. Audit argued that the dismantled material was the property of government which should have been sold through open auction. The para was kept pending for a report from

consultant and technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1284)

4.4.35.2 Executive Engineer, Rachna Drainage Division Sheikhupura made provision for the item "*Dismantling brick work in lime or cement mortar*" for quantity of a 366,570 cft @ Rs 2,109.60 and after dismantling 96,280 Nos credit of brick @ Rs 1,100 % Nos. and of brick bats @ Rs 500 % cft of the total quantity of dismantling was given in the acceptance letter instead of 70% bricks @ Rs 3,000 % Nos and 30% brick bats @ Rs 1,200 %. Further, 16,355.34 cft quantity of RCC was to be dismantled and after dismantling credit of steel for 37094 kg @ Rs 25 per kg was given instead of 49065 kg @ Rs 40 per kg.

Violation of book of specification resulted in loss of Rs 10.848 million due to less credit of cost of old material.

Audit pointed out the loss in September 2017. The department replied that the lump sum provision for dismantling of very old / outdated bridges was made in the estimate. No execution of the item was done. Credit of useful material, if any, would be made on actual work done basis after execution and preferably taking dismantled material at MAS account and disposing off through auction. Reply of the department was not correct. Recovery of all material was required to be made after detailed survey of site as per approved criteria of Irrigation Department.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the said item was not executed upto now. The para was kept pending for a technical report by the consultant and recovery as and when the item was executed. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 782)

4.4.35.3 Executive Engineer, Development Division No II, Lahore provided in the Technical Sanction Estimate, an item of work “*Dismantling brick in lime or cement mortar*” but less credit for dismantled material had been provided in the Technical Sanction Estimate.

Violation of book of specification resulted in loss to government due to less credit of old material amounting to Rs 5.611 million.

Audit pointed out the loss in November 2017. The department replied that according to the T.S Estimate the dismantled material was taken @ 50% for reuse, whereas, the rest of the 50% was not useable because it was totally destroyed during the course of dismantling. The reply given by the department was not convincing because the department did not work out credit of old material and cost of old material properly.

The matter was discussed in SDAC meeting held on 26.12.2017. The department stated that according to the TS estimate and approved PC-1, the dismantled material was taken @ 50% for re-use, whereas, the rest of the 50% was not useable being totally destroyed during the course of dismantling. Viewpoint of the department was not accepted. The para was kept pending for verification of record/recovery within 07 days. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 1373)

4.4.35.4 Executive Engineer, Mailsi Syphon Thingi awarded the work “Remodeling of SMB Link Canal and Enhancing capacity of Mailsi Syphon RD 0+000 to 300+000” to M/s. Sparco Construction Co (Package One) and to M/s. Ramzan & Sons (Pvt) LTD (Package two) and in the estimate an item of “*Dismantling cement concrete reinforced*” was

provided without giving any credit of old steel @ 3.067 kg per cft which was to be received after dismantling of RCC.

Violation of book of specification resulted in loss due to non provision of cost of old steel amounting to Rs 4.111 million.

Audit pointed out the loss in August 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Department stated that neither work had been executed at site nor any payment had been made. The para was pended till auction of dismantled steel. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 441)

4.4.35.5 Executive Engineer, Pasrur Link Division, Sialkot made provision in the detailed estimate for the work "Flood Protection of Sialkot against AIK & Palkhu Nullah Package C" for a quantity of 152,000 cft for the item "*Dismantling of road pavement*" but accountal of the material of base course and sub base course obtained from dismantling was neither shown in the estimate for re-using the same in restoration of road nor any credit was given in the estimate and agreement.

Violation of book of specification resulted in loss of Rs 3.800 million due to non-utilization of dismantled material.

Audit pointed out the non-utilization of dismantled material in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated that variation order was under process. The para was kept pending for approval of the variation order within 30 days. The

compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1211)

4.4.35.6 Executive Engineer, Khanwah-DCC Division, Depalpur in a work "Concrete Lining of Basir Pur Disty RD; 0+000-24+217 Tail, *"Dismantling of brick work in lime or cement mortar"*" for a quantity of 122,158 cft but did not recover the cost of dismantled material and in other work, "Construction of Alternative Building at Canal Colony Depalpur", got executed and paid an item of work, "brick on edge flooring laid in 1:6 cement mortar, over a bed of $\frac{3}{4}$ " (20 mm) thick cement mortar 1:6" dismantling at site existing brick soling, but credit of dismantled material was neither provided in sanctioned estimate nor it was recovered in contractor's bill.

Violation of book of specification resulted in non recovery of dismantled material amounting to Rs 3.184 million.

Audit pointed out the non-recovery in August 2017. The Department replied that in 1st case these dismantled bricks remained under water for several years eventually most of the bricks became "Kalla" eaten. This was the reason for replacement of brick lining with concrete lining. In this way only the reusable brick could be sold or credit thereof could be raised. Reply of the department was not tenable because less recovery of cost of old material was made instead of actual as per standard practice. In 2nd case the department replied that recovery would be made in due course. The department admitted the recovery but it was not effected.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Department stated that neither work had been executed at site nor any payment had been made. The para was pended till auction of dismantled material. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends probe in matter and full recovery of dismantled material.

(DP No. 514)

4.4.35.7 Executive Engineer, Fordwah Canal Division Bahawalnagar allotted the work for construction of 80 new quarter's alongwith dismantling of 25 old quarters. The credit of old bricks, doors, windows and steel @ Rs 100,000 (approx) for each quarter was neither provided in the TSE nor deducted from the payment of contractor.

Violation of book of specification resulted in non-recovery of cost of old material amounting to Rs 2.500 million.

Audit pointed out the non-recovery in February 2017. The department replied that annual inspection of PISIP project had already been conducted at higher level i.e. Office of the Head PMO PISIP Lahore. The reply was irrelevant. The SDO Bahawal Nagar had also intimated the facts of non-recovery in its letter No449 dated 15.12.2014 written to the XEN.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated that the scheme was in running condition. The para was kept pending till final bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 23)

4.4.35.8 Executive Engineer, Small Dams Division, Jhelum measured and paid two items of work, "*Providing MS blind pipe stocked /welded joints MS reducer in tube well bore hole , with strainer etc of 18" dia*" for quantity of 900 rft and 30" dia for quantity of 96 Rft but recovery of dismantled/old pipes @ Rs 3,409.5 & Rs 1,726.95 per rft respectively as per provisions of technical sanctioned estimates was not recovered from contractor.

Violation of book of specification resulted in non-recovery of dismantled material/old replaced pipes amounting to Rs 1.881 million.

Audit pointed out the non-recovery in October 2017. The department replied that the item of work was provided for siphoning of pond water above DSL at Lehri dam and pipe 30" inner dia was used in the construction of new outlet structure so the replacement of any existing pipe was not involved. Reply of the department was not tenable. As per estimate the cost of replaced pipe was to be recovered at the rate of 50% of the original cost. The pipes were replaced as evident from name of work but no recovery of cost of old pipe was made as required according to the provision of Technical Sanction Estimate.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was argued by the department that the item of work had been provided for siphoning of pond water above DSL at Lehri dam and pipe 30" inner dia was used in the construction of new outlet structure. The para was kept pending for a technical report from consultant and technical probe by SE, keeping in view the provision of T.S. estimate within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1292)

4.4.35.9 Executive Engineer, Kirana Division LJC, Sargodha made recovery of Rs 465,827on account of dismantling brick work, instead of Rs 1,439,598.

Violation of book of specification resulted in less-recovery on account of dismantled material amounting to Rs 0.974 million.

Audit pointed out the less-recovery in September 2017. The department replied that the rate of old bricks @ of Rs 3,800 % Nos was sanctioned in original estimate approved by the Chief Engineer, Irrigation Sargodha but on the basis of laboratory report the rate of old bricks was

reduced in the revised estimate from Rs 3,800 % Nos to Rs 1,000 % Nos due to which the deduction was made by the department @ Rs 1,000 % on account of credit of old material. The reply was not convincing because the agreement was made with the contractor for the recovery of brick @ Rs 3,800 per % Nos which was to be implemented in letter and spirit. Moreover, in the revised estimate only quantity/quantities of item could be changed but the rate of deduction once agreed could not be changed. As per contract agreement, the department was bound to make recovery @ Rs 3800 % instead of Rs1000% Nos bricks.

The matter was also discussed in SDAC meeting held on 19.12.2017. It was stated that the rate of old material was reduced from Rs 3,800 to Rs 1,000 in revised estimate. The para was kept pending for reviewing the matter by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 948)

4.4.35.10 Executive Engineer, Hakra Canal Division, Bahawalnagar got executed the items "*Dismantling of reinforcement cement concrete and dismantling of brick work*" but neither retrieved the dismantled material i.e. old steel of RCC and old bricks (re-used) nor made credit of the dismantled material to the work.

Violation of book of specification resulted in non-recovery of dismantled material amounting to Rs 0.325 million.

Audit pointed out the non-recovery in February 2017. The department replied that as per instruction of the 3rd party monitoring TPM consultant, dismantled material had been taken on material at site register. The reply was not tenable, because TPM observation was about non-production of record.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated that auction would be done shortly. The para was kept pending for completion of the auction process within 90 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 103)

4.4.35.11 Executive Engineer, UCC Division, Gujranwala made provision in TS estimate under the head "Existing Side Protection" for item "*Dismantling work in lime or cement mortar*" for quantity of 11,660 cft against which credit of old material i.e. bricks and bats retrieved through dismantling was provided. The value of retrieved material was calculated by taking 30% wastage and on balance 70% retrieved material, 50:50 bricks and bats ratio was calculated instead of correct/prevalent ratio i.e. 60:40 on the total dismantled quantity of brick work. Further, the rate of dismantled material was also estimated on lower side i.e. Rs 2,000 per %o bricks and Rs 1,450 % cft for brick bats.

Violation of book of specification resulted in loss of Rs 0.326 million due to less credit of old material.

Audit pointed out the loss in August 2017. The department replied that the work had been executed as per provision of the estimate approved by the competent authority and was accordingly paid. There was no excess payment to the contractor. Reply was not convincing because provision of Rs 169,360 was made in the estimate of the work instead of Rs 494,384 as pointed out by audit.

The matter was discussed in SDAC meeting held on 04-05.12.2017. The department stated that the work was executed as per provision of the estimate sanctioned by the competent authority and accordingly paid. The para was kept pending for a technical report by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 817)

4.4.35.12 Executive Engineer, Eastern Bar Division Pakpattan awarded two works namely “Concrete lining of 1-L Disty RD-0+000-55+315 (Tail)” and “Concrete lining of 1-AR Disty RD-0+000-55+315 (Tail)” to a contractor at a contract cost of Rs 197 million and Rs 93.462 million respectively. The department was required to deduct Rs 121,450 and Rs 58,250 on account of credit of old material but the same were not recovered from the contractors till the last and final bills paid to them.

Violation of book of specification resulted in non recovery of cost of old material amounting to Rs 0.180 million.

Audit pointed out the non-recovery in March 2017. The department did not reply.

The matter was discussed in the SDAC meeting held on 24-25.08.2017. The department admitted the recovery. The Committee directed the department to recover the amount and get it verified from audit. The para was kept pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 63)

4.4.36 Non-recovery of excess advance payment - Rs 41.084 million

According to Rule 2.20 of Punjab Financial Rules Volume-I, every payment including repayment of money previously lodged with the government for whatever purpose must be supported by a voucher setting forth full and clear particular of the claim.

Executive Engineer, Taunsa Barrage Division, Kot Adu issued work/job order No. 2007/30G/29.09.2014 to Machinery Division, Multan

and made payment in advance through Cheque No.0294/014656/02.09.2014 amounting to Rs 70 million (with 100', 500', and 5 miles lead). The total payable amount be worked out to Rs 28,916,333 against the paid amount of Rs 70 million resulting in overpayment of Rs 41,083,667. The detail of Rs 41.083 million was not produced for verification.

Violation of PFR Vol-I resulted in non-recovery of Rs 41.084 million.

Audit pointed out the non-recovery in October 2017. The department replied that no overpayment was made. Reply was not tenable because it was without documentary evidence and devoid of facts because no detail was provided by the department in support of its reply.

The matter was also discussed in SDAC meeting held on 12.12.2017. The department stated that the work was got done through the Machinery Division, Multan. The para was transferred to Machinery Division, Multan for verification within 30 days. No further progress was reported till finalization of the report.

Audit recommends early recovery besides producing requisite record with rate analysis.

(DP No. 1167)

4.4.37 Non-accountal of POL – Rs 38.853 million

As per Para 2.33 of Punjab Financial Rules Volume-I, every government servant realize fully and clearly that he would be held responsible personally for any loss sustained by government due to fraud and negligence on his part.

Executive Engineer, Machinery Division, Irrigation Department, Lahore made payments to different dealers of Petrol Pumps in different Districts i.e. Lahore, Faisalabad, Sargodha, Gujranwala, Narowal on account of Diesel for 3,241,797 litre purchased during the year 2015-16 valuing Rs 253,536,288. The department against this POL/Diesel got

executed deposit works of different Divisions of Irrigation Department and as per Log Books consumed quantity of 2,795,209.28 liters. However, for balance POL of 446,587.72 liter there was no consumption shown on log books.

Violation of PFR Vol-I resulted non accountal of POL worth Rs 38.853 million.

Audit pointed out the loss during June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that diesel purchased by all the three Sub Divisions during the year 2015-16 was taken on stock register and then issued to different machines. Utilized and balance quantities of diesel were entered in the log books properly. The Committee kept the para pending for detailed verification of diesel consumed and issued to Machineries from Log Books, Cash Books, Vouchers, Stock Register, list of machineries in Machinery Division, Lahore etc. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives besides recovery of loss from the person(s) at fault.

(DP No. 163)

4.4.38 Unjustified payment of price variation - Rs 37.546 million

As per clause 55 of the contract agreement read with Finance Department's notification No.RO (TECH) FD.1-2/83-vol-(VI) (Provl) dated 03.04.2004, in case any price variation (increase/decrease) to the extent of 5% or more in the price of any of the items takes place after acceptance of tender and before the completion of contract, the amount payable/recoverable shall be adjusted to the actual variation in the cost of the item concerned on the notified rate by the Finance Department on its web site.

Executive Engineer, Lahore Drainage Division, Lahore awarded the work amounting to Rs 196.996 million with completion period of 24-months i.e. upto February 2013. The work could not be completed in time. The last 39thrunning bill was paid for Rs 199.172 million in June 2016 including price variation of Rs 37.546 million. The record pertaining to the paid price variation was not produced to Audit despite repeated requests.

Violation of contract agreement's clause resulted in unjustified payment of Rs 37.546 million.

Audit pointed out the unjustified payment in May 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the price variation statement would be calculated on the basis of monthly work done as per FD's notification. The para was kept pending for detailed verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early production of record besides disciplinary action against the persons responsible for payment of price variation without calculations.

(DP No. 315)

4.4.39 Overpayment due to excess measurement - Rs 33.513 million

According to rule 7.17 of DFR, all the payments for the work are based on the quantities recorded in the measurement book and it is incumbent upon the person taking the measurement to record the quantities clearly and accurately.

4.4.39.1 Executive Engineer, Bhakkar Canal Division, Bhakkar paid for the item of "*Providing and weaving G.I. wire netting for wire crates, with G.I. wire of approved size (including siding and partition to make*

crate) 6" (150 mm) mesh 8 SWG wire" in the 5th& running bill for 1,080,000 sft @ Rs 1,200 per % sft. It was observed that in 11th running bill a quantity of 1,138,050 sft was deducted from the total quantity of G.I. wire which showed that previously the payment of the same had been made without execution of work at site. Thus undue benefit was given to the contractor amounting to Rs 11,380,500 (1,138,050 sft @ Rs 1,000 % sft) which needs justification. Similarly, it was further observed that in 8th Running bill a recovery of Rs 6,871,452 regarding various items of work was made from the contractor which showed that earlier payment had been made without the execution of those items of work. Recovery of interest for the period the contractor utilized Govt. money without any work at site @ 12% per year may also be made.

Violation of Departmental Financial Rules resulted in undue financial benefit due to payment of items of work excess than actually executed at site of work amounting to Rs 18.252 million.

Audit pointed out undue financial benefit and recovery of interest in April 2017. The department replied that during suspension of work at J-Head Spur RD 5+000, machinery and material available in stack yard were shifted from site. Joint measurement was done by Punjab Irrigation Department's consultant and contractors representative on 02.10.2016. The quantity of wire crates available at RD 5+000 was found short and deduction for that was being made in this IPC. Reply of the department was not tenable. The payments were allowed without execution of work at site therefore recovery of interest @ 12% due to utilization of public money needs to be made from the contractor.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department requested the Committee for its detailed verification again. The plea of the department was accepted by the Committee and directed the department to get the record re-verified within 30 days. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility for extending undue benefit to the contractor.

(DP No. 261)

4.4.39.2 Executive Engineer, Bhakkar Canal Division, Bhakkar measured and paid an item of “*Filling stone in crates*” for a quantity of 906,550 cft. As per estimate for filling of 27 cft (3 x 3 x 3) of stone in crates of 54 sft (6 x 3 x 3) G. I. wire was required to be paid to the contractor which comes to 1,813,118 sft whereas a quantity of 2,891,508 sft G.I. wire had been measured and paid to the contractor. Hence, an excess quantity of 1,078,690 sft @ Rs 1,000 per % sft was paid to the contractor.

Violation of Departmental Financial Rules resulted in overpayment of Rs 10.787 million due to excessive measurement.

Audit pointed out the overpayment in April 2017. The department replied that as per nomenclature of the item of work “Providing and weaving G.I. wire netting for wire crates, with G.I. wire of approved size (including siding and partition to make crate) of 6" (150 mm) mesh 8 SWG wire” the manufacturing as well as procurement of above cited item of work was an independent item of work, its payment was not subject to its consumption or utilization and detailed manufacturing of wire netting as per specification and to meet the daily requirement of labour, sufficient quantity should be in hand prior to filling of stone in it. Further, filling of stone in wire crates and manufacturing of crates could not be executed simultaneously. So the procurement of wire netting in advance and its payment was justified. Reply of the department was not tenable. The payment of wire creates was required to be made with filling of stone in the wire crates as per nomenclature of the item whereas payment was made without filling of stone in wire crates. Further, the quantities of wire purchased, executed and balance in hand should be matching and reconciling.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the filling of stone in wire

crates and manufacturing of crates could not be executed simultaneously. The Committee kept the para pending for detailed verification within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 255)

4.4.39.3 Executive Engineer, Bhakkar Canal Division, Bhakkar measured and paid the item carriage of stone in excess than the actual required for the items "*Dumping of stone, filling of stone in crates, stone pitching and for dry hand packed*". A quantity of stone was measured for 6,561,897 cft against which carriage of stone was required to be paid for 7,255,612 cft whereas 7,357,460 cft was paid to the contractor. Hence, an excess quantity of 101,848 cft was paid.

Violation of Departmental Financial Rules resulted in excess payment amounting to Rs 2.519 million due to excess measurement.

Audit pointed out overpayment in April 2017. The department replied that the item was an independent one and displayed as a separate item in the BOQ. Its execution was not subject to its further utilization or consumption at site. Execution of item of work filling stone in crates, laying pitching or dumping are impracticable without procurement of stone at site much prior to aforementioned executions. Accordingly, stone in shape of stacks had been procured and paid, which later was consumed at site and certified by consultants at site before releasing payments. Reply of the department was not tenable. The quantity of dumping after adding consumption factor should be equal to payment of carriage.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the filling of stone in wire crates and manufacturing of crates could not be executed simultaneously. The Committee kept the para pending for detailed verification of record within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 256)

4.4.39.4 Executive Engineer, Qadirabad Barrage Division, Qadirabad measured and paid an item of work “*Earthwork in ordinary soil for embankment lead upto 2 miles 90% compaction*” for quantity of 5,950,433 Cft recorded in MB No.819 at Page 2,3,4,9,10,11,15,16,41,42 and 63. Another item of work “*Providing and laying shingle on top of bund*” quantity 138,000 Cft had also been measured and paid. The total quantity of “*P/L shingle on top of bund*” i.e. 138,000 Cft was required to be deducted from the quantity of the item of work “Earthwork for making embankment lead two mile” 5,950,433 but only a quantity of 36,000 cft had been deducted instead of full quantity of 138,000 cft. In this way excess quantity of 102,000 cft of the item “E/W for making embankment lead two miles” was paid.

Violation of Departmental Financial Rules resulted in overpayment of Rs 0.535 million.

Audit pointed out overpayment in July-August 2017. The department replied that the excess quantity had been deducted from contractor bill No.08 vide MB 819 Page-92-93. The department admitted that the recovery had been effected on pointation of audit however, no document was produced in support of recovery made.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Audit stated that during verification, division could not produce the record to audit for verification; however, the MB No.819 indicated no further deduction except 36,000 cft shingle deducted from earth work embankment already stated in para. The Committee directed that the XEN concerned would produce the relevant record to audit for verification within 7 days and Chief Engineer, Irrigation Faisalabad Zone would call explanation of the Executive Engineer, Qadirabad Barrage for non-verification of record. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 553)

4.4.39.5 Executive Engineer, UCC Division, Gujranwala measured and paid an item of work “*Earthwork excavation undressed lead upto one mile and two miles*” for quantity of 2,262,477 cft whereas another item “Compaction of earthwork with road roller including ploughing, mixing, moistening earth 85% ” was measured and paid for quantity of 3,554,247 cft. Thus excess compaction for quantity of 1,291,770 cft was paid.

Violation of Departmental Financial Rules resulted in overpayment of Rs 0.420 million.

Audit pointed out overpayment in August 2017. The department replied that the quantity for compaction of quantity of 3,554,247 cft was verified by the consultant but quantity of earthwork 1,291,770 cft was withheld temporarily in 5th& Running Bill for some more improvement in executed earth work which was to be released on verification of site. Therefore, payment of earth work measuring 1,291,770 cft for compaction was not excess and compaction was justified. The department admitted that there existed a difference of 1,291,771 cft in the quantity of compaction and earth work which was held up for some improvement. The department could not justify why the compaction was paid in excess than executed earth work.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Recovery was admitted by the department. The para was kept pending for recovery/adjustment in next running bill. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 809)

4.4.40 Non-recovery of secured advance – Rs 27.532 million

According to clause 7 of indenture bond, if the contractor shall at any time make any default in the performance or observance in any

respect of any of the terms and provisions of the agreement, the total amount of the advance with interest thereon at twelve percent per annum from the date or respective dates of such advance or advances to the date of repayment will be recovered from the contractor. Further, as per para 2.98 (a) of Buildings & Roads Department Code and Communication and Works Department's letter No. SO-III(C&W) 2-14/97 dated 29.05.1997, recovery of secured advance so made should not be postponed until whole of the work entrusted to the contractor is completed. Under normal circumstances, the secured advance has to be recovered within three months.

4.4.40.1 Executive Engineer, Rachna Drainage Division, Sheikhupura did not recover secured advance which was granted to a contractor in June 2016 without indenture bond (on prescribed forms on steel grade-40 for quantity of 300,000 kg @ Rs 58.5 per kg) amounting to Rs 17,550,000. Neither the work was got executed nor advance was recovered/adjusted. This implies that the secured advance was granted just to utilize the budget in the month of June, which was undue financial benefit to the contractor.

Violation of indenture bond's clause and B&R Code resulted in non-recovery of secured advance amounting to Rs 17.550 million.

Audit pointed out the non-recovery of secured advance in September 2017. The department replied that the secured advance was granted with proper indenture bond on prescribed forms. The recovery would be made in subsequent bills when this steel would be used. Reply of the department was not tenable. The secured advance was allowed without obtaining indenture bond on prescribed forms during June 2016 and no work was executed after grant of secured advance despite lapse of period of more than three months.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Recovery was admitted by the department. The para was kept pending for recovery in next running bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery/adjustment of advance besides fixing responsibility for this lapse.

(DP No. 790)

4.4.40.2 Executive Engineer Eastern Bar Division, Pakpattan allowed secured advance to various contractors amounting to Rs 5.837 million against the material i.e. supply of crushed stone and providing cement bags on 24.06.2016 (i.e in the month of June). After lapse of more than 08 months, neither the works were started by the contractors nor was the secured advance recovered from them.

Weak supervisory and financial controls resulted in non-recovery of secured advance of Rs 5.837 million and interest thereon.

Audit pointed out the non-recovery in March 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated that the secured advance was released in the interest of work. The Committee did not agree with the view point of the department and the para was kept pending for a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility for this lapse.

(DP No. 49)

4.4.40.3 Executive Engineer, Small Dams Division, Jhelum did not make recovery /adjustment of secured advance, despite the lapse of a period of 14 months, which was granted to contractor (against material i.e M.S blind pipe of 30" dia for quantity of 1000 rft @ Rs 5,212.5 per Rft) amounting to Rs 5,212,500. In 1st running bill paid on 24.06.16 the contractor executed the quantity of 96 rft only. The balance recovery of Rs 4,144,616 was outstanding and yet to be recovered from the contractor.

Violation of Departmental Financial Rules resulted in undue financial benefit to the contractor due to non-recovery of secured advance amounting to Rs 4.145 million.

Audit pointed out the non-recovery in October 2017. The department replied that the work was held up because contractor of fisheries department had filed a suit in the court of District & Session Judge, Jhelum against execution of work being carried out by Irrigation department. Reply of the department was not tenable. Recovery of secured advance was required to be made as per prescribed timelines.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that the case was subjudice in the Court. The para was kept pending by the Committee for vigorous pursuance of case and till the decision of the court. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1294)

4.4.41 Overpayment due to use of bajri from unapproved crushers in cement concrete / RCC - Rs 24.732 million

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

4.4.41.1 Executive Engineer, Small Dams Division, Jhelum used crush/bajri measuring 1,908,103 cft from unapproved crushers in the vicinity of Pandori Town instead of from approved quarry i.e. Margala. As per MRS/estimate the contractor was required to use crush/bajri from approved quarry whereas according to site visit report carried out by consultant, the contractor used crush from local crushers extracted gravel from the bed of the river Jhelum and the same was not according to the required specifications. The contractor used the crush from local crushers. An excess rate of Rs 1,100% cft was paid to the contractor.

Violation of PFR resulted in overpayment of Rs 20.989 million due to use of bajri from local crushers instead of approved quarry Margala.

Audit pointed out the overpayment in October 2017. The department replied that the coarse aggregate used in PCC as well as RCC had been manufactured from stone of the Jhelum River bed, which was the approved quarry as per schedule of rates volume-I Part-I (Specification of material of construction page 41 item 104). The rate applied for District Jhelum was notified by the Finance Department in input rates for the 1st Bi-annual 2013. Reply of the department was not tenable as the crush was used from local quarry which was not an approved quarry of irrigation department as well as C&W department for concrete work. Therefore, recovery of carriage needs to be made from the contractor as the contractor used local bajri instead of approved quarry to save the carriage of material.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that rate applied was Rs 3,000 % cft at site for District Jhelum notified by the Finance Department input rates for the 1st bi annual 2013 and paid accordingly. Audit informed that the approved quarry for crush was Sikhanwali and Margala, therefore, carriage from quarries was required to be deducted as the contractor used crush from local quarry instead of approved quarry. The para was kept pending for technical advice from Finance Department within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1256)

4.4.41.2 Executive Engineer, Small Dams Division, Jhelum used crush/bajri measuring 311,123 cft from local crushers in the vicinity of Pandori Town instead of from approved quarry i.e. Margala and Sargodha. As per MRS/estimate the contractor was required to use crush/bajri from approved quarry whereas according to site visit report carried out by

consultant NESPAK, the contractor used crush from local crushers extracted from the bed of the river Jhelum which was not according to the required specification. Therefore, an extra rate of Rs 1,020 % cft (18,664.55 – 17,643.75) was paid to the contractor as the contractor had not used the crush bajri of approved quarry according to required specifications.

Violation of PFR resulted in overpayment of Rs 3.173 million due to non use of bajri according to specifications.

Audit pointed out the overpayment in October 2017. The department replied that during execution, the low alkali cement was used after approval of competent authority as per recommendation of consultants to avoid hair line cracks. Consequently, the same was allowed to be used at site which ultimately saved extra cost to be incurred on the project to the tune of more than Rs 20 million. Reply of the department was not tenable. The contractor used crush from local quarry which was not the approved quarry of irrigation department as well as C&W department for concrete work and to avoid further damage to work the low alkali cement was allowed by the consultant. As the contractor used the crush from local quarry instead of approved quarry in violation of terms and condition, therefore, recovery due to using low alkali cement also needs to be recovered from the contractor.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was explained by the department that during execution, the low alkali cement was used as per recommendation of consultant to avoid hair line cracks. Audit argued that due to use of local crush extra expenditure on low alkali cement was used. The para was kept pending for report from consultant on the issue within 15 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1260)

4.4.41.3 Executive Engineer, Small Dams Division, Jhelum used crush/bajri measuring 51,798 cft. from local crushers in the vicinity of Pandori Town instead of approved quarry i.e. Margala. As per MRS/estimate the contractor was required to use crush/bajri from approved quarry whereas according to site visit report carried out by consultant NESPAK, the contractor used crush from local crushers which were extracting gravel from the bed of the river Jhelum and the same was not according to the required specification. As the payment of bajri/crush was made by the department for crush from local crushers as such an excess rate of Rs 1,100% cft was paid to the contractor.

Violation of PFR resulted in overpayment due to use of bajri from local crushers in cement concrete/RCC amounting to Rs 0.570 million.

Audit pointed out the overpayment in October 2017. The department replied that as per MRS PCC and RCC work conforms to the specification No.20.1 & 20.4 respectively and the aggregate for the item of work was specified as in specification of material of construction page 36 chapter 6 (i,ii,iii). The coarse aggregate i.e. crushed bajri used in PCC as well as RCC was got from the Jhelum River bed, which was an approved quarrying site as per schedule of rates volume-I Part-I (Specification of material of construction page-41 item 104). Reply of the department was not tenable. The crush used from local quarry was not the approved quarry of irrigation department as well as C&W department for concrete work. Therefore, recovery of carriage needs to be recovered from the contractor as the contractor used local bujri and instead of approved quarry and save the carriage of material.

The matter was also discussed in SDAC meeting held on 26.12.2017. It was stated by the department that rate of Rs 3,000 per % cft at site for district Jhelum was notified by the Finance Department input rates for the 1st bi annual 2013 and paid accordingly. Audit argued that the approved quarries for crush were Sikhanwali and Margala. Therefore, carriage was required to be deducted as the contractor used crush from local quarry instead of approved quarry. The para was kept pending for technical advice from Finance Department within 30 days. The

compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1282)

4.4.42 Loss due to incorrect calculation of consumption of diesel in manufacture estimates of machinery – Rs 24.366 million

As per Operating Cost Guide by Power Crane & Shovel Association 74 Trinity Plan Newyork 6, N.Y operating cost of engine fuel & lubricating oil, was to be applied as per following formula:

$$\begin{aligned} &\text{“BHP (Brake HP of Engine) } 350 \text{ HP} \times \text{Factor } 50\% \times 0.50 \\ &8 \text{ Lbs per gallon Diesel} \times 1.2 \times 100 \end{aligned}$$

Executive Engineer, Machinery Division, Lahore prepared the manufacture estimate of various machines for the year 2015-16 by calculating fuel consumption as fixed by SDO instead of formula given in hand book of operating cost guide resulting in overpayment as given below: -

PDP #	Name of machine	Consumption taken	Consumption to be taken as per formula	Overpayment (Rs)
534	D7R	42 liter	31 liter	6,996,000
249	TD-25-G	64 liter	49.72 liter	1,243,006
248	Priesteman VC -20	25 liter	18.60 liter	825,446
155	TD-25-G-5	64 liter	41.45 liter	7,062,553
156	TD-25-G-10 TD-25-G-1	64 liter	41.45 liter	4,830,076
193	TD-25-E-2	45.46 liter	36.73 liter	3,198,768
159	ICT-35	45.46 liter	39.45 liter	210,395
Total				24,366,244

Violation of Operating Cost Guide by Power Crane & Shovel Association 74 Trinity Plan Newyork 6, N.Y resulted in loss of Rs 24.366 million due to incorrect application of factor for consumption of diesel.

Audit pointed out the overpayment during June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department explained that Machinery Circle was established during 1984 and before opening of Machinery Circle, the departmental machinery i.e. WABCO Scraper and Dozers were maintained and operated by M.I.W Lahore and accordingly 64 liters per hour consumption was taken in the rates analysis. Audit argued that formulae given by Power Crane and Shovel Association should have been adopted as in other estimates of machines, instead of recommendations by Assistant Engineer MIW. Therefore, the department was taking exorbitantly high consumptions of diesel per hour in the rates. The Committee pended the para for technical probe by the Superintending Engineer concerned and submit fact finding reports vetted by TPM (Third Party Monitoring) within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

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

4.4.43 Overpayment due to incorrect figures of running bills - Rs 14.967 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.

Executive Engineer / consultants, Fordwah Canal Division Bahawalnagar verified incorrect figures of IPCs for the work PISIP (Punjab Irrigation System Improvement Project) Package 1 & 2 and did not make recovery of overpaid amount from final bills.

Violation of DFR resulted in overpayment of Rs 14.967 million due to incorrect figures of running bills.

Audit pointed out the overpayment in February 2017. The department replied that annual inspection of PISIP project had already been conducted at higher level i.e. Office of the Head PMO PISIP Lahore.

The reply was not tenable being irrelevant and no recovery of erroneously verified figures was made from final bill. Further, the probe report dated 31.01.2013 indicated that executing staff & consultants did not play supervisory role properly and contractors executed defective work and left the work incomplete. Further, court case record was also not produced to Audit.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the work was in progress. The para was kept pending till final bill to verify the status. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 148)

4.4.44 Irregular expenditure due to splitting of works against PPRA rules - Rs 14.578 million

As per Rule 9 of Punjab Public Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on print media, the website of the Authority as well as on its website.

4.4.44.1 Executive Engineer, Rajanpur Canal Division, made payment on account of T&P articles and hiring of machinery amounting to Rs 13,700,668 during 2016-17 without advertisement and after splitting in piecemeal quotations. Further, the machinery hired from private parties remained idle on the flood bunds whereas the work was got executed by machinery of sister divisions on different sites.

Violation of Punjab Public Procurement Rules 2014 resulted in irregular and unjustified payment of Rs 13.701 million due to award of work without advertisement, and non-utilizing the hired machinery from private parties.

Audit pointed out the irregularity in August 2017. The department replied that machinery was deployed on flood fighting work sites by the competent authority. The issue of non-utilization of idle machinery and procurement without advertisement was not responded.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department stated that the works were under Rs 100,000 were awarded as per directions of PPRA. Audit informed the Committee that works amounting to Rs 13,700,668 were split and executed in piecemeal in violation of PPRA rules. The para was kept pending by the Committee for a technical probe by SE within 30 days. The compliance of the Committee's directive not reported till finalization of the report.

Audit recommends fixing of responsibility and condonation from the competent forum besides justification/recovery on account of payment made for the idle machinery hired from private parties.

(DP No. 651)

4.4.44.2 Executive Engineer, Hakra Canal Division, Bahawalnagar got executed different supply items and M&R works. The T.S. estimates of supply items and works were approved on same dates; contracts were awarded on same dates, and payments were also made on same dates. In this way, same nature of work was split into parts to avoid open competition and approval of higher authority.

Violation of Punjab Public Procurement Rules 2014 resulted in irregular expenditure due to splitting of works amounting to Rs 0.551 million.

Audit pointed out irregular expenditure in February 2017. The department replied that expenditure was incurred according to the codal rules. The reply of the department was not tenable because department violated the PPRA rules.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department stated that all the amounts were under Rs 100,000. The para was kept pending by the Committee for a technical probe by SE within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends regularization besides fixing responsibility for the lapse.

(DP No. 106)

4.4.44.3 Executive Engineer, Islam Head Works Division, Pallah, purchased Abiana form, Tawan Bahi Register, ACR form, TA bill etc. from one supplier M/s Dua Enterprises without sanction of higher authority, healthy competition and advertisement through press.

Violation of Punjab Public Procurement Rules 2014 resulted in irregular payment amounting to Rs 0.326 million.

Audit pointed out the irregular payment in February 2017. The department replied that purchases were made from lowest bidder as per approved local purchase. Reply was not tenable because purchases were made in violation of PPRA rules.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department stated that Abiana Forms, Tawan Bahi Register, ACR Forms, TA Bill were purchased through splitting from one supplier. The para was kept pending by the Committee for a technical probe by the Superintending Engineer of other than concerned formation within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends compliance of SDAC's directives.

(DP No. 99)

4.4.45 Loss due to incorrect application of factor for consumption of diesel – Rs 12.679 million

Operating Cost Guide by Power Crane & Shovel Association 74 Trinity Place New York 6, N.Y provides a formula for estimating the approximate diesel fuel consumption for equipment. According to the formula, the factor for load was required to be taken 50%.

Executive Engineer prepared manufacture estimate of various machines in which diesel oil consumption was calculated by taking 60% factor instead of 50%. As per hand book, factor was admissible from 50% to 60% whereas the department applied only 60% factor which resulted in calculation of diesel oil consumption on higher side.

PDP #	Name of machine	Consumption taken by applying 60% factor	Consumption taken by applying 50% factor	Amount (Rs)
150	DS-30, DS 12 DS-13, DS 11 DS-29	20.60 liter	17.15 liter	6,088,212
151	TD-25, E-2	45.46 liter	36.73 liter	3,198,768
162	IFL-20	30.40 liter	28.16 liter	1,039,082
153	P-4	15.32 liter	12.78 liter	562,832
161	DFL-4	14.77 liter	12.28 liter	514,759
154	P&H No. 30-F	12 liter	10 liter	446,140
157	DFL-4 (104-HP)	14.77 liter	12.32 liter	353,311
Total				12,679,354

Violation of Operating Cost Guide by Power Crane & Shovel Association 74 Trinity Place New York 6, N.Y resulted in loss of Rs 12.679 million due to incorrect application of factor for consumption of diesel.

Audit pointed out the loss during June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department explained that calculation of consumption of diesel in the Irrigation Hydraulic Excavator/ Draglines guide-lines

given by Power Crane & Shovel Association had been followed since the machines were used in the Irrigation Department, wherein a range from 50% to 60% was proposed and accordingly 60% was taken in the rate analysis while calculating the rates of machinery per hours. Audit argued that least average i.e. 50% should have been taken in the formula as the department used the formula with 50% load factor in other rates analysis of the Machinery/Equipments used in the Irrigation Department. Therefore, keeping in view the interest of the Government and application of Guidelines provided by Power Crane & Shovel Association, 50% load factor was required to be applied in the rates analysis. The Committee pended the para for fact finding report by TPM (Third Party Monitoring) within two weeks. The compliance of the Committee's directive was not reported till finalization of the report.

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

4.4.46 Non-recovery of lease money - Rs 10.618 million

As per condition No 1&14 of notification issued by Secretary Irrigation vide No SO (Rev)/IRR/12-70/15/24-06-2015, the surplus irrigation land will be leased out for a period of 3 years and rent for the 1st year will be paid/ recovered within 15 days by the lessee on approval of lease. And in case of default, for a period of 6 months the lease shall be cancelled and recovery will be made as arrears of Land Revenue.

4.4.46.1 Executive Engineer, Development Division No.1, Sidhnai did not recover the lease money of Rs 7.18 million period 2014-15 to 2018-19 from 27 lessees for 127 acres of land since April 2014. Further, 18.64 acres land was not leased out during 2014-15 causing loss of Rs 1.86 million.

Violation of Secretary Irrigation Notification's condition resulted in non-recovery of Rs 7.181 million.

Audit pointed out the non-recovery in November 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 12.12.2017. Recovery was admitted by the department. The para was kept pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 959)

4.4.46.2 Executive Engineer, Rajanpur Canal Division, leased out 157.601 acres of land to various persons on different dates but the receipt of leased money was not shown in the revenue ledger register/Form PWA9 and cash book.

Violation of Secretary Irrigation Notification's condition resulted in non-depositing of Rs 4.009 million by the lessees in government revenue.

Audit pointed out the lapse in August 2017. The department replied that pointed out amount was recovered from various successful bidders and such amount was accounted for in the different monthly accounts. The reply was not tenable as the department did not prepare detailed statement showing date of auction with highest bid, due date of deposit with amount, date of receipt with amount and date of deposit into bank and cash book.

The matter was also discussed in SDAC meeting held on 14.12.2017. Recovery for amount of Rs 2,747,000 stands verified by Audit. The para was reduced to Rs 2,346,082 and kept pending for vigorous pursuance of case for balance recovery. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early production of requisite record or recovery.

(DP No. 655)

4.4.46.3 Executive Engineer, Trimmu Barrage Division Jhang, leased out pond area land pertaining to Trimmu Barrage to different persons who had deposited 1/4th amount of lease money but did not deposit balance 3/4th amount alongwith 10% income tax for 1st year. The department did not cancel the lease agreements.

Violation of Secretary Irrigation Notification's condition resulted in non-deposit of lease money Rs 0.560 million.

Audit pointed out the non-recovery in October 2017. The department replied that the auction date for lease of pond area for cultivation was fixed for 19.09.2016 and 18.04.2017 in different mouzas. Various bidders participated in auction process and offered their bids. The bidders who offered highest bids were approved by competent authority. The notices were issued to the bidders for depositing the balance amount at the earliest. On receipt of the same the record would be produced to Audit for verification.

The matter was also discussed in SDAC meeting held on 19.12.2017. Recovery was admitted by the department and recovery of Rs 92,205 was verified. The para was kept pending for effecting balance recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1153)

4.4.46.4 Executive Engineer, Khushab Canal Division, Khushab auctioned Irrigation land in Mouza Hardu Ghag Tehsil & District Khushab for lease on 19.07.2016 but did not recover auction money amounting to Rs 531,768 alongwith income tax @ 10%.

Violation of Secretary Irrigation Notification's condition resulted in loss to government due to non-receipt of lease money from auctioneers amounting to Rs 0.532 million.

Audit pointed out the loss in September 2017. The department replied that open auction for lease was held on 19.07.2016. Four successful bidders deposited 1/4th of the auction amount. The Chief Engineer, Irrigation Sargodha Zone, Sargodha approved the highest bids of four lots on 16.12.2016 but the acceptance / approval letters could not be issued to the successful bidders, as Mr. Ahmed Sher, etc. had filed a civil suit and got stay order from the Court of Mr. Masood Akhtar Kayani, Civil Judge 1st Class, Khushab, against the open auction. Due to temporary injunction of the Civil Court, Khushab, the auctioned land could not be handed over to the successful bidders. The reply given by department was not tenable because no record was produced to Audit in support of its reply.

The matter was also discussed in SDAC meeting held on 19.12.2017. The department stated that the case was under trial in Court. The para was kept pending till the decision of the case. The Committee directed to pursue the case vigorously. No progress was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 871)

4.4.47 Non-recovery of electricity charges - Rs 34.500 million and water charges - Rs 9 million

As per note under rule 5.7 of DFR read with rule 2.33 of PFR Vol-I, the Divisional Officer should recover the building, gas and electricity charges from the occupants / allottees of the official colonies and should deposit into treasury.

4.4.47.1 Executive Engineer, Shujabad Canal Division Multan made payment on account of electricity to WAPDA/MEPCO during the last ten years but no recovery of electricity charges consisting of normal load & 47 Air conditioners and water charges was effected from the allottees of canal colony, Multan. Neither any sub-meters were installed nor any allotment

files (residence wise of each accommodation) were maintained and produced to Audit.

Violation of DFR read with Rule 2.33 of PFR Vol-I resulted in non-recovery on account of electricity charges of Rs 34.500 million and water charges of Rs 9.00 million

Audit pointed out the non-recovery in October 2017. The department replied that electricity charges were collected from the residents of the colony and deposited in govt. account. Water was the basic necessity of incumbents of colony and was being supplied on humanitarian grounds. Reply was not tenable as recovery on account of utility bills was required to be made.

The matter was also discussed in SDAC meeting held on 12.12.2017. It was stated that the payment was made to the WAPDA on account of electricity charges of the Government quarters as per fixed rate. The para was kept pending for reviewing the rates by the Chief Engineer, Irrigation Multan Zone and installation of individual meters within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early production of requisite record for verification of recovery.

(DP No. 1038)

4.4.47.2 Executive Engineer, Qadirabad Barrage Division, Qadirabad received bulk supply electricity from WAPDA and payment was made accordingly. In the bulk supply bill, the amount of electricity consumed by various officers and officials was included and nominal charges were recovered from the officers/officials on this account. Whereas, the charges were to be levied through individual energy meter readings instead of bulk payment.

Violation of DFR read with rule 2.33 of PFR Vol-I resulted in unjustified payment of electricity charges for the residents/consumers.

Audit pointed out the unjustified receipt in August 2017. The department replied that audit point was noted for future, and matter will be taken up with relevant department. The department admitted the Audit observation. Electricity meters may be got installed at each individual residence of the colony instead of receipt of fixed electricity charges from the residents.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Audit stated that recovery register of electricity, allotment of quarters register, e-bills were not provided. Department produced the statement of effected recovery of Rs 1.829 million but no deposit challan / receipt was produced with above record. The Committee directed the department to get the record verified within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early installation of the meters besides recovery from the officers/officials residing in the colony and its verification from the Audit.

(DP No 559)

4.4.48 Less-recovery of rest house charges - Rs 8.899 million

As per notification No.SO(OP)I&P/10-4, dated 20.05.2013 issued by the Secretary Irrigation Department, the recovery of rent charges will be made at the rates fixed therein from the allottees / occupants @ Rs 1,500 from government servants and @ Rs 2,000 from private persons for per day per room.

4.4.48.1 Executive Engineer, Shujabad Division, Multan did not recover rent charges from (the NAB officers and TPM consultant) allottees/ illegal occupants for the period 01.01.2015 to 30.06.2017 on account of three rooms of main Rest House @ Rs 1,500 per day.

Violation of Secretary Irrigation Department's Notification resulted in non-recovery of room rent charges of Rs 5.659 million despite incurring of expenditure of more than Rs 2 million on maintenance of the rest house excluding electricity bills.

Audit pointed out the non-recovery in October 2017. The department replied that the NAB and TPM Consultants did not stay in the rest house. Reply was not tenable because no proper record was maintained / produced. Further, a sum of Rs 33,300 was shown recovered from a NAB Officer/Official and a register showing booking of two rooms on behalf of him was maintained. The above officials were still residing in the rest house and fake fortnightly recovery statements submitted to the Admin Department by the Divisional Office.

The matter was also discussed in SDAC meeting held on 12.12.2017. Recovery was admitted by the department. The para was kept pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides providing requisite record and disciplinary action against the officers/officials responsible for the negligence.

(DP No. 1300)

4.4.48.2 Executive Engineer, LBDC Division, Khanewal did not recover rent charges from police officers/officials residing in the Jandiali Canal Rest House from January 2014 to December 2016 without permission by the irrigation department.

Violation of Secretary Irrigation Department's Notification resulted in loss due to non-recovery of rest house charges amounting to of Rs 3.240 million.

Audit pointed out the non-recovery in November 2017. The department stated that reply would be submitted after examination of record. Reply was not tenable because all the record was available with

the divisional office but the department was reluctant to furnish reply to conceal the facts by using delaying tactics.

The matter was also discussed in SDAC meeting held on 19.12.2017. The department stated that the rest house was handed over to the Punjab Privatization Board for its auction during 2005. The Committee kept the para pending and directed the department to produce a technical probe report from S.E concerned in this regard. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early production of requisite record or recovery from the defaulters.

(DP No. 1141)

4.4.49 Undue financial aid due to non-execution of lower quoted rate item – Rs 5.195 million

As per para 2.7, 2.12, 2.86 of B&R code read with Finance Department's letter No.FD (D-III) 10(3) 90 dated 30.06.1991, no change in specification /scope of work during execution of work can be made without prior approval of the competent authority that accorded Admn Approval and sanction technical estimate.

Executive Engineer, Small Dam Division, Islamabad in the execution of work "Construction of Mahota Dam Project" made provision of an item "*Bailing out water by pump*" under sub head "Saddle Embankment / Diversion" for a quantity of 5,184,000 cft @ Rs 2 % cft only against the estimated rate of Rs 329.18 % cft but this item because of abnormally lower rate was not got executed at all. Further, under the subhead "Main Dam" same item for a quantity of 9,302,976 cft was got executed against the provision of 20,736,000 cft.

Violation of B&R code resulted in undue financial benefit due to non-execution of lower quoted rate item amounting to Rs 5.195 million (Rs 1,620,752 + Rs 3,574,478).

Audit pointed out the irregularity in September 2017. The department admitted the recovery.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the work was in progress. The para was kept pending for recovery of imbalance rates till final bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification from Audit.
(DP No. 727)

4.4.50 Non-recovery of rent - Rs 4.869 million

According to Para 4.7(1) of the Punjab Financial Rules Vol-1 (PFR) read with Para 1.55 of B&R code, it was primary responsibility of the departmental authorities to see that all revenue, Government dues were correctly and promptly assessed, realized and credited to the proper account. The Divisional Officer is responsible to keep the Government land safe from encroachers/illegal occupants and to eject the encroachers by law besides making fines.

4.4.50.1 Executive Engineer, Rajanpur Canal Division, Rajanpur had been maintaining a residential colony in Rajanpur having 35 residences. The Sub-Divisional Officer Headquarter had been declared Estate Officer for up keeping the allotment files etc. but even a single file was not produced to Audit and rent of Rs 2,650,464 was lying outstanding against the illegal/unauthorized occupants.

Violation of PFR Vol-I resulted in loss due to non-recovery of rent of Rs 2.650 million.

Audit pointed out the non-recovery in August 2017. The department replied that all the residences had been allotted to the authorized employees and deduction of rent was being made on monthly

basis. The reply was not tenable as no record was produced for verification.

The matter was also discussed in SDAC meeting held on 14.12.2017. The department stated that recovery against only one person Mr. Shokat Hussain was due. Audit contented that allotment letters were not produced. The Committee pended the para for technical probe by S.E concerned.

Audit recommends early recovery of rent besides providing requisite record.

(DP No. 657)

4.4.50.2 Executive Engineer, Fordwah Canal Division, Bahawalnagar did not recover the rent of 16 shops located in front of Civil Hospital Bahawalnagar from unauthorized occupants. Moreover, 2 shops in front of Irrigation offices were not leased out since long.

Violation of PFR Vol-I resulted in less-recovery of Rs 2.219 million.

Audit pointed out the less-recovery in February 2017. The department replied that there were only 6 shops instead of 16 and rent of these shops was being received. Moreover, 2 temporary Tea Hawkers sell their tea along office. Reply was not tenable because existence of 18 shops was evident from office record of Division vide letter No 636/2-12-15 and 549/29-11-16 written by the SDO to the XEN.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department stated that efforts were being made to vacate the Government property. The para was kept pending for a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides providing requisite record.

(DP No. 16)

4.4.51 Non-recovery of rent from illegal occupants of government residence - Rs 4.807 million

As per 4.1 of PFR Vol-I, the departmental controlling officers should accordingly see that all sums due to Government are regularly received and checked against demands, and that they are paid into the treasury. They should arrange to receive from their sub-ordinates accounts and returns claiming credit for so much paid into the treasury and compare them with the figures shown in the returns received from the Accountant-General and Secretary under dated 29.09.2016 to deduct the penal rent.

4.4.51.1 Executive Engineer, Small Dam Division, Islamabad did not recover the amount of Rs 3,727,260 from S.E Development Circle, Sargodha (Mr Rana Asif Mehmood), who was the illegal occupant of the Bangula No.3 and the Secretary, Irrigation Department had directed to deduct the penal rent @ 60% of his basic pay.

Violation of PFR Vol-I resulted in non-recovery of Rs 3.727 million from the illegal occupant.

Audit pointed out non-recovery in September 2017. The department replied that Secretary, Irrigation Department had imposed penal rent amounting to Rs 3,727,260 on 29.09.2016 which was suspended by the Honourable Civil Judge, 1st Class- East, Islamabad vide order dated 08.06.2017. The reply was not tenable as the Honourable Court only suspended the operation of letter till next hearing i.e. 15.06.2017. No progress towards court case was intimated.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the matter was subjudice in the Court. The Committee deferred the para till decision of the Honourable Court. No further progress was reported till finalization of the report.

Audit recommends active pursuance of the court case.

(DP No. 717)

4.4.51.2 Gaztted Officers/Sub-Divisional Officer of Executive Engineer, Multan Canal Division, Multan availed the official accommodation/ designated house No.8 in Canal colony old Bahawalpur road Multan but did not make deduction of house rent allowance in lieu of official accommodation for the last 5 years.

Violation of PFR Vol-I resulted in non-recovery of Rs 1.079 million on account of house rent allowance and utility bills of bulk supply.

Audit pointed out the non-recovery in October 2017. The department replied that recovery of Rs 39,251 had been effected through G.R No: G/2016/11387/83/78/2-6-16 and Rs 25,188 through change Form submitted to the DAO Multan for the period December 2016 to October 2017. The reply was only partially satisfactory as complete record was not produced. However, the recovered amount would be reduced to the extent of Mr. Mohsin Nazir SDO on production of the requisite record leaving balance amount recoverable from other allottees. The department should produce allotment file of the said residence showing complete history of other allottees and recovery status.

The matter was also discussed in SDAC meeting held on 12.12.2017. Audit stated that recovery of Rs 39,251 effected from the SDO had been verified. As regards allotment file for recovery from Mr. Ahmad Hassan reclamation supervisor, no record was produced. Department explained that the case was under trial in Court. The Committee kept the para pending till the decision of the Court. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides providing requisite record for verification.

(DP No. 1049)

**4.4.52 Non-recovery on account of below specification bricks –
Rs 4.798 million**

As per Section 801 & 1041-8 of Standard Specification for Roads & Bridges Construction 1971, the crushing strength of normal brick was 2000 PSI. According to Finance Department's Material rates of item No.07.001, the standard size of brick was 9" x 4-1/2" x 3".

4.4.52.1 Executive Engineer, Upper Gugera Division Sheikhupura made provision in the estimate for construction of brick work structures with width of 9", 13-1/2" and wall thickness 4-1/2", these works were not got executed as per specification because smaller size of bricks was used. Excess measurements were recorded with size of 40.5" (9" x 4-1/2") feet instead of actual size of bricks as 36.66" and 37.19" which was 8.17 % less than the standard size of bricks. Resultantly, excess quantity of 17,010 cft (208,211 cft @ 8.17%) of brick work was paid @ Rs 18,018.00% cft to the contractor.

Violation of Standard Specification for Roads & Bridges Construction 1971 resulted in overpayment of Rs 3.065 million.

Audit pointed out the overpayment in September 2017. The department replied that the bricks used at site were as per standard specification (9" x 3 1/2" x 4 1/2") which was also verified by the Consultant. The reply of the department was not tenable because under sized brick were used whereas payment of standard size bricks was made to the contractor.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the payment was made according to the standard size of the bricks. The para was kept pending for a technical report by the consultant and technical probe by SE within 30

days regarding reduction of rate of bricks. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 843)

4.4.52.2 Executive Engineer, Upper Gugera Division, Sheikhupura conducted the laboratory test of two samples having three bricks in each sample on 16.5.2015 and out of three bricks two bricks were found below specification because their compressive strengths in first sample were 1954 and 1986 PSI against the prescribed strength of 2000 PSI and in other sample, the compressive strengths were 1807 and 1985 PSI against the prescribed strength of 2000 PSI. This test showed that 66% bricks were not according to specification therefore recovery of @ 7% against 66% of the total quantity of brick works was required to be made which was not done by the department.

Violation of Standard Specification for Roads & Bridges Construction 1971 resulted in non-recovery of Rs 1.733 million due to use of below specification bricks.

Audit pointed out the non recovery in September 2017. The department replied that the strength of 1st class bricks ranges from 1900-2000 PSI & results also fall within the ranges. Therefore no work was executed below specification. The reply of the department was not tenable. The 66% bricks of the total bricks used for the work were below specifications therefore recovery @ 7% was required to be made.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the strength of the bricks was slightly below the specification. The para was kept pending for a technical report from the consultant and technical probe by SE regarding deduction of rate of bricks within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 842)

4.4.53 Irregular grant of secured advance - Rs 4.728 million

According to Para 2.98 of Building and Roads Code, secured advance will be granted to the contractor on imperishable material brought at site @ 75% of the supplied material.

4.4.53.1 Executive Engineer, Eastern Bar Division, Pakpattan in the execution of different works, awarded to different contractors, granted secured advance against the perishable item of cement (9230 bags) @ Rs 540 per bag in the last week of June 2016 while the payment of secured advance on cement was prohibited in the light of rule ibid.

Violation of B&R code resulted in undue financial benefit to the contractor of Rs 3.738 million by granting secured advance against perishable items.

Audit pointed out the lapse in March 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated that the secured advance was released in the interest of work. The Committee did not agree with the view point of the department because the cement was a perishable item against which secured advance cannot be granted. The para was kept pending for a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against the officers responsible for this lapse.

(DP No. 50)

4.4.53.2 Executive Engineer, Eastern Bar Division, Pakpattan, granted secured advance on supply of 2445 bags of cement @ Rs 405 per bag (full rate Rs 540) which was perishable item. Furthermore, secured advance was granted without obtaining indenture bond from contractor as

security. This was a serious irregularity and undue financial benefit to the contractor.

Violation of B&R code resulted in irregular grant of secured advance amounting to Rs 0.990 million on a perishable item and without obtaining indenture bond.

Audit pointed out the irregularity in August 2017. The department replied that the schemes under question were put to tendering process at the end of financial year 2016-17 and the work was awarded to the contractor on 30th June, 2017. The contractor brought the items of material at site soon after the receipt of acceptance. The reply of the department was not tenable because the secured advance was allowed on perishable items which were not admissible. The irregular grant of secured advances needs regularization and recovery of interest @ 12.5% for utilization of public money in violation of rules.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. Recovery was admitted by the department. The para was kept pending for recovery in next running bill alongwith probe by the Superintending Engineers concerned within 60 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends probe in the matter, condonation of irregularity and early recovery of mobilization advance along with interest @ 12.5% from date of grant.

(DP No. 522)

4.4.54 Overpayment due to wrong calculation – Rs 4.415 million

According to rule 7.29 of DFR, “before signing the bill, Sub-Divisional Officer should compare the quantities/ amount 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”

4.4.54.1 Executive Engineer, Upper Gugera Division, Sheikhupura made payment for 11th running bill to the contractor with value of work done as Rs 19,067,646 vide page 32 of MB No. 436/637 and while making payment of 12th and running bill done of 11th bill was shown as Rs 18,660,646 instead of Rs19,067,646.

Violation of DFR resulted in overpayment of Rs 4.070 million due to wrong carrying forward of the payment of last running.

Audit pointed out the overpayment in September 2017. The department replied that it was a figure mistake but no overpayment was made. The calculation mistake would be corrected in upcoming bills. Department admitted the calculation mistakes. However, relevant record showing the correction/ adjustment was not produced.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. The department stated that the omission would be verified and would be recovered in next running bill. The para was kept pending for calling explanation (by the Chief Engineer, Irrigation Faisalabad Zone) of the concerned Sub Engineer within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery/adjustment besides disciplinary action against the persons at fault.

(DP No. 858)

4.4.54.2 Executive Engineer, Sahiwal Division LBDC, Sahiwal made payment for the item "*Supplying and dumping of stone*" for a quantity of 1,247,310 cft @ Rs 800 % cft vide 6th and running bill at page 128 of MB No.4746. During payment of 7th and running bill the quantity of dumping of stone was carry forwarded at page 138 of MB No. 4746 as 1,307,311 cft instead of 1,247,310 cft.

Violation of DFR resulted in overpayment of Rs 0.480 million due to calculation mistake

Audit pointed out the overpayment in July 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 23-24.11.2017. The recovery point out by Audit was admitted and department committed to recover it in the next running bill of the contractor. The para was kept pending till recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery& its verification from Audit.

(DP No. 356)

4.4.54.3 Executive Engineer, Upper Gugera Division, Sheikhupura made payment of Rs 0.691 million for the item of "*Dismantling brick work in lime or cement mortar to the contractor*". Recovery of Rs 0.173 million on account of cost of dismantled material was required to be made. During calculation, the department made further payment of Rs 0.173 million on account of cost of old material instead of recovery of cost of old material and made payment of Rs 0.863 million to the contractor instead of actual payable Rs 0.518 million.

Violation of DFR resulted in overpayment of Rs 0.345 million due to wrong calculation.

Audit pointed out the overpayment in September 2017. The department replied that the scheme was in running condition. The mistake would be corrected/deducted in next bills.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Recovery was admitted by the department. The para was kept pending for recovery within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 854)

4.4.55 Loss due to incorrect application of formula for out-turn of excavator machines – Rs 3.841 million

As per Table C of out-turn of a Dragline and Excavator (Review and Recommendation of the rates of Draglines and Excavators for the Year 1990-91) factor of 0.78 & 0.72 is to be applied in excellent and good management conditions.

Executive Engineer, Machinery Division, Lahore prepared the manufacturing estimate of various working machines for the year 2015-16 approved by SE Machinery Circle Lahore by calculating higher out-turn. The department had not taken the factor “excellent” for management calculations. Hence, due to incorrect application of formula for outturn of excavator machines, the government sustained a huge loss as detailed below:-

PDP #	Name of machine	Factor Applied	Factor to be applied	Amount (Rs)
215	DS-30, DS 12 DS-13, DS 11 DS-29	0.78	0.75	775,587
214	DS-10, DS 09 DS-08	0.78	0.75	1,423,692
213	P&H No. 30-F	0.72	0.69	1,072,262
212	P-4	0.72	0.69	569,780
Total				3,841,321

Violation of Table C of out-turn of a Dragline and Excavator (Review and Recommendation of the rates of Draglines and Excavators for the Year 1990-91) resulted in wrong calculation and application of wrong factors causing loss of Rs 3.841 million.

Audit pointed out the loss during June 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department explained that application of factors from the tables depends upon the working condition. Audit contended that management condition should have been applied with excellent factor in the estimates because the machines have been working beyond their

capacity i.e. working 10 to 15 hours in a day against provision of 6.7 hours per day. The Committee upheld the view point of Audit and directed the department to rectify the estimates in the light of audit observation. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early from the person(s) at fault.

DP No. (212,213,214,215)

4.4.56 Irregular drawl of conveyance allowance - Rs 2.390 million

According to rule 2.10 (a) (i) PFR Volume-I, every Govt. servant should exercise the same vigilance while sanctioning and incurring expenditure from Government revenue as a person of ordinary prudence would exercise from his own money.

Secretary, Irrigation Department, Government of the Punjab, Lahore, allotted government vehicles to the officers of Grade-18, Grade-17 and Grade-16 working in the Secretariat of Irrigation Department, whereas, they were also drawing conveyance allowance.

Violation of PFR Vol-I resulted in irregular drawl of conveyance allowance for Rs 2.390 million.

Audit pointed out the irregularity during May 2017. The department replied that government vehicles were allotted among the officers to cater for their requirements to attend the various meetings outside the office. The reply of the department was not tenable because government vehicles were allotted in violation of the instructions of the S&GA Department, Lahore. Furthermore, drawl of conveyance allowance was not admissible when officers were using govt. vehicles.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. The department did not attend the audit office for verification. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends recovery of conveyance allowance drawn irregularly and allocation of the government vehicles according to the policy notified by the S&GA department under intimation to Audit.

(DP No. 129)

4.4.57 Overpayment due to non-deduction of voids - Rs 2.290 million

As per para 2.10 of Punjab Financial Rules Volume-I, government functionaries are required to exercise the same vigilance and financial prudence as a person of ordinary prudence would exercise for incurring of expenditure from his own resources.

Executive Engineer, Development Division Bahawalnagar, got executed the items "*Cutting/supplying brush wood, filling brush wood thoroughly packed and uprooting of sarkanda*" without deduction of voids @ 25%.

Violation of PFR Vol-I resulted in overpayment of Rs 2.290 million to contractor due to non-deduction of voids.

Audit pointed out the loss in February 2017. The department stated that deduction of voids on Filling Brush wood thoroughly packed shall be reviewed at final stage for recovery. Reply was not tenable because pending recovery till final bill was undue financial benefit to the contractor.

The matter was also discussed in SDAC meeting held on 24-25.08.2017. It was stated that the scheme was in running condition. The para was kept pending by the Committee till final bill. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides taking action against the person(s) responsible for delay in recovery.

(DP No. 06)

4.4.58 Overpayment due to incorrect calculation of quantity of dumping of stone in the estimate – Rs 1.734 million

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

Executive Engineer, Flood Bund Division, Narowal made payment to the contractor as per technically sanctioned estimate. According to estimate, the total quantity of dumping of stone as per X-section for sloping stud and hockey stud was calculated as 220,849 cft and 370,004 cft respectively. Further, a quantity of 6,800 cft for sloping stud and 21,091 cft for hockey stud was also provided for laying of stone pitching/filling dry hand packed as filling behind retained wall or in pitching and aprons. As the total quantity of stone had already been measured in the item of dumping therefore, the quantity of dry hand packed as filling was required to be deducted from the quantity of dumping and carriage of stone due to double calculation.

Violation of PFR Vol-I resulted in overpayment due to incorrect calculation of quantity of dumping of stone in the estimate amounting to Rs 1.734 million.

Audit pointed out the overpayment in October 2017. The department did not furnish reply.

The matter was also discussed in SDAC meeting held on 20.12.2017. Recovery was admitted by the department. The para was kept pending by the Committee for effecting recovery in next running bill of the contractor within 30 days. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 934)

4.4.59 Overpayment due to non-deduction of stone pitching quantity from borrow pit earthwork -Rs 1.673 million

As per provision of technical sanction estimate by C.E Irrigation Faisalabad Zone, Faisalabad vide No12187/ G/ 2015/ 293/04 dated. 07.12.2015, 156716 cft quantity of stone pitching item was required to be deducted from the quantity of “earthwork borrow pit excavation” undressed lead upto 1.25 mile'.

Executive Engineer, Burala Division, LCC East, Faisalabad did not deduct the quantity of stone pitching from the quantity of borrow pit earthwork as required under the provision of the TS estimate.

Violation of technically sanctioned estimate resulted in overpayment of Rs 1.673 million.

Audit pointed out overpayment in August 2017. The department replied that the recovery pointed out by Audit would be deducted / adjusted in the next bill and same would be got verified by audit. The department admitted the overpayment.

The matter was also discussed in SDAC meeting held on 04-05.12.2017. Audit informed the Committee that the para was consisted of 3 sub para No 5, 16 and 18. Department stated that recovery would be made in para 5 and 18, whereas, in case of para 16 the department stated that no overpayment was made. The para was kept pending. The Committee directed for a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP No. 667)

Others

4.4.60 Loss to due to non-auction of scrap material - Rs 114.584 million

According to Para 4.40 of the PWD Code, the auction of unserviceable material should be made on book value nearer to the market value/rates after approval of Survey Report from the Competent Authority.

Executive Engineers of various Irrigation Divisions could not dispose off the unserviceable / scrap material lying in store since long, although in some case the survey reports had been prepared for onward transmission to Secretary Irrigation, Government of the Punjab. The stock items were losing their value / life and becoming obsolete due to non-auction of scrap material.

Violation of PWD Code resulted in loss to government due to non-auction of scrap material valuing Rs 114.584 million. (Annex-XXIX)

Audit pointed out the loss in 2017. The department did not reply.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. The department stated that the list of material of store was circulated and efforts were being made for auction. The Committee kept the para pending for completing the auction process within 90 days. The compliance of the Committee's directives was not reported till finalization of the report.

Audit recommends early auction/disposal of unserviceable material and its verification from Audit.

(DP No. 220, 1170, 1032, 1171, 71, 170, 165)

4.4.61 Loss due to non-recovery of cost of stolen material – Rs 2.640 million

As per rules 2.34 of Punjab Financial Rules volume-I read with para 4.33 of B&R Code, all cases of theft, losses and shortage of material be reported to government and higher authority of the department

immediately after its occurrence. When the matter has been fully inquired into, a complete report should be submitted of the nature and extent of loss showing the errors or neglect of rules by which such loss was rendered possible and the prospects of effecting recovery.

4.4.61.1 Examination of record maintained by office of Superintending Engineer, Drainage Circle, Lahore revealed that during the construction of road from Kot Radha Kishan to Mudhkey under supervision of Provincial Highway Division, Lahore, the contractor M/s Husnain Cotex, lifted earth for a quantity of 461,750 cubic feet from banks of Raiwind main drain. The department neither took any action against the persons responsible for watch & ward of the drain nor recovered the cost of earth valuing Rs 2,239,534 despite lapse of more than 15 months.

Violation of PFR Vol-I resulted in loss of Rs 2,239,534.

Audit pointed out the lapse in May 2017. The department replied that the banks were set right by the contractor of Highway Department and loss was recovered. The reply was not tenable because no documentary proof in support of reply was shown to Audit for verification of facts.

The matter was also discussed in SDAC meeting held on 18-19.10.2017. Department stated that the claim was yet to be established and recovery was under process. The para was kept pending for completing a technical probe by the Superintending Engineer concerned within 30 days. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 189)

4.4.61.2 Executive Engineer, Pasrur Link Division Sialkot did not report theft of 4 Nos. inlet opening machines and allied parts stolen during the year 2016-17, but process of inquiry and recovery was adopted by the department in violation of above rules. Thus due to theft of wench

machines, a loss of Rs 400,000 (4 Nos. machines @ Rs 100,000) had been sustained by the public exchequer.

Violation of PFR Vol-I resulted in loss of Rs 400,000 due to theft of inlet opening machines.

Audit pointed out the loss in October 2017. The department did not furnish any reply.

The matter was also discussed in SDAC meeting held on 26.12.2017. The para was kept pending for pursuance of case and recovery of loss from the culprits. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 1225)

CHAPTER - 5

LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT DEPARTMENT

5.1 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 government. Director General Local Government and Community Development, through his field formations, execute the development schemes of Tameer-e-Punjab/Chief Minister's Accelerated Programme, Community Uplift Programme and Punjab Development Programme which fall under the audit jurisdiction of Director General Audit Works (Provincial) Lahore. Primary responsibility of the department is to develop rural areas of the province of Punjab. The LG & CD Department has 61 formations out of which 24 were audited during Phase-II of Audit Year 2016-17.

5.2 Comments on Budget & Accounts

There was an allocation of Rs 4,340.27 million for the Directorate General Local Government and Community Development in the revised budget. The field formations could only incur an expenditure of Rs 3,716.35 million against the revised budgetary allocation of Rs 4,340.27 million resulting in saving of Rs 623.92 million (14.38%).

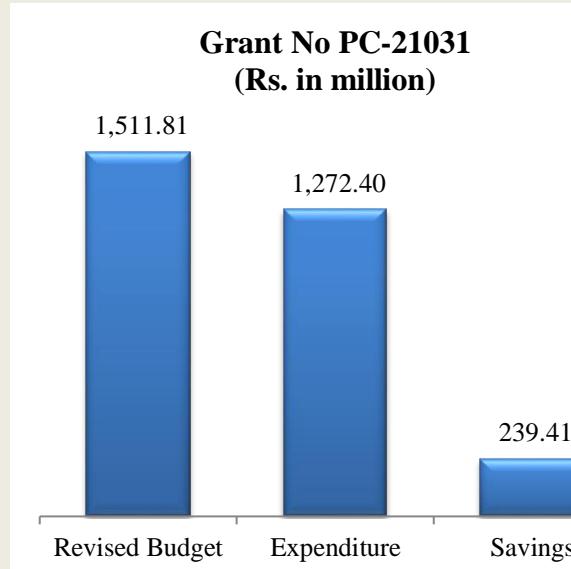
(Rs in million)					
Nature of Budgetary Allocation	Original Budget	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development					
PC 21031	1,511.81	1,511.81	1,272.40	(239.41)	(15.84)
Development					
PC 22036	2,828.46	2,828.46	2,443.95	(384.51)	(13.59)
Total	4,340.27	4,340.27	3,716.35	(623.92)	(14.38)

Source: SAP R/3 ZRP Report and Budget Book.

Non-Development Grant

Grant No PC-21031

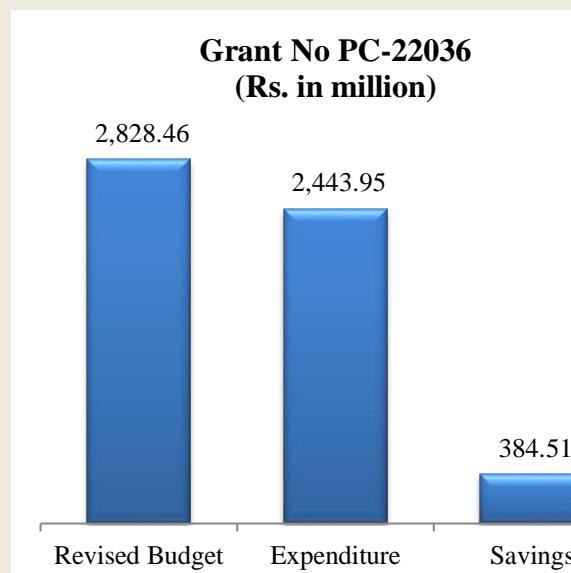
Budget was not fully utilized under the non-development grant PC-21031. Against the revised budget of Rs 1,511.81 million an expenditure of Rs 1,272.40 million was incurred. Thus, there was a saving of Rs 239.41 million (15.84%).



Development Grant

Grant No PC-22036

Under this grant an expenditure of Rs 2,443.95 million was incurred against the revised budget of Rs 2,828.46 million. Thus, there was a saving of Rs 384.51 million (13.59%).



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 LG&CD Department did not surrender a saving of Rs 623.92 million.

5.3 Brief comments on the status of compliance with PAC directives

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

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1993-94	1	-	1	-
2	1994-95	12	2	10	16.7%
3	1995-96	5	-	5	-
4	1996-97	104	32	72	30.76%
5	1997-98	231	21	210	9%
6	1998-99	92	44	48	47.8%
7	1999-00	87	32	55	36.78%
8	2000-01	39	20	19	53.84%
9	2006-07	6	3	3	50%
10	2007-08	11	-	11	-
11	2008-09	18	-	18	-
12	2009-10	29	14	15	48.27%
13	2010-11	12	8	4	66.66%
14	2012-13	11	-	11	-
Total		658	176	482	26.74%

5.4 AUDIT PARAS

Irregularity & non compliance

5.4.1 Irregular award of work in violation of PPRA's Rules – Rs 770.576 million

As per rule 12 and 16 of PPRA 2011 a procuring agency shall advertise any procurement exceeding two millions on web site of authority and in at least two national daily news papers. The procuring agency may prior to floating the tenders or invitation to proposals or offers, enter in pre-qualification of bidders in case of services / civil works, turn key projects and also in case of expensive and technically complex projects.

Director General Walled City Authority Lahore awarded a work “Pilot Urban Rehabilitation and Infrastructure Improvement Project Package-II from Chowk Purani Anarkali to Akbari gate Lahore Fort through Chuna Mandi and Mati Bazaar Walled City Lahore” to a contractor in June 2015 with agreement amount of Rs 770.576 million without going through the process of pre-qualification and also without placing tender advertisement on PPRA website. Thus an open and fair competition was not held.

Violation of PPRA's rules resulted in irregular awarded of work for Rs 770.576 million.

Audit pointed out the irregularity in June 2017. The Authority replied that the subject tender was floated in the required format in two national newspapers as per the PPRA Rule 12. PPRA Rules allowed the procuring agency to adopt any suitable method of procurement with or without the procedure of Prequalification. Reply of the Authority was not tenable because it was a project of heavy cost & complex nature so non-considering of prequalification was not justified. By not floating the tenders on PPRA website, open competition was avoided and competitive rates could not be achieved.

The para was discussed in SDAC meeting held on 04 & 05 January 2018. The Authority admitted that neither the prequalification process was adopted nor advertisement was uploaded on PPRA website. The Committee directed the Authority to obtain the condonation from PPRA / Finance Department within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early compliance of Committee's directives.

(DP No. 139)

5.4.2 Irregular expenditure due to non-preparation of estimate on the basis of MRS input rates - Rs 703.313 Million

According to Notification of FD No RO (tech) issued by FD No RO (tech) FD 18-23/2004 dated 21.09.2004, rate analysis for non standardized item shall be prepared on the basis of input rates of relevant quarter placed at web site of Finance Department. Copy of each analysis (non standardized item) approved by the competent authority shall be sent to technical cell of Finance Department for scrutiny. Further, rate analysis and specification standardized by Finance Department shall be the based on input rates of Finance Department placed on its website.

Director General Walled City Authority Lahore awarded a work "Pilot Urban Rehabilitation and Infrastructure Improvement Project Package-I from Dehli Gate to Chowk Purani Kotwali" to a contractor for Rs 703.313 million on 02.04.2012. The estimate of work was not prepared on MRS/input rates of Finance Department. Further, FD's template was not adopted.

Non compliance of Finance Department's instructions resulted in irregular expenditure of Rs 703.313 million.

Audit pointed out the irregularity in June 2017. The Authority replied that the estimates were prepared by the consultant. The estimate primarily relied upon MRS rates of Finance Department. However, rates

of few non-scheduled items were forced to be taken from the market. The unique nature of the project demanded rate analysis for majority of the work items, nevertheless the rate analysis of the work items were based on MRS Rates. Reply of the Authority was not tenable because as per Finance Department instructions rate analysis and specification standardized by Finance Department would be the basis for rate of non-schedule items.

The para was discussed in SDAC meeting held on 04 & 05 January 2018. The Authority reiterated its previous explanation. Audit informed the committee that the rate analysis/estimate of work was not based on input rate of Finance Department. The Committee upheld the view point of Audit and directed the Authority to seek the approval of CM Punjab for departure from MRS to Non-MRS, revisit its rates analysis, effect the recovery on account of difference of rate and produce record to Audit for verification within 30 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early compliance of Committee's directives.

(DP No.138)

5.4.3 Irregular payment without job mix formula and bitumen test report - Rs 66.973 million

As per condition No 6 of the Finance Department Notification No Ro(Tech) FD-2-3/2004 dated 02.08.2004, rate for the item of premix carpeting shall be fixed on the basis of different percentages of bitumen i.e 3% to 6%. However, the payment shall be made to the contractor as per Job Mix Formula or actual bitumen used in the work.

Assistant Director, LG&CD, Gujrat and Lahore awarded four works of carpeting to contractors without obtaining the JMF and also executed works without conducting the extraction test reports. On the other hand in the T.S estimate the item "*providing/laying plant premixed bitumen carpet i/c compaction and finishing to required camber, grade*

and density bitumen 2" thick" was provided with 4.5 % bitumen contents. Thus payment was irregular as neither Job Mix Formula was got approved nor bitumen test reports were made available for verification.

Violation of Finance Department's instructions resulted in irregular payment for Rs 66.973 million.

Audit pointed out irregular payment in April 2017. The department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that the work was executed as per recommendations of consultant. JMF and test reports are available for verification and complete record would be produced to Audit for verification. The Committee directed the department to produce the complete record including JMF and test reports to Audit for verification within 3 days. No compliance of Committee's directive was reported till finalization of this report

Audit recommends production of JMF and its verification.

(DP No.22, 126)

5.4.4 Overpayment due to application of incorrect rates – Rs 49.723 million

According to Notification of FD No RO (tech) issued by FD No RO (tech) FD 18-23/2004 dated 21.09.2004 rate analysis for non standardized item shall be prepared on the basis of input rates of relevant quarter placed at web site of Finance Department. Copy of each analysis (non standardized item) approved by the competent authority shall be sent to technical cell of Finance Department for scrutiny. Further rate analysis and specification standardized by Finance Department shall be the based on input rates of Finance Department placed on its website.

5.4.4.1 Director General Walled City Authority Lahore, in the works "Pilot urban rehabilitation and infrastructure package-II walled city

“Lahore” took all items of work as non-standardized items by taking higher input rates whereas, analyses of rate were required to be based on the input rates placed on web site of Finance Department and its approved templates. Authority prepared all analyses of rates by applying excess rate of labor, material and carriage. Furthermore, expensive electrical items were installed but their rates were not supported with quotations.

Violation of Finance Department’s instructions resulted in overpayment of Rs 40.136 million due to preparation of analyses of rate on higher side.

Audit pointed out overpayment in June 2017. The authority replied that the subject project was unique and of specialized nature and the design of the project contained items which were to be procured from outside country because the local manufacturers did not manufacture them. Reply of the department was not tenable because analysis of rates of non-standardized items were to be prepared on the basis of input rates, placed on the web site of Finance Department and also submitted to Finance Department for standardization.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The Authority reiterated its previous contentions. Audit informed the Committee that rate analyses were not based on Finance Department input rates/MRS. The Committee upheld the view point of Audit and directed the Authority to seek the approval of CM Punjab for departure from MRS, revisit its rates analysis, effect the recovery on account of difference of rate and produce record for verification within 30 days. No compliance of Committee’s directive was reported till finalization of this report.

Audit recommends early compliance of Committee’s directives.

(DP No. 137)

5.4.4.2 Assistant Director Local Government & Community Development Mandi Bahaud Din, Gujranwala, Faisalabad and Lahore measured and paid a costly item “*earth filling in pond with 85% compaction for*

elimination of pond" vide Item No. 5 (iii) Chapter 3 of MRS of relevant bi-annual instead of execution of a cheaper item at Sr No. 4 of same chapter for barrow pit excavation along with item No. 25 (iii) compaction with power road roller up to 85%.

Violation of Finance Department's instructions resulted in overpayment of Rs 6.643 million due to application of incorrect rates and inadmissible item.

Audit pointed out the overpayment in April 2017. The Department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that, the rate of earth filling in pond with 85 % compaction for elimination of ponds was paid to the contractor as per approved rates in T.S estimate and vetted by consultant. Audit informed the Committee that, higher rates were paid instead of admissible rates. The Committee directed the department to revisit the rates, effect the recovery on account of difference of rates and produce record for verification within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery.

(DP No.151, 101, 113, 119)

5.4.4.3 Assistant Director, Local Government & Community Development Okara and Bahawalpur in execution of nine works made payment for an item of work "*60mm thick Tuff tiles with crushing strength of 7000 psi*" at higher rate. In the rate analysis the department added excess quantities/rates of material and labour than admissible.

Violation of Finance Department's instructions resulted in overpayment of Rs 2.722 million.

Audit pointed out overpayment in February 2017. The Department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that the work was executed as per rate sanctioned by competent authority in Technical estimate. Audit informed the Committee that higher rates were paid instead of admissible rates. The Committee directed the department to revisit rate analysis, effect the difference of rates and record be produced to Audit within 15 days for verification. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery.

(PDP No. 56, 6)

5.4.4.4 Assistant Director, LG & CD Mandi Bahaud Din paid the item “brick masonry 1:4 with rate other than building” instead of item *pacca brick work in foundation and plinth* for the construction of sullage carrier/drains. As per standard specification the rate of the pacca brick work in foundation and plinth 1:4 was required to be paid for construction of sullage carrier/drains.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.222 million due to application of incorrect item.

Audit pointed out the overpayment in April 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that, estimate of the pond area was designed and vetted by the consultant and work was executed as per provision of estimate. Audit informed the Committee that, higher rate was applied instead of admissible rate. The Committee referred the para to Finance Department for clarification. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early clarification and to effect recovery.

(DP No. 150)

5.4.5 Non-recovery on account of de-escalation of price of diesel and bitumen- Rs 45.291 million

According to clause 55 (1) and (2) of the contract agreement where any variation (increase or decrease) to the extent of 5% or more takes place in the price of bitumen and diesel, after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of actual variation in the cost of bitumen and diesel.

Assistant Directors, LG&CD Gujrat, Jhelum, Chakwal and Director General Walled City Lahore Authority did not recover the de-escalation on account of diesel and bitumen as during the execution of works, rates of diesel and bitumen reduced more than 5%. Non-recovery of deesclation was undue financial benefit to the contractors.

Violation of contract agreement clauses resulted in non recovery of Rs 45.291 million on account of de-escalation in the rates.

Audit pointed out the non recovery in April 2017. The department/authority did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January 2018. The department/authority admitted the recovery and promised to effect in due course of time. The Committee directed to affect the recovery within 15 to 30 days. Compliance of Committee's directive was not reported till finalization of this report.

Audit recommends to effect recovery.

(DP No.19,140,21,26,30,82)

5.4.6 Non-recovery of cost of old material - Rs 24.038 million

As per specification No. 18.1 of book of specification of Building and Road Department, dismantled material salvaged from Government

work is the property of the Government. It should either be re-used on work or cost thereof recovered from the contractor.

Director General Walled City Lahore Authority, Assistant Directors, LG&CD, Multan, Okara and Gujrat paid million of rupees for the dismantling of huge quantity of “*brick work, R.C.C and removal of GI pipe, grill*” but the authority/department neither recovered cost of old material from contractor, nor credit was given to work by maintaining account of old retrieved material.

Violation of codal rules resulted in non-recovery of Rs 24.038 million from the contractor.

Audit pointed out the non-recovery in June 2015. In 1st case (Para No. 141) the Authority replied that an agreement was signed with the owner of the property by the department, according to which all dismantled material from a specific property would be handed over to the owner of the property, and same practice was followed in the project. As the said project was under execution and all the data / reports / form were maintained by the consultant, the record was not readily available in office. However, the record (receiving from the owner, his CNIC, thumb impression and address on a prescribed form) of the same activity was received by this office. Reply of the department was not tenable because as per agreement, during course of repair, only outer surface/wall of buildings material retrieved was the property of owner. Whereas G.I pipe RCC and dismantled bricks were the property of the Authority. In other three cases (Para No. 49,157,184) the department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. In 1st case (Para No. 141) Audit informed the Committee that the Authority did not produce the complete record for verification. The Committee directed the Authority to produce the complete record within 30 days. In 2nd case (ParaNo. 49), the department stated that during execution, bricks were not retrieved and only brick bats were available. Recovery of Rs 11,475 on account of brick bats was effected and got verified from Audit. The Committee did not accept the explanation of

department and directed to revisit the issue and effect the recovery on account of brick and brick bats as per standard procedures within 30 days. Para No. 157 was not discussed due non- submission of working paper by department. In case of para no. 184 the department promised to produce the record within 15 days. The compliance of Committee's directive was not reported till finalization of this report.

Audit recommends accountal of old material and recovery.

(DP No. 141, 49,157, 184)

5.4.7 Undue financial benefit to the contractor due to non-obtaining of additional performance security - Rs 18.267 million

As per general direction No.26 (A) of the agreement read with Finance Department's letter No. RD(Tech)FD-1-2/83/VI/(P) dated 24.01.2006, if contractor quotes his rates below 5% or more than estimated rates, additional performance security at the percentage equivalent to the percentage on which tender is accepted, shall be obtained from the contractor.

Assistant Directors, LG&CD Kasur, Pakpattan, Sargodha, Attock, Bahawalpur, Mianwali, Multan and Khushab awarded the works to contractors at rates below 5% and more than estimated rates but did not obtain additional performance securities from the contractors in violation of instructions of Finance Department.

Violation of Finance Department's instructions resulted in undue financial benefit of Rs 18.267 million to the contractor by not obtaining additional Performance Security.

Audit pointed out the matter in March 2017. The department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department in two cases (Para No. 161,162) stated that complete record could not be produced for verification due to non-

availability of concerned officers/ officials. In 2nd case (Para No. 62), the department stated that additional performance security @ 23.5 % was obtained but Audit informed that the work was 27.72 % below and department did not produce any record in support of the reply. In 3rd case (Para No 96,8,& 2) the department admitted the irregularity. Para No. 72, 40 & 36 were not discussed because of non presence of concerned officers/ officials. The Committee directed that complete record be produced for verification within 7 days in cases of non-production of record and in cases of irregularities, the matter be got condoned from Finance department. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends production of complete record for verification and condonation of irregularity from Finance Department besides fixing responsibility of this lapse.

(DP No. 161,162,62,72,96,2,8,40,46,36)

5.4.8 Overpayment due to excess measurement - Rs 19.136 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. Also as per instruction No.3 of MB detailed measurement should be recorded only by Executive, Assistant Executive or Assistant Engineer or by Executive Subordinates in-charge of works to whom measurement book has been supplied for the purpose.

5.4.8.1 Assistant Director, LG & CD Pakpattan, Khushab, Mianwali, Sahiwal, Chakwal, Kasur, Jehlum, Multan, Sialkot and Rawalpindi got executed, measured and paid items of works, *earthwork filling, RCC sewer pipe, PCC 1:7:20 PCC 1:2:4 , excavation in open cutting" upto 6" depth, Pacca brick work, removing of garbage lead up to 02 miles, earth filling in street for soling lead upto one mile and earth work excavation* in excess over the cross sections and the provisions of technical sanctioned estimates.

Violation of DFR's rules resulted in overpayment of Rs 10.397 million due to excess measurement.

Audit pointed out the overpayment in March & April 2017. In case of Para No 69 the department replied that work was executed as per site requirements. Reply was not tenable because provisions of TSE were violated. In all other cases, the department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. In seven cases (Para No 61, 188, 58, 28, 164, 78, 69) the department stated that complete record would be produced for verification. The Committee directed the department to produce record within 15 days. Para No 34,44 & 84 were not discussed due non-presence of respective Executive Engineers and Assistant Directors (LG & CD). The Committee took a very serious view and called for explanation. In case of Para No 13 the department admitted the irregularity. The Committee directed to conduct a probe by SE concerned. The compliance of Committee's directive was not reported till finalization of this report.

Audit recommends early recovery of the overpayment & its verification.

(DP No. 61, 34, 44, 188, 13, 164, 28, 58, 84, 69, 78)

5.4.8.2 Assistant Director Local Government & Community Development Faisalabad got the items of Pacca brick works executed with different ratios in foundations building works with use of brick size 8.60"x4.20" instead of standard provision of brick size of 9" & 13-1/2". The building structure was not constructed as per specification due to smaller size of bricks. Excess measurements were recorded with size for 40.5" (9" x 4-1/2") instead of actual size of bricks as 36.12" which was 12% less than the standard size of bricks. Resultantly, the work was not executed according to specification and excess quantity of brick work was paid to the contractors.

Violation of DFR's rules resulted in overpayment due to excess measurements amounting to Rs 4.925 million.

Audit pointed out the overpayment in April 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that, complete record including laboratory test report is available. The Committee directed the department to produce the complete record including lab test report to Audit for verification within 30 days. No compliance of Committee's directive was reported till finalization of this report

Audit recommends early recovery.

(DP No. 107)

5.4.8.3 Assistant Director, LG&CD, Gujrat awarded a work "Rehabilitation of road from Mandi Kharia to village Amra Kalan (Group-II)" to a contractor. The items "*providing /laying bitumen priming coat*" and "*providing /laying plant premixed carpeting 2" thick with 4.50 % bitumen*" were measured for 63808 sft each and paid Rs 5.293 million instead of execution of item of work "*providing/laying TST using 79 Lbs and 9.5 cft bajri*" for Rs 2.713 million as approved in original and revised estimate by the Chief Engineer (HQ), Punjab Local Government Board, LG&CD Department Lahore.

Violation of provision of original and revised TSE resulted in overpayment of Rs 2.580 million.

Audit pointed out the overpayment in April 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department explained that the work was executed as per provision of revised T.S estimate. As per revised T.S estimate the item was changed from TST to 2" carpeting. Audit informed the Committee that the department did not produce the complete record for verification. The Committee directed the department to produce complete record for

re-verification within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery.

(DP No.20)

5.4.8.4 Assistant Director, LG & CD Okara awarded the work "Providing/Laying of Tuff Tile etc in streets at Mandi Ahmad Abad, Basir Pur& Haveli Lakha Tehsil Depalpur District Okara and an item of work "*dismantling of soling*" for quantity 31267 cft which was reused as sub base. Department again paid another item "P/L Brick ballast 1/1/2" to 2" guage 25% etc" (Item-25) for quantity of 10397 cft which was not admissible because entire dismantled quantity of soling was reused. Thus this item was not admissible.

Violation of DFR's rules resulted in overpayment of Rs 0.398 million.

Audit pointed out the overpayment in February 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that payment was made as per provision of T.S estimate. Audit informed the Committee that the department recorded double measurement during execution of work regarding item dismantling of soling, sub base and providing and laying brick ballast etc. The Committee directed the department to produce the complete record for verification. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends the department to justify execution of 2nd item or effect recovery.

(DP No.59)

5.4.8.5 Assistant Director, LG & CD, Dera Ghazi Khan in four works made payment for the item "*providing and laying dry brick pavement /*

soling in streets or roads etc. sand grouted laid in proper camber i/e sand cushion etc. complete" for thickness of brick as 0.364". whereas, as per Laboratory test reports issued by the Assistant Research Officer, Provincial Buildings Circle, D.G. Khan width of the bricks was 4.1" to 4.3" which was required to be multiplied with thickness 0.350" instead of 0.364".

Violation of DFR's rules resulted in overpayment of Rs 0.311 million due to excess measurement.

Audit pointed out overpayment in March 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that the complete record could not be produced due to engagement of concerned officer/officials. The Committee directed the department to produce the complete record within 15 days. The compliance of Committee's directive was not reported till finalization of this report.

Audit recommends to effect early recovery.

(DP No.14)

5.4.8.6 Assistant Director, Local Government & Community Development Department, Attock measured/paid the item "*dismantling of road matting*" for quantity of 1400 cft. Another item "*P/L of P.C.C 1:2:4*" was measured / paid for quantity of 1900 cft. Thus the department made excess of 500 cft i.e. (1900-1400) for item of *P.C.C 1:2:4*.

Violation of DFR's rules resulted in overpayment due to excess measurement of quantity for Rs 0.167 million.

Audit pointed out the overpayment in April 2017. The department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that complete record would be produced to Audit in due course of time. The Committee directed to produce the complete record for verification within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery of overpayment.

(DP No.154)

5.4.8.7 Assistant Director, LG&CD department Lahore in work, "Const. of PCC and Sewer St. No.86 Link Street PP-140, Mozang, Lahore" got executed, measured and paid the item of work "*P/L Premix Plant Carpet 2" thick*" with tack coat for quantity of 2046 cft by measuring area as 14.25 to 15.25 feet width against the existing width of 14 feet.

Violation of DFR's rules resulted in overpayment of Rs 0.163 million due to excess measurement.

Audit pointed out the overpayment in May 2017. The department replied the work was executed as per site requirements and technically sanctioned estimate. Reply of department was not tenable because payment was to be made as per actual measurement of work done. The increase in width of existing road was not justified.

The para was discussed in SDAC meeting held on 04 and 05 January, 2018. The department stated that measurement of actual work done was recorded in the M.B and payment was made within T.S estimate. Audit informed that the item providing and laying premix plant carpet 2" thick with tack coat was measured and paid in excess of existing width of streets. The Committee directed to effect recovery within 30 days. The compliance of Committee's directive was not reported till finalization of this report.

Audit recommends early recovery.

(DP No. 127)

5.4.8.8 Assistant Director LG&CD department Lahore in work Const. of PCC along Railway Line Nusrat Colony Mian Mir Pind, PP-147, Lahore executed an item of work “*P/L PCC 1:2:4*” and measured/paid for a quantity of 13838 cft @ Rs 20,792.65 % cft but the volume/area covered by manholes was not deducted from item sub-base and PCC 1:2:4 which resulted in excessive measurement of sub base course and PCC 1:2:4.

Excess measurement resulted in overpayment of Rs 0.104 million.

Audit pointed out the overpayment in May 2107. The department replied that the work was executed as per site requirement and technically sanctioned estimate. All deductions were made from sub-base and PCC while making measurement and payments. Reply of the department was not correct. In fact, volume/area covered by man holes was not deducted and payment was made without deduction.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that all deductions were made from sub base and PCC while making measurement and payments. The audit informed that no record was produced on due date 26.12.2017 to 28.12.2017. The Committee directed for re-verification of record within 07 days. No compliance of Committee’s directive was reported till finalization of this report.

Audit recommends early recovery.

(DP No.124)

5.4.8.9 Assistant Director LG&CD department Lahore in work “*Const. of PCC and Sewer*” in street No.86 Link street PP-140, Mozang, Lahore” got raised 74 manholes and constructed 21 manholes. The total manholes came to 95. But while making payment of item “*P/L sub-base course and 2" thick carpeting*” the area/volume covered by manholes was not deducted from sub-base course and carpeting.

Excess measurement resulted in overpayment of Rs 0.91 million.

Audit pointed out the overpayment in May 2017. The department replied that the work was executed as per site requirement and technically sanctioned estimate. All deductions were made from sub-base and carpeting while making measurement and payments. Reply of the department was not tenable because no deduction was made while making measurement and payments.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that all deductions were made from sub base and carpeting while making measurement and payments. The Audit informed that no record was produced for verification on due date 26.12.2017 to 28.12.2017. The Committee directed for re-verification of record within 07 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery.

(DP No. 122)

5.4.9 Excess payment due application of higher rate of earth and non deduction of shrinkage - Rs 9.582 million

As per Note 2 (a) in the start of Chapter 3 (Earth Work Excavation and Embankment) of MRS, shrinkage on account of settlement of earth is required to be deducted. Also 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.

Assistant Directors, Local Government & Community Development Okara, Kasur, Pakpattan, Sahiwal, Jhelum, Khushab, DG Khan, Sialkot, Multan, Mianwali, Sargodha and Mandi Bahau Din in the execution of different works made payment for item of work "*Earth filling including leveling, dressing and compacting 85% along with different leads*" at higher rates by adding inadmissible rate of dressing and without deduction of 10% shrinkage allowance as per rules.

Violation of MRS's instructions resulted in excess payment due to application of higher rates of earth and non-deduction of shrinkage of Rs 9.582 million.

Audit pointed out the excess payment in February 2016. The department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. In three cases (Para No. 52, 25, & 181) the department admitted the recovery. The Committee directed the department to effect recovery in 15 days. Para No. 74, 43 & 33 were not discussed due non-absence of concerned official and officials. In other ten cases (Para No. 158,159,160,63,190,191,15,81,47,24) the department promised to produce the complete record. The Committee directed the department to produce the complete record within 30 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery and its verification.

(DP No. 52,158,159,160,63,190,191,25,33,15,81,47,24,74,181,43)

5.4.10 Non-recovery of risk and cost amount - Rs 4.246 million

As per clause 60 and 61 of contract agreement, on default of a contractor, his work will be rescinded and remaining work will be completed at risk and cost of original contractor, besides forfeiting his securities.

Assistant Director, Local Government & Community Development, Bahawalpur awarded a work "Construction of metaled road from Zahir Peer to Basti Mehdi Shah, Mouza Samma Satta, Tehsil Bahawalpur Sadar" to M/S Faisal Farooq for Rs 4.423 million on 05.04.2008. Due to contractor's fault, his contract was rescinded and balance work was got executed at risk and cost of the original contractor. Up to 4th running bill, an expenditure of Rs 2.327 million was incurred by the original contractor leaving balance work for Rs 2.096 million. The balance work was allotted to M/S Mahmoodul Hassan for Rs 6.475

million which was finalized for Rs 6.342 million. The excess expenditure of Rs 4.246 million on account of risk and cost was not recovered from the original contractor.

Violation of contract agreement clauses resulted in non-recovery of Rs 4.246 million from the orginal contractor which was loss to govt.

Audit pointed out loss in February 2017. The department did not reply.

The para was discussed in SDAC meeting held on 4 & 5 January, 2018. The department stated that complete record could not be produced for verification due to non-availability of officers/ officials. Audit informed the Committee that undue favour was given to the contractor by violating the codal procedures. The Committee directed the department to inquire the matter by constituting a Committee at administrative level and produce complete record for re-verification within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends to make the loss good.

(DP No. 4)

5.4.11 Non-recovery of government taxes – Rs 3.676 million

In term of Govt. of Pakistan (Revenue Division) Central Board of Revenue Sales Tax and Federal Excise Wing letter No. 4-2 STB/2007/(PT), Govt. department shall deduct an amount equal to 1/5th of the total sales tax amount shown in the sales tax invoice issued by the supplier and make payment of balance amount to him which would be deposited in the National Bank. As per Punjab Revenue Authority letter No. PRA/ENG. Consultants-67/13/7 dated 08.07.2013 Punjab Sales Tax @ 16% was required to be deducted from the consultancy services. Also, according to sub section 153 of Income Tax Ordinance 2001 withholding tax @ 8 % was required to be deducted from the payments made to the consultant on account of consultancy services.

5.4.11.1 Director General Walled City Lahore Authority procured various items such as vehicles, furniture, fixture and miscellaneous items for Rs 220.401 million during financial year 2014-15 and 2015-16. The payments were made to suppliers including 17% GST. The Authority deducted 1/5th of sales tax at source but for remaining 4/5th sales tax, the invoices for deposit of sales tax was neither obtained from the supplier nor recovery of Rs 2.905 million was effected on this account.

Violation of FBR's instructions resulted in non-recovery of sales tax worth Rs 2.905 million.

Audit pointed out the non-recovery in June 2017. The Authority replied that the 1/5th Sales Tax was deducted. However, for 4/5th Sales Tax the vendors were liable to deposit sales tax at their own. Reply of the department was not tenable because the suppliers were required to produce the proof of deposit of balance 4/5th GST.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The Authority stated that the 1/5th amount of sales tax was deducted/withheld and for balance amount of sales tax @ 4/5th the contractor has been asked to submit the invoices/ sales tax returns. The Committee directed the authority to obtain the sale tax invoices/returns for balance 4/5th amount within 15 days and get it verified from Audit. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends that either invoice of remaining 4/5th deposited sales tax be obtained from supplier or recovery be made.

(DP No.144)

5.4.11.2 Assistant Director, LG&CD, Faisalabad and M.B Din made payment to the consultant Punjab Municipal Development Fund company (PMDFC) on account of design vetting and supervision but punjab sales tax @ Rs 16% was not deducted which was required to be deducted from the total payments to the consultant.

Violation of Finance Department's instructions resulted in non-recovery of provincial sales tax amounting to Rs 0.538 million.

Audit pointed out the non-recovery in April 2017. The department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that recovery would be made in next bill of Consultants. The Committee directed to effect the recovery within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery.

(DP No. 110, 147)

5.4.11.3 Director General, LG&CD Department Punjab, Lahore paid rent of office building to Local Govt. Board amounting to Rs 2.336 million during 2012-13 to 2015-16 but income tax @ 10% was not deducted while making payment.

Violation of FBR's instructions resulted in non-recovery of income tax for Rs 0.234 million.

Audit pointed out non-recovery in May 2017. The department admitted the recovery but not effected.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department admitted the recovery and promised to effect it within due course of time. The Committee directed the department to effect recovery within 15 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit.

(DP No.130)

5.4.12 Overpayment due to non-reduction of rate – Rs 2.335 million

As per instructions of Finance Department contained in chapter No. 7 & 6 of MRS, if contractors used substandard/ 2nd class bricks, the rate may be reduced by 7% and if contractors used local sand for execution of RCC work the composite rate may be reduced by Rs 12 per cft.

Assistant Director LG&CD Faisalabad measured and paid at full rate instead of reducing rate by 7% in respect of brick works because these bricks were declared 2nd class as per test reports. In other two cases local sand was used instead of Harrow sand for execution of item of work *RCC 1:2:4* but did not reduce the composite rate by Rs 12 per cft in violation of instructions of Finance Department.

Violation of MRS's instructions resulted in overpayment of Rs 2.335 million due to application of higher rates.

Audit pointed out the overpayment in April 2017. The Department did not reply.

The paras were discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that, complete record including laboratory test reports were available. The Committee directed the department to produce the complete record including lab test report to Audit for verification within 30 days. The compliance of Committee directives was not reported till finalization of the report.

Audit recommends early recovery.

(DP No. 105, 104)

5.4.13 Non-forfeiture of earnest money - Rs 1.933 million

According to direction No.15 of general directions for the guidance of tender if the contractor does not start work at site, within mobilization period, it should constitute a just cause for the annulment of the award and

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

Assistant Director LG & CD Sialkot and Sargodha, in four works, did not forfeit the earnest money of contractors who did not start the works at site in spite of repeated directions. Their earnest money was required to be forfeited but the department failed to take appropriate action.

Violation of agreement clauses resulted in non-forfeiture of earnest money of Rs 1.933 million.

Audit pointed out non-forfeiture of earnest money in May 2017. In 1st case (Para No 129) the department stated that the concerned officers and officials had been directed to explain the reasons of non-forfeiture of earnest money. Reply of the department was not tenable as the earnest money was required to be forfeited as per terms of acceptance letter. In 2nd case (Para No 75) the department did not reply.

The para No 129 was discussed in SDAC meeting held on 04 & 05 January, 2018. The department did not produce any record for verification. The Committee directed to produce complete record for verification within 15 day. The para No 75 was not discussed due to non-attendance of AD LG&CD Sargodha. The Committee took the serious view of his absence and called for the explanations. The compliance of Committee's directive was not reported till finalization of this report.

Audit recommends early recovery and its verification.

(DP No. 75,129)

5.4.14 Irregular less deduction of security deposit – Rs 1.693 million

As per clause 60 and 61 of contract agreement, on default of a contractor, his work will be rescinded and remaining work will be completed at risk and cost of original contractor, besides forfeiting his securities. As per memorandum of work attached with contract agreement

the security deposit may be deducted @ 10 % on 1st value of work done for Rs 5 million and above 5 million security deposit may be deducted @ 5% of work done.

5.4.14.1 Assistant Director LG & CD Kasur less deducted the security deposit as in 12th /final bill of contractor with total value of work done of Rs 23,077,494. The security deposit of only Rs 335,355 was deducted whereas it Rs 1,403,875 were required to be deducted.

Violation of contract agreement clauses resulted in less deduction of security deposit Rs 1.069 million.

Audit pointed out issue in March 2017. The Department did not reply.

The para was discussed in SDAC meeting held on 04 & 05 January, 2018. The department stated that complete record could not be produced for verification due to non-availability of concerned officers/ officials. The Committee directed that complete record be produced for verification within 7 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early deduction of full security deposit besides fixing responsibility for this lapse.

(DP No.163)

5.4.14.2 Assistant Director LG&CD Khushab released the pre-mature security deposit of Rs 0.626 million on 01.01.2016 instead of actual releasing date of 31.03.2016 in violation of instruction of Finance Department.

Violation of Finance Department's instructions resulted in release of pre-mature security of Rs 0.626 million.

Audit pointed out the release of pre-mature security in April 2017. The department did not reply.

The para was not discussed in SDAC meeting held on 04 & 05 January, 2018 due to non-attendance of AD LG Khushab. The Committee took serious view of absence and called for the explanations.

Audit recommends condonation of irregularity from Finance Department besides fixing responsibility for the lapse.

(DP No. 170)

5.4.14.3 Assistant Director, LG&CD Bahawalpur in work “Construction of metalled road from Zahir Pir to Basti Mehdi Shah SammaSatta, Tehsil Bahawalpur” released the security deposit of contractor @ 95% as M/s Faisal Farooq contractor could not complete the work and his contract was rescinded. Balance work was got executed on risk and cost of the original contractor.

Violation of agreement clauses resulted in irregular release of security deposit for Rs 0.209 million.

Audit pointed out irregular release of security deposit in February 2017. The department did not reply.

The para was discussed in SDAC meeting held on 4 & 5 January, 2018. The department stated that complete record could not be produce for verification due to non-availability of officers/officials. Audit informed the Committee that undue financial benefit was given to the contractor by violating the codal procedures. The Committee directed the department to inquire the matter by constituting a Committee at Administrative level and produce complete record for re-verification within 15 days. No compliance of Committee’s directive was reported till finalization of this report.

Audit recommends to regularize the matter besides fixing responsibilities.

(DP No. 7)

5.4.15 Loss due to non-retrieval of government machinery and non – recovery of rent from contractor - Rs 1.420 million

As per rule 2.33 of PFR Vol-I every Govt. servant shall realize fully and clearly that he would be held responsible personally for any loss sustaining Govt. due to negligence on his part. Also as per rule 4.1 of PFR Vol-I every controlling officer should see that all revenue realized is correctly assessed and promptly credited to revenue.

As per record of Director General, LG&CD Department, Lahore, Assistant Director, LG&CD Pakpattan did not retrieve the government owned road making machinery i.e Tar Boiler and Sheep footer from M/s Liaqat Ali and M/s Muhammad Ishfaq since 1992 which were rented out to contractors for use on work. The contractors neither retuned government machinery worth Rs 1.00 million nor deposited the rent of the machinery for Rs 0.420 million despite lapse of 25 years. The department failed to retrieve government machinery and rent for its usage.

Violation of PFR's rules resulted in loss of Rs 1.420 million due to non-retrieval of government machinery and non-recovery of rent from contractor.

Audit pointed out the issue in May 2017. The department stated that the audit para pertained to the ADLG&CD, Pakpattan. The ADLG&CD, Pakpattan had been directed to explain non-recovery of rent of road making machinery and non-retrival of original machinery.

The para was discussed in SDAC meeting held on 04 & 05 January 2018. The department stated that the matter was under inquiry and complete record would be produced for verification. The Committee took it very serious and directed that the inquiry be finalized within 30 days. No compliance of Committee's directive was reported till finalization of this report.

Audit recommends early recovery and retrieval of machinery besides fixing responsibility for this lapse.

(DP No.133)

5.4.16 Loss due to incorrect calculation of consultancy fee – Rs 1.406 million

As per rule 2.33 of Punjab Financial Rules (PFR Vol-I), every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part.

Assistant Director LG&CD Faisalabad calculated amount of consultancy as Rs 1.660 million @ 2.5% for design vetting instead of Rs 0.723 million in respect of 6 schemes. Similarly department paid Rs 0.830 million on account of supervision @ 1.25 % instead of Rs 0.365 million. Thus due to incorrect calculations loss of Rs 1.406 million was incurred.

Violation of PFR's rules resulted in loss of Rs 1.406 million due to incorrect calculation of consultancy fee.

Audit pointed out the in April 2017. The department did not reply.

The para was not discussed in SDAC meeting held on 4 & 5 January, 2018 due to non-submission of working paper by department.

Audit recommends early recovery of the loss besides fixing responsibility for this lapse.

(DP No. 155)

5.4.17 Loss due to non-auction of unserviceable vehicles/machines – Rs 1.300 million

According to Para 4.40 of PWD Code, unserviceable store material would be auctioned on the book value or nearer to market value after getting approval of the competent authority.

5.4.17.1 Assistant Director, LG & CD Mianwali and Khushab did not auction two vehicles i.e. Toyota Land Cruiser Vagneer double doors and Nissan Pickup double doors and one number Photostat machine (Toshiba)

of Rs 1.000 million and Rs 0.300 million respectively which were lying unserviceable since last many years. The vehicles and photo state machine were further deteriorating with the passage of time.

Violation of Codal rules resulted in non-auction of unserviceable vehicles/machinery valuing Rs 1.300 million.

Audit pointed out the loss in April 2017. The department did not reply.

The para was not discussed in SDAC meeting held on 04 & 05 January, 2018 due to non-submission of working paper by the department.

Audit recommends early auction and deposit of auction proceed in the national kitty

(DP No. 39,174)

CHAPTER - 6

BOARD OF INTERMEDIATE & SECONDARY EDUCATION RAWALPINDI

6.1 Introduction of Department

Board of Intermediate & Secondary Education (BISE), Rawalpindi is under the Administrative control of Secretary Higher Education Department Govt. of Punjab. The board comprises Chairman, Secretary and Board of Governors (BOG). The chairman got executed the construction of building of BISE Rawalpindi during 2007-08 to 2013-14. Director General Audit Works (Provincial) Lahore, conducted audit to evaluate the financial performance, achievements of the project objectives and compliance of rules/regulations during construction. The construction of building was under the supervision of M/s NESPAK (PVT) Ltd. This report is based on audit of construction of building of BISE Rawalpindi.

6.2 Comments on Budget and Accounts

There was a total allocation of Rs 1,952.80 million for the construction of BISE buildings in the approved budget during the year 2006-07 to 2013-14. The field formation could incur an expenditure of only Rs 739.486 million against the approved budgetary allocation resulting in saving of Rs 1,213.30 million (62.13%).

(Rs in million)

S. No.	Year	Approved Budget	Actual expenditure	Variation Excess / (Saving)	Variation in %
1	2006-2007	2.20	1.90	(0.30)	(13.64)
2	2007-2008	220.00	6.48	(213.52)	(97.05)
3	2008-2009	220.00	81.19	(138.81)	(63.10)
4	2009-2010	250.00	163.55	(86.45)	(34.58)
5	2010-2011	300.00	163.51	(136.49)	(45.50)
6	2011-2012	450.00	130.08	(319.92)	(71.09)
7	2012-2013	320.00	153.81	(166.19)	(51.93)
8	2013-2014	190.60	38.98	(151.62)	(79.55)
	TOTAL	1,952.80	739.50	(1,213.30)	(62.13)

6.3

AUDIT PARAS

Irregularity & non compliance

6.3.1 Award of work to the contractor without detail technical sanction estimate - Rs 799.405 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.

The Chairman Board of Intermediate & Secondary Education Rawalpindi awarded the work vide acceptance letter vide No.EO/276/08, dated 15.12.2008 for Rs 799.405 million which was 2.4% above the estimated cost. The work was awarded and got executed without accord of detail technical estimate in violation of rules ibid.

Violation of B&R Code resulted in irregular award of work of Rs 799.405 million.

Audit pointed out irregular award of work in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the BOG of the BISE is competent to accord necessary clearance for execution of the scheme funded through its own resources. Civil Engineer of the Board submitted his technical report on 25.11.2008. The said report was presented in the meeting of the Board Campus Committee comprising technical member i.e. Superintendent Engineering Building, Executive Engineer Building & EDO (Works), Rawalpindi on 04.12.2008 and the Committee approved the technical report for technical sanction and the same was approved by the BOG BISE

Rawalpindi in its meeting held on 04.12.2008 vide item No. 02 of its proceeding. Audit contended that TSE was not approved as per Finance Department's instructions. The Committee upheld the viewpoint of Audit and kept the para pending for inquiry and fixing of responsibility. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early inquiry and report be furnished to Audit.
(Para 28)

6.3.2 Irregular award of work due to sanction of technical estimate from a non-technical person – Rs 799.405 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. Under delegation of powers for different categories, the procurement shall only initiate procurements once administrative approval and technical sanction estimate of the competent authorities concerned has been accorded.

Chairman Board of Intermediate & Secondary Education Rawalpindi got approved the technical sanction estimate/revised technical estimate sanctioned by the Project Director who was a non technical person. Power delegated to Project Director was not produced. Hence the technical sanction of the estimate by a non-technical officer was irregular.

Violation of B&R Code resulted in irregular approval of TSE of Rs 799.405 million.

Audit pointed out the irregularity in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The SDAC kept the para pending for inquiry by the Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 57)

**6.3.3 Overpayment due to approval of excess rates
- Rs 144.258 million**

According to instructions issued by the Finance Department vide No. RO(Tech) FD-18-23/2004 dated 21.09.2004, the rate analysis of the items be prepared on the basis of input rates of relevant quarter, placed at website of Finance department.

6.3.3.1 Chairman Board of Intermediate & Secondary Education Rawalpindi prepared the estimate on the basis of rates of 4th quarter 2008 and tender was called. The rate of the item "*Supply & fix steel deformed bars grade-60 including cutting, bending and placing reinforcement in position*" was worked out to Rs 126,919 per Ton against which the contractor quoted Rs 126,000 per Ton i.e. 1% below the estimate as non-schedule rate. It was pointed out that same item vide No. 9 chapter-06 "Concrete" is available @ Rs 95,357 per Ton and if contractor's 1% below quoted percentage was applied, the payable rate to the contractor came to Rs 94,403 per Ton (Rs 95,357 – 1%) against the paid rate of Rs 126,000 P. M Ton.

Violation of Finance Department's instructions resulted in overpayment of Rs 55.931 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the tender was called on the basis of MRS 3rd

quarter 2008 which was revised against the financial rules after opening the financial bids and bid of M/s Uni Build Associate (Pvt.) Limited was accepted on the basis of 4th quarter contrary to the financial rules. However, the rates quoted by the contractor and recommended/approved by the Engineer NESPAK should be analyzed from the Technical Wing of the Finance Department, Govt. of the Punjab before proceeding further in the matter. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 17)

6.3.3.2 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Supply and fix high tensile deformed bars grade-60 including cutting, bending, binding and placing reinforcement in position*" with addition of 40% contractors profit and overheads for Rs 36,262 per Ton instead of Rs 22,664 per ton by allowing 25% overhead & profit. Hence, department paid excess percentage i.e. 15% of overhead and profit (40% - 25%) in rate of the item.

Violation of Finance Department's instructions resulted in overpayment of Rs 24.070 million.

Audit pointed out the overpayment in May 2017.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the non-scheduled civil work items were applied with 40% contractor's overhead, taxes and profit etc. in the Engineer's Estimate. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 04)

6.3.3.3 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate of item “*P/L floor of pre-polished porcelain tiles size 16" x 16" x 3/8" to 18" x 18" x 3/8" (Master or equivalent) etc*” for Rs 252 per sft, against which the contractor quoted the rate of Rs 165 per sft i.e. 35% below the estimated rate. The estimated rate was very high due to inclusion of excess quantity of cement, labour rate & scaffolding against the approved rate of Rs 130 per sft by C&W Department. If estimated rate was took as Rs 130 per sft the payable rate keeping in view contractor’s below quoted percentage proportionately came to Rs 84.50 per sft (Rs 130 – 35%).

Violation of Finance Department’s instructions resulted in overpayment of Rs 21.506 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the item was executed on quoted rates of Rs 165 per sft for local tiles. The Engineer’s Estimate rate of Rs 252 per sft, was that of the imported tiles and hence cannot be compared with the item mentioned. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 11)

6.3.3.4 Scrutiny of the accounts record of the work “Construction of Board of Intermediate & Secondary Education, Rawalpindi (Phase-I)” revealed that estimated rate of item “*P/L floor of pre-polished porcelain tiles size 16" x 16" x 3/8" to 18" x 18" x 3/8" (Master or equivalent) etc*” was prepared for Rs 252 per sft, against which the contractor quoted the rate of Rs 165 per sft i.e. 35% below the estimated rate. Audit is of the view that estimated rate prepared by the department/consultants was on a very

higher side and contractor gained the benefit by quoting even lesser rate. The estimated rate of the same item being prepared by the C & W Department is Rs 130 per sft as such the contractor's quoted rate of Rs 165 was more than the actual estimated rate of Rs 130 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.085 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the item was executed on quoted rates of Rs 165 per sft for local tiles. The Engineer's Estimate rate of Rs 252 per sft was that of the imported tiles and hence cannot be compared with the item mentioned. The Committee directed that upheld that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 15)

6.3.3.5 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Providing and laying floor of pre polished 3/4" thick imported granite of approved size etc*" for rate of Rs 1,076 per sft in the estimate by incorporating excessive rate of granite, white cement, grey cement, pigment, sand, and contractor profit and overhead charges @ 40% instead of 25%. Actual rate came to Rs 459.45 per sft against which the department has made payment @ Rs 1,090 per sft (1076+1%).

Violation of Finance Department's instructions resulted in overpayment of Rs 9.752 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the material rates were based on prevailing market rates (average rate of Pre-polished imported granite tiles and related items) whereas labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the items. Base rate of 3/4" thick pre-polished imported granite was fixed at Rs 800 per sft as per Addendum No. 02 of the contract document issued vide letter No. 2820/322/JAM/ 05/334 dated October 23, 2008. The contractor quoted rate was Rs 1,090 per sft with base rate as Rs 800 per sft. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 49)

6.3.3.6 Chairman Board of Intermediate & Secondary Education Rawalpindi approved rate analysis of a non-standard item "*Vinyl emulsion paint*" for Rs 17 per sft. The rate was excessive due to inclusion of excess rate of primer, vinyl emulsion & skilled labour i.e. Rs 200, Rs 150 & Rs 400 per day respectively instead of admissible rates of Rs 122, Rs 92 & Rs 290 per day as per input rates of 4th quarter, 2008. Further, 40% profit was paid instead of 25%. The admissible rate worked out to Rs 7.60 per sft. Therefore, excess rate of Rs 5.40 per sft (Rs 13 – Rs 7.60) was allowed.

Violation of Finance Department's instructions resulted in overpayment of Rs 3.261 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the estimated rates of “*Primer and Vinyl Emulsion Paint*” were based on the market rates during the times whereas the rates of skilled labour and unskilled labour were based on Statistical Bulletin. The charges in miscellaneous head pertain to the brushes and sand paper etc. @ Rs 0.25 per sft. The same were taken separately in C&W rate analysis. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 14)

6.3.3.7 Chairman Board of Intermediate & Secondary Education Rawalpindi got executed the item “*Excavation in foundation of building bridges and other structure including debelling dressing refilling around structure with excavated earth watering and ramming lead upto 3 chain and lift upto 15 ft and 22 ft*” at higher rates of Rs 5,000 per % cft as compared to Rs 1,477.57 % cft and Rs 730 % cft respectively provided in MRS, 4th quarter 2008 (October 2008 to December 2008).

Violation of Finance Department’s instructions resulted in overpayment of Rs 2.852 milion.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that the above item was got executed and certified for payment by the Consultant in accordance with the contract. Audit argued that as the same items were available in MRS and should have been paid at the MRS rates. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 39)

6.3.3.8 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item “*Water proofing treatment on roof slabs comprising etc*” @ Rs 241 per sft by incorporating extra items and contractor profit & overhead @ 40% instead of 25%. The admissible rate worked out to Rs 59.68 Per sft (Rs 129.74-54% below) against which the department made payment @ Rs 110 per sft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 2.849 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 44)

6.3.3.9 Chairman Board of Intermediate & Secondary Education Rawalpindi prepared/sanctioned the rate analysis of item “*False ceiling 2' x 2' by DAMPA or approved equivalent with manufacturers complete etc*” @ Rs 322 per sft in the estimate by incorporating excessive rates of mineral fibre and labour. The contractor profit & overhead charges were

also allowed @ 40% instead of 25%. Actual rate was worked out to Rs 150 per sft against which the department made payment @ Rs 325 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 2.803 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 45)

6.3.3.10 Chairman Board of Intermediate & Secondary Education Rawalpindi approved and paid the item "*Fibre glass sky light as per design approved size etc*" @ Rs 750 per sft (460+63%) by incorporating excess rate of fiber and contractor profit and overhead charges @ 40% instead of 25%. The admissible rate was worked out to Rs 468.62 per sft (287.50+ 63% above).

Violation of Finance Department's instructions resulted in overpayment of Rs 2.765 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The Committee kept the para pending for inquiry by the Administrative Department. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives and recovery of the overpayment.

(Para 53)

6.3.3.11 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Supply and fix high tensile deformed bars grade-60 including cutting, bending, binding and placing reinforcement in position*" by including 10 kg binding wire for 1 Ton @ Rs 120 per kg in the rate analysis whereas the admissible quantity as per input rate notified by the Finance Department was 0.114 kg per 50 kg and for 1 Ton quantity of steel, it comes to 2.28 kg instead of 10 kg as taken in the rate analysis.

Violation of Finance Department's instructions resulted in overpayment of Rs 2.296 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the quantity of "Binding Wire" per ton of Deformed Steel Bars depends upon the structural element i.e. whether being used in raft, isolated footings, columns, walls, beams or slabs as well as on diameter of bars in use. An average value of 10 kg per ton is therefore taken in the rate analysis. The quantity of 2.28 kg per ton is on the lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 3)

6.3.3.12 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Hollow block masonry (1:3:6) 8" x 8" x 16" etc*" by taking 5% wastage on all items whereas it was to be added on the value of block of Rs 1,475 only. Further, the rates of unskilled labour and steel fabricator has been added @ Rs 300 per day & Rs 375 per day instead of inadmissible rate Rs 275 & Rs 320 per day. Beside this, 40% profit & overhead instead of 25% overhead & lifting charges were to be added. The estimated rate was accordingly worked out to Rs 232 per cft instead of Rs 277.

Violation of Finance Department's instructions resulted in overpayment of Rs 2.249 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that as per standard practice wastage is applied on all materials. The rates of unskilled labour and Steel Fabricators were taken from Statistical Bulletin. Justification for application of 40% contractor's overhead and profit instead of 25% had already been given in reply of Para No.4. This is an inadvertent mistake. After correction the rate came to be Rs 275 per cft instead of Rs 277 per cft. Payment to the contractor against the executed work was made as per quoted rates in accordance with the contract. Audit argued that Finance Department's input rates and 25% overhead were to be applied. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person (s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 10)

6.3.3.13 Chairman Board of Intermediate & Secondary Education, Rawalpindi approved rate analysis of item "*Providing and fixing ornamental Ash Wood architrave 3" wide all along the door frame of*

approved design i/c preparation surface & Lacquer polishing complete in all respectetc" at a rate of Rs 92 per sft. The rate was higher due to excess length of architrave, excess quantity of nails, labour for making fixing, wastage 25% instead of 10%, contractor profit and overhead charges 40% instead of 25%. The admissible rate worked out to Rs 86.25 (Rs 48.75 + 117% above) whereas the department paid Rs 190.

Violation of Finance Department's instructions resulted in overpayment of Rs 1.513 million.

Audit pointed out overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 42)

6.3.3.14 Chairman Board of Intermediate & Secondary Education Rawalpindi approved and paid the rate of item "*Providing and applying 2mm thick texture finish coating Graffitto of approved sizeetc*" @ Rs 35 per sft (32+3%) by incorporating excess rate of labour and scaffolding and contractor profit & overhead charges @ 40% instead of 25%. The admissible rate was worked out to Rs 28.13 per sft (25.81+3%).

Violation of Finance Department's instructions resulted in overpayment of Rs 1.252 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The SDAC kept the para pending for inquiry by the Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 52)

6.3.3.15 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*P/L of OAK wood door etc*" @ Rs 865 per sft. The rate was excessive due to taking the excess input rates of sub items brass handle, door stopper and brass finger plate @ Rs 70, 75 & 80 instead of actual rate of Rs 30, 35 & 55 respectively. The contractor profit was taken 40% instead of 25%. The admissible rate was Rs 1,056 per sft (Rs 760 + 39% above) instead of quoted rate of Rs 1,200 per sft (Rs 865 + 39%).

Violation of Finance Department's instructions resulted in overpayment of Rs 1.200 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that estimated rate of item "P/L of Oak Wood door etc." was Rs 865 per sft whereas the quoted rate was Rs 1,200 per sft. The estimated rate of Brass Handle, Door Stopper and Brass Finger Plate were based on the market rates during the time as per architectural design/requirement. Nails are estimated separately and are not included in the contractor's overhead & profit. Further, regarding the application of 40% contractor's overhead & profit. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 13)

6.3.3.16 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item “*Water proofing treatment of RCC base slab and retaining wall*” by including 40% contractors profit and overheads instead of 25%. The excess rate of Rs 10.48 per sft and Rs 12.88 per sft was paid to the contractor.

Violation of Finance Department’s instructions resulted in overpayment of Rs 1.072 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on August 2017. The SDAC directed the Chairman to work out actual recovery and effect from the contractor. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 37)

6.3.3.17 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item “*Providing and fixing of M.S. grill of approved size etc*” for Rs 230 per sft (161+43%) by incorporating excess rate of MS square, M.S. Channal, M.S. Angle iron, painting, welding fabrication and fixing the contractor profit & overhead charges were also added @ 40% instead of 25%. The admissible rate was worked out to be Rs 186.25 per sft (130.25+43%).

Violation of Finance Department’s instructions resulted in overpayment of Rs 1.004 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on August 2017. The Committee kept the para pending for inquiry by the

Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 51)

6.3.3.18 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Supply and fix high tensile deformed bars grade-60 including the cutting, bending, binding and placing reinforcement in position*" by including Rs 400 (lump sum) on account of "Cartage". Whereas the item was at site rate for each district, therefore cartage / carriage was not admissible.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.991 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department explained that the "Cartage" @ Rs 400 per ton of Grade-60 Deformed Steel Bars was based on the market rate at the time of preparation of Engineer's Estimate. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 2)

6.3.3.19 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*Providing and laying floor of pre polished 3/4" thick imported granite cladding of approved size etc*" for Rs 1,090 per sft (1073+2%) by incorporating excess rate of granite, white cement, grey cement, pigment, sand, labour and contractor profit &

overhead charges @ 40% instead of 25%. The admissible rate was worked out to Rs 462.65 (453.58+2%).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.798 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on August 2017. The Committee kept the para pending for inquiry by the Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 50)

6.3.3.20 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate for the item "*Pre-polished porcelain tile*" at rate of Rs 252 per sft under the head "Main Building" but in the revised estimate, same item under the head "One Window Building" was provided @ Rs 165 per sft instead of Rs 252 per sft. The contractor quoted 35% below against the rate Rs 252 per sft. Audit viewed that if rate Rs 165 per sft was taken for main building, then the admissible rate came to Rs 107 per sft (165-75%).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.782 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the item "Pre-polished Porcelain Tiles" was not included in the One Window Building in original/tendered scope of work as well as in the Engineer's Estimate. Later, during the execution of the

project, the Project Architect (through the office of Director Architecture (Rawalpindi), Punjab Architecture Department) revised the floor finish in certain area in One-Window building with the consent of the Employer (BISE). The item was paid as per quoted rate of contractor @ Rs 165/- per sft in accordance with Clause 52.1 of conditions of Contract. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 24)

6.3.3.21 Chairman Board of Intermediate & Secondary Education Rawalpindi prepared/sanctioned the rate analysis of item "*Providing and laying 1" thick marble of approved size etc*" @ Rs 340 per sft in the estimate by incorporating excess rates of white cement, grey cement, pigment, sand, labour. Contractor profit and overhead charges were also allowed @ 40% instead of 25%. Actual rate was worked out to Rs 304.39 per sft against which the department made payment @ Rs 350 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.560 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 48)

6.3.3.22 Chairman Board of Intermediate & Secondary Education Rawalpindi approved and paid the rate of an item “*Sub Base*” for Rs 52 per cft under the head “Road walkways & Paved Area”. The above head was not the part of original work and later on allotted to the contractor as additional work. The rate of the above item was sanctioned as Rs 26.46 per cft in the revised estimate. Hence, department paid excess rate of Rs 25 per cft.

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.546 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the works under reference had been certified for payment on provisional rate of Rs 52 per cft in accordance with Clause 52.1 of the conditions of contract until the rates were agreed between the parties. Payment to the contractor against the executed works had been certified by the consultant as per quoted rates in accordance with the contract. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 07)

6.3.3.23 Chairman Board of Intermediate & Secondary Education Rawalpindi approved an item “*Lacquer polish*” @ Rs 85 per sft. The rate was excess due to taking the rates of skilled labour & unskilled labour as Rs 400 per day & Rs 300 per day instead of admissible rates of Rs 290 per day & Rs 275 per day respectively. Overheads were allowed @ 40%

instead of 25%. The admissible rate worked out to Rs 26 per sft and admissible rate payable to the contractor came to Rs 56.68 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.411 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the item "*Lacquer Polish on wooden surface*" was executed on the quoted rate of Rs 85 per sft. The Engineer's Estimate rate of the item was Rs 39 per sft. The rate of skilled labour and unskilled labour were based on the Statistical Bulletin in the rate analysis. The charges in miscellaneous head pertain to the Brushes and Sand paper etc. @ Rs 2.5 per sft. Audit argued that input rates of Finance Department should have been in the rate analysis. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 21)

6.3.3.24 Chairman Board of Intermediate & Secondary Education Rawalpindi prepared/sanctioned the rate analysis of item "*Porcelain tile of approved size/colour/shade/texture using pigment etc*" @ Rs 249 Per sft in the estimate by incorporating excessive rate of porcelain tile, white cement, grey cement, pigment, sand and labour. Contractor profit and overhead charge were also allowed @ 40% instead of 25%. Actual rate was worked out to Rs 88.28 per sft against which the department made payment @ Rs 235 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.403 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 46)

6.3.3.25 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the item "*Solid block masonry 4" x 8" x 12" in cement mortar upto level 20', 32', 45'-10" and 58'-10" etc*" @ Rs 290, Rs 297.95, Rs 305.90 and Rs 313.85 per sft at higher rates by incorporating excess rates of block, cement, sand and cooly in the rate analyses. Further the contractor profit and overhead charges were taken as 40% instead of 25%. Actual rates were worked out to Rs 213.35, Rs 221.3, Rs 229.25 and Rs 237.20 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.352 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental

version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 41)

6.3.3.26 Chairman Board of Intermediate & Secondary Education Rawalpindi measured and paid the item "*Extra labour for reinforcement of cement concrete*" above 20' height @ Rs 285 per cft, Rs 290 per cft and Rs 300 per cft for 71', 84' and 95'-10" height against the admissible rate Rs 277 per cft, Rs 283 per cft and Rs 290 per cft respectively. The excess rates were allowed to the contractor.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.339 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on August 2017. The Committee directed the Chairman to work out actual recovery and effect from the contractor. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 34)

6.3.3.27 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate analysis of item "*P/F of fancy steel pipe stair railing 2"-9" high stainless steel post of architectural design and shape etc*" for Rs 1,870 per rft by including 40 Nos. welding rod @ Rs 10 each for Rs 400 in the analysis of 14 rft stainless steel railing. Audit

viewed that railing was fixed with screws and bolts, involving a very nominal welding which was covered in the overheads charges. It was further observed that contractor profit and overheads @ 25% were admissible instead of 40%. The admissible rate worked out to Rs 1,488 per rft (Rs 1,635 per rft – 9%). Hence, department paid excess rate of Rs 212 per rft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.333 million.

Audit pointed out the overpayment in May 2017. The department explained that the item was executed on quoted rates of Rs 1,700 per rft. In the Engineer's estimate the rate of the item was Rs 1,870 per rft. It seemed that there was some inadvertent typographical mistake in mentioning the number of welding rods in the rate analysis as 40 instead of 4. Payment to the contractor against the executed work has been certified by the consultant as per quoted rate in accordance with the contract.

The para was also discussed in SDAC meeting held on August 2017. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 19)

6.3.3.28 Chairman Board of Intermediate & Secondary Education Rawalpindi measured and paid the item "*Extra labour for cement plaster 1:5*" above 20' at excessive rates Rs 17 per sft, Rs 19, Rs 20, Rs 21 per sft for height upto 32', 45', 58' and 81' against the admissible rate Rs 15.17, Rs 17.20, Rs 18.47 and Rs 19.57 respectively.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.319 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The Committee directed the Chairman to work out and effect actual recovery from the contractor. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 35)

6.3.3.29 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate of item "*Tuff Paver 80 mm*" for Rs 100 per sft instead of actual rate of Rs 80 per ft (Rs 68+118% above) as worked out by Audit. Hence, department paid excess rate of Rs 20 per sft (Rs 100 – Rs 80) to the contractor.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.300 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the works under reference have been certified for payment on provisional rate i.e. Rs 100 per sft in accordance with Clause 52.1 of the conditions of contract until the rates were agreed between the parties. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 06)

6.3.3.30 Chairman Board of Intermediate & Secondary Education Rawalpindi approved and paid an item "*Pre-cast kerb stone*" @ Rs 300

per rft. The rate was excess due to applying excess rate of pre cast kerb stone as Rs 115 instead of Rs 63 as per input rates of Finance Department. Further, the rate of above item was reduced to Rs 110 per rft in the revised estimate. Hence, department paid excess rate of Rs 190 to the contractor.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.253 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the works under reference have been certified for payment on provisional rate of Rs 300 per rft in accordance with Clause 52.1 of the conditions of contract until the rates were agreed between the parties. Payment to the contractor against the executed works had been certified by the consultant as per quoted rates in accordance with the contract. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 08)

6.3.3.31 Chairman Board of Intermediate & Secondary Education Rawalpindi measured and paid an item "*P/L tuff paver 60 mm thick etc*" for Rs 90 per sft whereas the same item was approved in revised TS estimate for Rs 65 per sft. But the department paid excess rate of Rs 19 per sft.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.142 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the items “*60 mm thick Tuff Paver*” at Sr.No. 46 in Main Building and Sr.No. 33 in One-Window Building of BOQ were deleted vide Addendum No. 02 and substituted with item “*1" thick concrete pigmented chequered tiles*”. The substituted item was executed and paid at quoted rate of the contractor i.e. Rs 90 per sft. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 12)

6.3.3.32 Chairman Board of Intermediate & Secondary Education Rawalpindi awarded the civil work of “Construction of Board of Intermediate & Secondary Education Rawalpindi (Phase-I)” during December 2008. The Chairman approved the rate analysis of item “*S/F high tensile steel deformed bars grade-60 including bending, binding and placing reinforcement*” for Rs 120 per Kg instead of admissible rate of Rs 70 per kg as per input rates of 4th Quarter 2008 of the Finance Department. Hence, department paid excess rate of Rs 70 kg (Rs 50+40% profit & overhead).

Violation of Finance Department’s instructions resulted in overpayment of Rs 0.124 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that input rate of “*Binding Wire*” @ Rs 120 per kg was based on market rate at the time of preparation of Engineer’s Estimate. The rate includes cost of handling and re-handling as well. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 01)

6.3.3.33 Chairman Board of Intermediate & Secondary Education Rawalpindi approved the rate of item "*P/L tuff pavers 60 mm thick having compressive strength 7000 psi*" @ Rs 90 per sft (83+138% above). The rate was higher due to incorrect input rate of tuff paver, additional labour and fixing cost. The admissible rate worked out to Rs 79 per sft (Rs 57+138% above) based on 4th quarter 2008.

Violation of Finance Department's instructions resulted in overpayment of Rs 0.082 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the item was substituted with the item "*Providing and laying 1" thick concrete pigmented chequered tiles (mechanically compressed and 1 sft each on foot paths / paved areas etc. laid in approved patterns set in 1:3 cement mortar and joints grouted, pointed with coloured cement (1:2) including cutting where required, complete in all respects as shown on drawings*". The substituted item was executed and certified for payment at quoted rate in accordance with the contract. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 05)

6.3.3.34 Chairman Board of Intermediate & Secondary Education Rawalpindi prepared/sanctioned the rate analysis of item "*Providing and laying 1/2" thick marble of approved size etc*" @ Rs 124 per sft in the estimate by incorporating excess rate of marble, white cement, grey cement, pigment, sand, labour. Contractor profit and overhead charges

were also allowed @ 40% instead of 25%. Actual rate was worked out to Rs 90.22 per sft against which the department made payment @ Rs 130 per sft (124 + 5%).

Violation of Finance Department's instructions resulted in overpayment of Rs 0.061 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that material rates were based on prevailing market rates whereas the labour rates were based on Statistical Bulletin of Pakistan in the rate analysis of the item. Audit did not agree with the departmental version and argued that input rates of FD for the relevant period should have been taken in rate analysis being on lower side. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 47)

6.3.4 Irregular expenditure due to non-preparation of rate analyses – Rs 86.726 million

As per Finance Department letter No. RO(Tech)FD-18-23/2004, dated 21.09.2004, "rate analysis of non-standardized items should be prepared by the Executive Engineer and approved by the Superintending Engineer on the basis of input rate of relevant quarter placed at website of Finance Department.

6.3.4.1 Chairman Board of Intermediate & Secondary Education Rawalpindi measured and paid different non-scheduled items without

preparing and approval of rate analyses from the competent authority. The detail is as under:

Sr. #	Para No.	Descriptions	Amount (Rs)
1	61	Main building (Electric works)	57,014,880
		One window operation(Electric works)	2,410,350
2	62	Electrical & Communication System	3,916,692
		Water supply, Fire & Sewerage system	4,412,612
3	63	Plumbing work	8,979,158
Total			76,733,692
Rs in million			76.734

Violation of Finance Department's instructions resulted in irregular expenditure of Rs 76.734 million.

Audit pointed out the irregularity in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The Committee directed that responsibility for overpayment may be fixed and recovery be made from the person (s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 61, 62 & 63)

6.3.4.2 Chairman Board of Intermediate & Secondary Education, Rawalpindi made payment for non-standardized items amounting to Rs 9.992 million without getting approval of the rate analyses from the competent authority.

Violation of Finance Department's instructions resulted in irregular expenditure of Rs 9.992 million.

Audit pointed out the irregularity in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on August 2017. The department stated that rates of Non-Standardized items were recommended by the Engineer/Consultant NESPAK and paid provisionally on recommendations of board campus committee and BOG BISE Rawalpindi. In this connection rates of some varied items were not approved yet due to the decisions of BOG BISE, Rawalpindi in which the board directed to get advice regarding rates analyses of such items and revise the Technical Sanction and conduct Special Audit. The Committee directed that responsibility may be fixed and matter be got regularized. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 30)

6.3.5 Irregular award of additional work - Rs 108.17 million

According to instructions issued by the Finance Department vide No. RO(Tech) FD-18-23/2004 dated 21.09.2004, the rate analysis of the items be prepared on the basis of input rates of relevant quarter, placed at website of Finance department.

Chairman Board of Intermediate & Secondary Education Rawalpindi framed the estimate on the basis of MRs 4th quarter, 2008 and work was allotted for Rs 799.405 million at 2.40% above the estimated amount. Later on, the scope of the work was reduced. The items which related to the basic amenities and should have been the part of original contract were left intentionally. The left over work was allotted to the contractor in 2011-12 at a cost of Rs 108.17 million. The consultant irregularly prepared rates of these items on the prevailing rates during which the work was executed instead of quarter on which the tenders were called.

Violation of Finance Department's instructions resulted in irregular award of additional work for Rs 108.17 million.

Audit pointed out the irregularity in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that award of additional work to the Contractor was not recommended by the Engineer NESPAK (the Consultant) which was conveyed to the Secretary/Project Coordinator BISE, Rawalpindi vide letter No. 2820/323/AR/1636 dated 28.06.2012. Furthermore, the NESPAK (Consultant of the Project) recommended to execute the additional works as separate contract to get the benefit in terms of quality, cost effectiveness and timely completion of the parallel activities vide letter of even no. dated 28.06.2012. Audit contended that despite these recommendations, the additional works were granted to give undue benefit to the contractor. Furthermore, the scope of the work was reduced and in order to cover the gap, the additional items which related to basic amenities and should have been the part of original work but left intentionally and later on included in the additional work. The Committee directed that an inquiry may be conducted and kept the para pending till completion of such inquiry. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 18)

6.3.6 Non-recovery of compensation charges for delay - Rs 79.941 million

According to clause 39 of the contract agreement time allowed for carrying out the work shall be strictly observed by the contractor. If the contractor fails to complete the work without sufficient reasons, he shall be liable to pay as compensation equal to one percent and maximum 10% of the estimate cost.

Chairman Board of Intermediate & Secondary Education Rawalpindi awarded the work on 07.02.2009. The work was to be completed within 03 years i.e. the stipulated date of completion of work

was 16.02.2012. But the contractor did not complete his work in time. Extension in time was granted inspite of issuance of various directions to contractor as he was at fault. Department did not implement the contract clause to impose the liquidated damages @ 10% i.e Rs 79.941 million.

Violation of contract agreement resulted in non-recovery of liquidated damages of Rs 79.941 million.

Audit pointed out the non-recovery in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 07.08.2017. The Committee kept the para pending for inquiry by the Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 58)

6.3.7 Loss to government due to non-maintenance of weighted percentage - Rs 62.434 million

As per 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 sanctioned estimate as was at the time of approval of the tender, so as to pre-empt excess payment.

Chairman Board of Intermediate & Secondary Education Rawalpindi awarded the work to the contractor on 15.12.2008 at 2.4% above the estimated cost which was revised for Rs 756.830 million. The total work done for Rs 777.530 million was allowed to the contractor against the revised reduced Engineer's Estimated cost of Rs 715.095 million which was 8.45% above. The recovery of difference between quoted and actual paid amount came to Rs 62.434 million (777.530 - 715.095).

Violation of Finance Department's instructions resulted in loss of Rs 62.434 million.

Audit pointed out loss in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on August 2017. The department stated that rates analysis will be taken from the Finance Department, Govt. of the Punjab (a request has already been made as mentioned in above paras) therefore, the exact amount of recovery would be calculated as per advice of the Finance Department. The Committee directed to calculate the difference as per final bill of the contractor and recovery may be effected from the person(s) at fault/contractor. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 31)

6.3.8 Undue financial benefit due to imbalance rate - Rs 37.394 million

As per Finance Department's letter No.SRO(TECH)FD-1-2/83(VI)(P) dated 06.04.2005 if a contractor quotes disproportionate rates in his tender which deviate from the rates approved in the sanctioned estimate, he will be paid as per T.S rates in the running bills. Balance payment will be made at the completion of work or the relevant item of work as the case may be.

Chairman BISE, Rawalpindi, awarded work on 15.12.2008 for Rs 799.405 million against the estimated cost of Rs 780.728 million. The department made payment for different items carrying quoted rates which were higher instead of estimated rates in contravention to the rule ibid.

Violation of Finance Department's instructions resulted in undue benefit of Rs 37.394 million.

Audit pointed out undue benefit in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the rates quoted by the contractor and recommended/approved by the Engineer NESPAK should be analyzed from the Technical Wing of Finance Department, Govt. of the Punjab before proceeding further in the matter. The Committee directed that responsibility for overpayment may be fixed and recovery of mark-up may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 25)

6.3.9 Unjustified payment on account of consultancy fee - Rs 38.219 million

As per letter No. 4(1) R.O (Cons) P & D/04 dated 22.07.2008, the consultancy fee for design and construction supervisory services for any consulting individual/firm for their consultancy services should invariably be negotiated by the Employer Department/Agency on the basis of detailed assessment of the Consultant's deployment schedule staffing inputs and scope of consultancy deliverables for various infrastructure projects and not as a fixed percentage of project cost.

Chairman BISE Rawalpindi made payment to the consultant for Rs 38.219 million from February 2008 to April 2014 (remuneration of 05 Nos Engineers/officials staffing) without approval of the deployment schedule by the competent authority. Thus the payment of Rs 38.219 million made in violation of above rule was unjustified.

Violation of P&D Department's instructions resulted in unjustified payment of Rs 38.219 million.

Audit pointed out unjustified payment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the remunerations for the consultancy services were paid @ 1.8% against the design Services and @ 2.0% against the construction supervision services during (03) years of original completion period of the project. Afterwards, a lump sum amount of Rs 800,000 per month was paid during the extended period of the project. All payments to NESPAK were made by the BISE in accordance with the provisions of consultancy agreement under article-6 “Payment to the Consultants”. The Committee pended the para till inquiry report in para #58. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early completion of inquiry process and report furnished to Audit.

(Para 55)

6.3.10 Non-recovery of consultancy fee from the contractor - Rs 10.931 million

As per rule 2.10 of Punjab Financial Rules Volume-I, every public officer was expected to exercise the same vigilance in respect of expenditure from government funds as a person of ordinary prudence would exercise while incurring expenditure from his own money. Further, as per clause 6.3.2 of contract of Engineering consultancy Service executed between the Board and M/s NESPAK, is referred to which stipulates that in case, the completion of work get extended beyond stipulated time period by default of the contractor, consultants remunerations shall be deducted from payment due to the contractor.

Chairman Board of Intermediate & Secondary Education Rawalpindi made payment of Rs 10.931 million on account of consultancy fee to the consultants M/s NESPAK for the extended period of time. Audit observed that numerous letters were available in the record which proved that the work was delayed due to fault on the part of the contractor.

In this situation the department granted extension instead of imposing the penalty on the contractor. Hence the remunerations paid to the consultants during extended period was irregular and needs to be recovered from the contractor due to fault on his part.

Violation of Punjab Financial Rules resulted in non-recovery of Rs 10.931 million.

Audit pointed out the non-recovery in May 2017. The department did not reply.

The para was also discussed in SDAC meeting held on August 2017. The Committee pended the para for an inquiry to decide upon the legitimacy of the extensions granted to the contractor. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery.

(Para 36)

6.3.11 Unjustified payment on account of consultancy fee - Rs 10.050 million

As per revised T.S Estimate / Administrative Approval of the scheme the Consultancy Fee for design services to M/s NESPAK was required to be paid @ 1.80% of the Engineering Design & Preparation of Bid documents and 2% estimated cost with its provision.

Chairman BISE Rawalpindi made payment for Rs 38.219 million to the consultant upto 29th bill on account of design charges and construction supervision instead of admissible Rs 27.716 million. Extra payment against the agreement came to Rs 10.050 million (Rs 38.219 million – Rs 27.716 million) i.e. 36.26 % above. Excess payment of Rs 10.050 million beyond original agreement and stipulated period without approval of competent authority was unauthorized/irregular.

Violation of revised T.S Estimate / Administrative Approval resulted in unjustified payment of Rs 10.050 million.

Audit pointed out unjustified payment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the remunerations for the consultancy services were paid @ 1.8% against the design Services and @ 2.0% against the construction supervision services during (03) years of original completion period of the project. Afterward, a lump sum amount of Rs 800,000 per month was paid during the extended period of the project. All payments to NESPAK were made by the BISE in accordance with the provisions of consultancy agreement under article-6 “Payment to the Consultants”. The Committee pended the para till inquiry report in para #58. The compliance of Committee’s directive was not reported till finalization of report.

Audit recommends early compliance of Committee’s directives.

(Para 56)

6.3.12 Unjustified/extra expenditure due to use of imported granite cladding stone – Rs 18.369 million

As per C & W Department letter No. SOB-I (C & W) 5-1/2008 dated 07.07.2008 “Chief Minister has been pleased to desire that granite stone cladding work and affixing of all kinds of luxury and imported stone / tiles on all the under construction government buildings be stopped forthwith. It has further been desired that such provisions in the projects at planning stage be revised and the money be diverted towards providing facilities for public welfare”.

Chairman Board of Intermediate & Secondary Education, Rawalpindi, executed and paid the item “*Providing and laying floor of pre polished 3/4" thick imported granite of approved size etc*” to the contractor in contravention to the instructions ibid.

Violation of C&W Department's instructions resulted in unjustified expenditure of Rs 18.369 million.

Audit pointed out unjustified expenditure in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that the irregularity was on the part of Consultant, Architecture Department, and the then Administration of the Board. Therefore, appropriate action may be suggested for regularization of the said irregularity. The Committee pended the para for recovery from Punjab Architecture Department and NESPAK or regularization of expenditure from Finance Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 60)

6.3.13 Irregular payment of price variation beyond stipulated completion period – Rs 14.714 million

As per clause 55 of contract agreement, no price variation will be allowed during extended period when the contractor was at fault.

Chairman BISE Rawalpindi awarded the work on 15.12.2008 with a stipulated completion period upto 17.02.2012. The work was not completed in stipulated time whereas it was observed that price variation of Rs 14.713 million after stipulated period was allowed to the contractor though he was at fault in respect of completion of work in time. As delay in completion of work was on the part of the contractor, hence payment of price variation was not admissible.

Violation of contract agreement resulted in irregular payment of Rs 14.714 million.

Audit pointed out the irregular payment in May 2017. The department did not reply.

Para was also discussed in SDAC meeting held on 07.08.2017. The department stated that an inquiry may be ordered through Committee comprising of experienced and upright technical experts for recommendations regarding price evaluation and recovery from the contractor, if any. The Committee kept the para pending for inquiry by Administrative Department. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early compliance of Committee's directives.

(Para 59)

6.3.14 Overpayment due to higher rate - Rs 8.844 million

As per MRS, 4th quarter 2008 (October 2008 to December 2008) District Rawalpindi vide chapter 25 item No. 52 the rate of item of work "*Providing and fitting all types of glazed aluminum windows of anodised bronze colour partly fixed and partly sliding using deluxe sections of M/s Al-Cop or Pakistan Cables having frame size of 100 x 20 mm (4"x³/₄) and leaf frame sections of 50 x 20 mm (2"x³/₄"), all of 1.6mm thickness including 5 mm thick imported tinted glass with rubber gasket using approved standard latches, hardware etc., as approved by the engineer in charge*" was Rs 292.47 per sft.

Chairman Board of Intermediate & Secondary Education Rawalpindi got executed and paid a non-standardized item of work "*Providing and fitting all types of double glazed aluminium windows of anodised bronze colour partly fixed and partly sliding using deluxe sections of M/s Al-Cop or Pakistan Cables having frame size of 101 x 30 mm (4"x³/₄) and leaf frame sections of 45 x 25 mm (2"x³/₄"), all of 1.6mm thickness including 5 mm thick imported tinted glass with rubber gasket using approved standard latches, hardware etc., as approved by the engineer in charge*" @ Rs 680 per sft. Whereas the same item of work was available in MRS, 4th quarter 2008 (October 2008 to December 2008)

District Rawalpindi @ Rs 292.47 per sft. The department should have taken the rate of Rs 292.47 per sft. Hence the excess rate of Rs 387.53 per sft (Rs 680-Rs 292.47) was allowed.

Violation of MRS resulted in overpayment of Rs 8.844 million.

Audit pointed out the overpayment in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that as no specifications (bare minimum quality) were referred/ available for standardized item of work, so the work was taken as non-standardized to achieve and ensure specified quality of works by using special anodized sections conforming to ASTM standards with all accessories. Audit did not agree with the departmental version and argued that same item was available in MRS which should have been got executed. The Committee directed that responsibility for overpayment may be fixed and recovery may be made from the person(s) at fault. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery besides disciplinary action against the delinquents.

(Para 43)

6.3.15 Un-authentic payment due to deviation of revised estimate - Rs 1.220 million

As per rule 2.20 of PFR volume-1, every payment including repayment of money previously lodged with government for whatever purpose, must be supported by a voucher setting forth full particulars of the claim.

Chairman Board of Intermediate & Secondary Education Rawalpindi got executed the items "*Hallow block masonry upto the height of 71"-10"*". Whereas the items RCC and cement plaster (1:4) & (1:5) were got executed upto the height of 95"-10" & 84"-10" respectively.

Hence the excessive measurement of RCC and cement plaster was irregular.

Violation of Punjab Financial Rules resulted in irregular/unauthentic payment of Rs 1.220 million.

Audit pointed out the irregularity in May 2017. The department did not reply.

The para was discussed in SDAC meeting held on 07.08.2017. The department stated that last storey level of main building involves works like RCC, Plasterwork etc but not Block Masonry whereas the 2nd last storey level also involves block masonry. Audit argued that as per revised estimate, the above items were required to be got executed up to same height and all the works had already been completed before the commencement of audit. The Committee kept the para pending till calculation of final quantities of the items under objection. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early verification of the record or recovery may be made from the contractor.

(Para 38)

CHAPTER - 7

FOREIGN AIDED PROJECTS

7.1 Introduction

During year 2017-18, Certification Audit of Foreign Aided Projects under the jurisdiction of this office was planned and resultantly sixteen (16) Foreign Aided Project Reports were issued to the Development Partners and the Principal Accounting Officers. Out of these projects, 03 (three) projects were sponsored by World Bank, eight (08) by ADB, one (01) China, one (01) France, two (02) Italian Government and one (1) JICA. Total expenditure amounting to Rs 34,045.925 million was audited by this office. The Certification Audit Reports of these projects were sent to the respective Development Partners through OAGP and the Economic Affairs Division.

7.2 Budget and Expenditure

The budget and expenditure of Foreign Aided Projects for the financial year 2016-17 is given below:

S #	Name of Project	Development Partner	PAO	Budget	(Rs in million) Expen-diture
1	Punjab Barrages Improvement Phase-II (Rehabilitation and Modernization of Jinnah Barrage) Loan No.7900-PAK	World Bank	Secretary Irrigation	924.658	924.658
2	Punjab Irrigated Agricultural Investment Programme Tranche-3 Loan No.2971	Asian Development Bank	Secretary Irrigation	1,048.656	964.217
3	Jalalpur Irrigation Project Design Advance (LBDCIP) Loan No.IDA 6006 -PAK	Asian Development Bank	Secretary Irrigation	94.006	94.006
4.	Punjab Irrigated Agricultural Sector Development Tranche-2 New Khanki Barrage Construction Project Loan No.2841-PAK-SF	Asian Development Bank	Secretary Irrigation	3,667.704	3,676.612
5	Trimmu Punjnad Barrages Improvement Project for Rehabilitation and Upgradation of Trimmu Barrage and Punjnad Headworks Loan No.3159 & 3160-PAK (SF)	Asian Development Bank	Secretary Irrigation	1,941.965	1,976.729

6	Lower Bari Doab Canal Improvement Project Loan No.2299 L3351	Asian Development Bank	Secretary Irrigation	3,705.614	3,705.614
7	Punjab Irrigation Agricultural Investment Programme Loan N0.2300-PAK (SF)	Asian Development Bank	Secretary Irrigation	170.541	170.541
8	Punjab Irrigation System Improvement Project (PISIP) (Loan No.PK-59)	JICA	Secretary Irrigation	82.104	36.625
9	Disaster & Climate Resilience Improvement Project (Irrigation Component) IDA Credit No.5686-PAK	World Bank	Secretary Irrigation	1,234.807	342.731
10	Flood Restoration Works in Rahim Yar Khan Canal Circle, Public Section (Project Code 28.00)	Italy	Secretary Irrigation	431.830	313.696
11	Flood Emergency Reconstruction Project Punjab Component (C&W, P&D, Irrigation Components)	Asian Development Bank	Secretary C&W, Irrigation	2,704.559	2,622.696
12	Punjab Cities Governance Improvement Project Loan No.IDA-51530	World Bank	Secretary HUD&PHE	11.888	8.474
13	Extension of Water Resources (Phase-I) Faisalabad Loan No.B870A1002	France	Secretary HUD&PHE	324.259	324.259
14	Renewable Energy Development Sector Investment Programme Loan No.2286	Asian Development Bank	Secretary Energy	1,023.732	1,021.280
15	Orange Line Metro Train Project Lahore	Republic China	Secretary Transport	17,845.485	17,787.526
16	Sustainable Social Economic and Environmental Revitalization in Historic City Multan (Phase-II) Loan Code No.8.10	Italy	Secretary LG&CD	111.790	76.261
			Total	35,323.598	34,045.925

Source: Financial statements of the projects.

7.3 AUDIT PARAS

7.3.1 ADB Loan No.3159 & 3160-PAK-SF: Trimmu Punjnad Barrages Improvement Project for Rehabilitation and Upgradation of Trimmu Barrage and Punjnad Headworks

7.3.1.1 Unauthentic market rates of mechanical works - Rs 2,065.762 million

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

Project Director “Rehabilitation and Upgradation of Trimmu Barrage and Punjnad Headworks” got approval of sanctioned estimate for Rs 16,800 million on the basis of MRS 1st biannual 2013 District Jhang. Under component “Mechanical Works” market rates/cost of various items and equipments were calculated as Rs 852.595 million without any detail/backup data as well as rate analysis. Later on, another Engineer’s Estimate was prepared on MRS for 2nd biannual 2014 District Jhang (un-approved) and cost of all items/equipment was enhanced to Rs 2,065.762 million without any justification and approval of the competent authority.

Violation of Finance Department’s instructions resulted in application of unauthentic market rates for Rs 2,065.762 million.

Audit pointed out the unauthentic market rates in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that the estimate was based on two volumes. One volume was abstract wise and second detail wise. Audit informed the

Committee that rates approved were unauthentic as no rate analysis/backup of mechanical items were prepared and shown to Audit for checking the accuracy of rates. The Committee directed the department to produce detail/backup of some items to Audit for verification. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 16 FAP AIR 2017-18)

7.3.1.2 Irregular enhancement of technical sanction rates - Rs 1,712.303 million

As per Finance Department No.RO(TECH)FD/2-6/98 dated 21.10.2006, approved scheme shall be technically sanctioned on the rates on which the scheme was administratively approved, irrespective of any change in market rates at the time of technical sanction.

Examination of record of the project "Rehabilitation and Upgradation of Trimmu Barrage and Punjab Headworks" revealed that administrative approval was accorded by the Secretary I&P vide No SO (Prog)1-27/2013/(P-II) Dated 17.10.2014 for Rs 16,800 million on the rates of 1st biannual 2013 District Jhang. Accordingly, sanctioned estimate was approved by the Head PMO vide No 510/HPMO/PMO Dated 29.08.2014 for Rs 16,800 million. Audit observed that while bid evaluation, sanctioned/approved rates of various items were applied as per rates of 2nd biannual 2014 District Jhang without any justification and approval of the competent authority/forum to provide financial benefit to the contractor.

Violation of Finance Department's instructions resulted in irregular increase in sanctioned rates for Rs 1,712.303 million.

Audit pointed out the irregularity in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that revision of administrative approval was under process. Audit informed the Committee that TS rates were enhanced without approval of the competent authority/forum just to provide benefit to the contractor. The Committee directed the department to get the revised administrative approval verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 4 FAP AIR 2017-18)

**7.3.1.3 Loss due to higher rate of concrete and sheet piles-
Rs 54.641 million**

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

7.3.1.3.1 During audit of the project "Rehabilitation and Upgradation of Trimmu Barrage and Punjnad Headworks", it was observed that item "*providing and laying reinforced concrete 4000 PSI*" under Sub-Head "Additional Bays and Divide Wall" was not provided in the original TSE. However, in comparative statement/bid evaluation report quantity of 316 % cft of above item @ Rs 37,917 per % cft was added by the department (rate analysis not produced). Audit had calculated the market rate of said item on the pattern of approved rate analysis adopted by the department for another project "Construction of New Khanki Barrage and Auxiliary Works", executed by same office to Rs 29,536 per % cft instead of Rs 37,917 per % cft applied by the department.

Violation of Finance Department's instructions resulted in loss of Rs 32.045 million as below:

Rate applied	Correct rate	Excess rate	Quantity	Loss
Rs 37,917 per %cft	Rs 29,536 per %cft	Rs 8,381 per %cft	3,823,612 cft	Rs 32,045,692

Audit pointed out loss in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that the variation statement was under process. Audit informed the Committee that incorrect/higher rate was applied, which resulted in calculation of project cost on higher side and burden on public exchequer/money. The Committee directed the department to get the rate analysis and variation statement verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends fixing responsibility and action against responsible person(s) beside recovery of loss.

(Para - 11 FAP AIR 2017-18)

7.3.1.3.2 Project Director “Rehabilitation & Upgrading of Trimmu Barrage and Panjnad Headworks” approved non-standardized rate of Rs 394.94 per kg for item “*providing and installing AU 20 Sheet piles*” with 10.30 ton steel instead of 10.00 ton steel as approved/used by the same PD in another project “Construction of New Khanki Barrage and Auxiliary Works”.

Violation of Finance Department's instructions resulted in loss of Rs 22.595 million as given below:

Rate applied	Correct rate	Excess rate	Quantity	Loss
Rs 394.45 per kg	Rs 384 per kg	Rs 10.45 per kg	2162247 kg	Rs 22,595,481

Audit pointed out loss in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that payment was made as per actual quantities of work measured and verified by the Engineer. Audit informed the Committee that for same item executed in construction of Khanki Barrage, rate was approved by same PD with 10 ton steel but in Trimmu Barrage, extra quantity of 300 kg steel was excessively approved and paid without any justification. The Committee upheld the viewpoint of Audit and directed the department to justify the excess use of steel and also call explanation of the responsible. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of loss besides action against the responsible person(s).

(Para - 3 FAP AIR 2017-18)

7.3.1.4 Loss due to unjustified reduction in credit of old barrage material - Rs 39.575 million

As per para 9 (i) of Chapter 18.1 of specification of execution of work 1967, all demolished material will be the property of Govt. and shall either be disposed of or cost of dismantled material would be recovered from the contractor.

Project Director "Rehabilitation and Upgradation of Trimmu Barrage and Punjnad Headworks", approved credit of old parts/material of existing barrage for Rs 105.710 million in TSE under component "Mechanical Works". Audit observed that in comparative statement the department reduced the credit of old parts/material to Rs 66.135 million without any justification and approval of the competent authority.

Violation of standard specifications resulted in loss of Rs 39.575 million.

Audit pointed loss in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that once the bids were opened and accepted the rates mentioned in the Engineer's Estimate/ TSE automatically become inapplicable. Audit informed the Committee that no detail of credit of mechanical parts initially proposed and later on reduced, was available on record and shown to audit and credit of mechanical equipments/ parts was reduced without any justification to provide benefit to the contractor. The Committee upheld the view point of Audit and directed the department to justify the reduction in credit with documentary proof. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends fixing responsibility and action against responsible person(s) beside recovery of loss.

(Para - 7 FAP AIR 2017-18)

7.3.1.5 Loss due to application of higher rates in bid evaluation - Rs 8.841 million

As per para 2.33 of Punjab Financial Rules Volume I, every government servant shall realize fully and clearly that he would be held responsible personally for any loss sustained by government due to negligence on his part or any other subordinate.

Project Director "Rehabilitation & Upgrading of Trimmu Barrage and Panjnad Headworks" got approval of non-standardized rate of Rs 35,264 Per % cft for item "*providing and laying reinforced concrete 4000 PSI*". However, another Engineer's Estimate (unapproved) was prepared by the department on MRS rates for 2nd biannual 2014 District Jhang, wherein, item rate of Rs 35,119 per % cft was applied. But in comparative statement/bid evaluation estimated rate of above item was incorrectly applied as Rs 37,230 per % cubic feet each instead of correct rate of Rs 35,119 per % cubic feet and undue benefit was provided to the contractor.

Violation of rules resulted in loss of Rs 8.841 million as below.

Rate applied	Correct rate	Excess rate	Quantity	Loss
Rs 37,230% cft	Rs 35,119% cft	Rs 2,111% cft	4188.00 cft	Rs 8,840,868

Audit pointed out loss in August 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 30.10.2017. The department stated that revision of administrative approval was under process. Audit informed the Committee that incorrect/higher rate was applied, which resulted in calculation of project cost on higher side and burden on public exchequer/money. The Committee directed the department that rate analysis and revised administrative approval got verified from Audit. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends fixing responsibility and action against responsible person(s) beside recovery of loss.

(Para - 15 FAP AIR 2017-18)

7.3.2 PIDSA Project Code 28.00: Flood Restoration Works in Rahim Yar Khan Canal Circle, Public Section

7.3.2.1 Irregular finalization of incomplete work - Rs 77.739 million

As per Clause 10 & 39 of contract agreement, the contractor would execute the whole and every part of the work in the most substantial and workman like manner within stipulated period and in case of any failure he would be liable for penalty.

During audit of the project “Flood Restoration Works in Rahim Yar Khan Canal Circle, Rahim Yar Khan” it was noticed that Executive Engineer, Rahim Yar Khan Canal Division, Rahim Yar Khan awarded a work during November 2012 for Rs 230.454 million with completion period of one year i.e. up to November 2013. Audit observed that since start, progress of work was very slow and contractor failed to complete the work as per provision of contract agreement. The department instead of

taking action against the contractor, paid 8th & final bill for Rs 152.715 million during July 2015 for incomplete scope of work without any justification and approval of competent authority for finalization of work.

Violation of contract agreement clauses resulted in irregular finalization of incomplete work amounting to Rs 77.739 million.

Audit pointed out the irregularity in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that scope of work was reduced due to change in behavior of river. The PC-I was got revised and on the completion of all 3 packages, RTSE would be obtained. Audit argued that scope of work was reduced without approval of competent authority. The Committee directed the department to get variation order approved from the competent authority by 10th November 2017 and obtain the orders of the competent authority for finalization of incomplete work. The variation order should be incorporated in revised TSE. The compliance of Committees' directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 24 FAP AIR 2017-18)

7.3.2.2 Loss due to non-opening of interest bearing bank account – Rs 48.971 million

As per clause 3.2 (h) of Financial Management Guide (FMG), all projects shall open an interest-bearing account in the name of the project, dedicated exclusively to Pakistan-Italian Debt for Development Swap Agreement (PIDSA) funds. For each project, there shall be only one account where all PIDSA funds shall be maintained.

Project Director "Flood Restoration Works in Rahim Yar Khan Canal Circle, Rahim Yar Khan", for receipt and disbursement of project funds opened Account # 4017763830 in National Bank of Pakistan, Rahim Yar Khan. Funds amounting to Rs 431.831 million were credited in said

bank against which an amount of Rs 313.696 million was drawn for payment to the contractors upto June 2015. Audit observed that since June 2015 amount of Rs 118.134 million was available in bank account as unspent balance but as per bank statement for June 2017, no profit/interest was added on unspent balance. Opening of non-interest bearing account resulted in loss of Rs 48.971 million in shape of non earning of interest.

Violation of Project Financial Management Guide resulted in loss of Rs 48.971 million.

Audit pointed out loss in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that bank authorities were requested to open sub-assignment account but they opened non interest bearing account according to their policy for government accounts. Audit informed the Committee that opening of interest bearing account was the requirement of PIDSA. The Committee directed the department to get clarification from PIDSA and produce record to Audit. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends action against responsible besides recovery of loss.

(Para - 8 FAP AIR 2017-18)

7.3.2.3 Loss due to non-execution of work at risk & cost – Rs 17.425 million

As per clause 60 and 61 of contract agreement, in case of failure of contractor to complete the work, he would be liable for penalty. Further, if he would not be able to complete work, the work would be rescinded and got executed through another contractor at the risk and cost of the original contractor.

During audit of the project “Flood Restoration Works in Rahim Yar Khan Canal Circle, Rahim Yar Khan” it was noticed that in

November, 2012 Executive Engineer, Dallas Canal Division, Rahim Yar Khan awarded a work for Rs 45.752 million with completion period of up to November 2013. The contractor failed to complete the work as per scope of work provided in contract agreement and last payment of Rs 28.327 million was made during July 2015 vide 6th & running bill. Audit observed that from last two years there was no activity at site and contractor had abandoned the work but department did not initiate any action against the contractor as per clauses 60 & 61 of contract i.e. rescindement of work and completion at the risk and cost of the original contractor.

Violation of contract agreement clauses resulted non-execution of work worth Rs 17.425 million at the risk & cost of defaulting contractor.

Audit pointed out loss in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that the contractor had lodged a case in Lahore High Court and till the decision of the court, work could not be rescinded. Audit informed the Committee that last payment to the contractor was made during July 2015, since then contractor had abandoned the work. The court case was filed during May 2017 but for two years department did not initiate any action against the contractor. The Committee upheld the view point of Audit and directed that Chief Engineer Bahawalpur Zone would appoint a Superintending Engineer of a circle, other than concerned circle, for technical probe of the case besides expediting effort for early disposal of court case. The compliance of SDAC's directive was not reported till finalization of the report.

Audit recommends early completion of the project besides action against the responsible person(s).

(Para - 2 FAP AIR 2017-18)

7.3.2.4 Overpayment due to application of higher rate - Rs 12.786 million

As per note-I under rule 7.28 of Department Financial Rules read with PAC directives dated 05.12.1994 and 16.04.2007 the contractor would be paid for the item of work at the rate, agreed with the department at the time of award of work and lead cannot be changed after the sanction of estimate.

Examination of the record of project “Flood Restoration Works in Rahim Yar Khan Canal Circle Rahim Yar Khan” revealed that Executive Engineer, Khan Pur Canal Division, Khan Pur got approved quantity of 4,887,168 cubic feet with lead of 300 feet for item “*earthwork bawrropit excavation dressed*” @ Rs 1,898.30 % cft in approved PC-I and TSE. The contractor quoted rate of Rs 1,803.57 % cft i.e. 4.99 % below the estimated rate. Audit observed that during execution of work the department irregularly enhanced the lead and paid quantity of 7956182 cubic feet with 1 mile lead @ Rs 3,316.04 % cft and 437955 cft with 1.5 mile lead @ Rs 3,522.04 % cft respectively in violation of provision of PC-I, TSE and the contract agreement.

Violation of rules resulted in overpayment of Rs 12.786 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that earthwork was executed as per site requirement and variation order was also obtained from the competent authority. Audit contended that 300 feet lead was changed to 1 mile in violation of contract agreement and PAC’s decision. The Committee upheld the view point of Audit and directed the Chief Engineer Bahawalpur Zone for technical probe by Superintending Engineer of another circle of I&P department. The compliance of SDAC’s directive was not reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against person responsible(s).

(Para - 6 FAP AIR 2017-18)

7.3.2.5 Un-due financial benefit due to non-obtaining of bid security– Rs 2.297 million

As per Rule 25 of Punjab Procurement Rules 2009, the procuring agency may require the bidders to furnish bid security not exceeding 5% of bid price.

Executive Engineer, Dallas Canal Division, RahimYar Khan awarded work “Restoration of Minchin Flood Bund RD 262+00 to 310+00 to Design Parameters (Package-III).”, in November 2012 for Rs 45.948 million. Audit observed that as per provision of Punjab Procurement Rules, the department did not obtain bid security equal to 5% of the agreement amount / tendered cost.

Violation of Punjab Procurement Rules resulted in undue financial benefit to the contractor for Rs 2.297 million.

Audit pointed out undue financial benefit in September 2017. The department stated that bid amount of the contractor was 4.99 % below and there was no need to obtain performance security. The reply was not tenable because audit had objected non-obtaining of bid security as per provision of PPR 2009 to safeguard the interest of government. Moreover, from last two years no activity was going on at site and the contractor had absconded the work/absconded.

The para was also discussed in SDAC meeting held on 03.11.2017, wherein the department reiterated its earlier reply Audit contended that as per PPRs 2009, 5% bid security was required irrespective of cost of work. Audit contended that the department had extended undue financial benefit to the contractor by putting the interest of government at stake. The Committee upheld the view point of Audit and directed that department would refer the case to Finance Department for clarification and produce

the record to Audit. The compliance of SDAC's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 17 FAP AIR 2017-18)

7.3.2.6 Unjustified payment of earthwork dressing without record measurement - Rs 1.548 million

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

Executive Engineer, Khan Pur Canal Division, Khan Pur measured and paid quantity of 9,563,923 cft for item "*earth work borrowpit undressed lead 1 mile*" @ Rs 3,154.09 per %o cft and lead 1.5 mile @ Rs 3,360.27 per %o cft upto 8th running bill. Audit observed that in abstract of cost of 9th running bill at page-80 of MB # 1012 quantities already recorded and paid as un-dressed were paid at higher rate as dressed without any record entries and justification.

Violation of rules resulted in unjustified payment of Rs 1.548 million.

Audit pointed out unjustified payment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that earthwork was executed on bank and slopes, which was properly dressed. Audit contended that upto 8th running bill the earth work was measured and paid as undressed. But in the abstract of cost of 9th running bill, earthwork was shown as dressed without recording any measurement of dressing. The Committee directed the department to obtain certificate from consultant i.e., NESPAK about dressing of earth

work and produce to Audit for verification. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 4 FAP AIR 2017-18)

7.3.2.7 Non-recovery of price de-escalation due to decrease in rate of diesel - Rs 1.288 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.

Executive Engineer, Rahim Yar Khan Canal Division, RahimYar Khan and Executive Engineer, Khanpur Canal Division, Khanpur allotted works during November 2012. Audit observed that at the time of award of work base rate of diesel was Rs 113 per liter, which decreased to Rs 92.24 per liter during the execution of work. The department did not effect recovery of de-escalation in price of diesel as per provision of contract clause.

Violation of contract clause resulted in non-recovery of Rs 1.288 million.

Audit pointed out non-recovery in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that in one case actual recovery worked out was Rs 0.187 million instead of Rs 0.970 million and in other case no price escalation was paid to the contractor. Audit informed the Committee that during the contract period, rates of other items like labour and bajri did not increase and escalation was not payable to the contractor. The Committee in one case reduced the amount of audit observation to Rs 0.187 million

and directed the department to effect recovery. In other case, department was directed to prepare final statement and effect recovery within 30 days and get it verified from Audit. The compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(Para - 3 & 10 FAP AIR 2017-18)

7.3.2.8 Overpayment due to incorrect rate of bajri - Rs 1.052 million

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

Executive Engineer, Khan Pur Canal Division, Khan Pur got approved non-standardized rates and made payment for item "*providing and laying bajri of size 1/8" to ½" and of size ½" to 2"* @ Rs 5,469.73 and Rs 6,477.07 per % cubic feet by allowing separate rates of breaking of stone into required sizes. Audit observed that the department incorrectly calculated and paid higher rates instead of correct rate of Rs 4,555.73 per % cubic feet and Rs 4,676.68 per % cubic feet because rate of required sizes of bajri i.e. 1/8" to ½" and of size ½" to 2" was available in material input rates of 1st quarter 2011 for district R.Y Khan vide item # A1 and A2 of additional items.

Violation of rules resulted in overpayment of Rs 1.052 million.

Audit pointed out the overpayment in September 2017. The department did not reply.

The para was also discussed in SDAC meeting held on 03.11.2017. The department stated that rate was paid correctly and payment was made after verification by the consultant. Audit contended that incorrect / higher rate was paid in violation of direction of the FD. The Committee upheld the view point of audit and directed the Chief Engineer Bahawalpur Zone

for technical probe by Superintending Engineer of another circle of the department. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early recovery besides action against persons responsible.

(Para - 14 FAP AIR 2017-18)

7.3.3 ADB Loan No. 2286-Pak: Renewable Energy Development Sector Investment Programme

7.3.3.1 Non-rectification of defective items - Rs 144.256 million

According to rule 2.10 (a) of PFR 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.

PPMU (REDSIP), withheld an amount of Rs 144.256 million (US\$ 2,453,926) while making payment to the contractor in different IPCs due to defective items of work on the report of the consultant. Defects were not rectified despite lapse of considerable period. Detail is given in the table below:

Sr No.	Name of Works / Projects	IPC No / dated	Work Done	Amount withheld
1	Procurement of Plant, Design, Supply & Installation of Marala Hydropower Project MHP ICB No.Pb.001 Loan No. 2286-PAK	39/28-03-17	Rs 365,528,452 & US\$ 17,130,675	Rs 35,616,880 & US\$ 587,599
2	Procurement of Plant, Design, Supply & Installation of Chianwali Hydropower Project DHP ICB No.Pb.002 Loan No. 2286-PAK	31/15-12-17	Rs 227,208,761 & US\$ 9,762,863	Rs 56,603,711 & US\$ 1,258,914
3	Procurement of Plant, Design, Supply & Installation of DEG Outfall Hydropower Project DHP ICB No.Pb.003 Loan No. 2286-PAK	30/06-12-16	Rs 200,867,904 & US\$ 9,821,211	Rs 32,987,544 & US\$ 3448,522
4	Procurement of Plant, Design, Supply & Installation of Pakpattan Hydropower Project DHP ICB No.Pb.005 Loan No. 2286-PAK	24/15-12-17	Rs 133,672,265 & US\$ 5,786,827	Rs 19,048,585 & US\$ 258,891
TOTAL			Rs 927,277,382 & US\$ 42,501,576	Rs 144,256,720 & US\$ 2,453,926

Violation of rules resulted in non-rectification of defective items of work worth Rs 144.256 million.

Audit pointed out non-rectification of defective items in August 2017. The department replied that these payments were withheld due to some cogent reasons and could not be paid unless work done was properly verified by the Project Management Consultants. The outstanding claims would be settled in accordance with the relevant provisions of the contract. The reply was not tenable as detail of defective items, incomplete work and non-provided items was not produced.

The matter was discussed in SDAC meeting held on 27.10.2017. The department stated that detail required by Audit was available for verification. The facts were re-verified in detail but no documentary proof showing rectification of defective work, completion of incomplete work, rejection of reclaim amount and provision of non-provided items in BOQ were shown to Audit.

Audit recommends early compliance of Committee's directives.

(Para - 7 FAP AIR 2017-18)

7.3.3.2 Non-recovery of compensation for delay – Rs 217.863 million

As per section 26.2 of Special Condition of Contract, if the contractor fails to complete the work in stipulated period, he shall pay compensation for delay @ maximum 10% of amount of Contract Price.

Project Director, Renewable Energy Development Sector Investment Programme awarded the work procurement of plant, design, supply and installation of Chianwali Hydropower Project to M/S Sinotec-Shpe JV, on 26.11.2012 with completion period of 1080 days i.e. from 11.04.2012 to 26.11.2015. The contractor failed to complete the work

within the stipulated period despite lapse of 639 days beyond the agreement time. The department neither granted extension in time limit nor imposed penalty.

Violation of condition of contract resulted in non-recovery of Rs 217.864 million (Rs 339,239,552 x 10% & US\$ 21,142,519 x 10% x Rs 87 per dollar).

Audit pointed out non-recovery in August 2017. The department replied that the contracts were signed in year 2012-13 and the expected original completion dates were between 2014-16. There had been a delay in the completion of these projects for various reasons. At the time of granting of EOT, all the events of delay on behalf of contractor would be considered and due amount would be recovered from the contractor.

The matter was discussed in SDAC meeting on 27.10. 2017. The department reiterated its earlier reply. The Committee directed the department that actual recovery be made after determining amount of liquidated damages and get the same verified from Audit. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early recovery.

(Para - 8 FAP AIR 2017-18)

7.3.3.3 Unauthorized payment on account of security for project areas - Rs 48.397 million

The item of work "Security measures in project areas" was not provided in the BOQ / PC-I.

Project Director, Renewable Energy Development Sector Investment Programme made payment of Rs 48.397 million to the contractor on account of "Security Measures in Project Areas", which was not provided in the BOQ / PC/I. Audit observed that the security of work / site of work / material was the responsibility of the contractor and no payment was due to the contractor.

Violation of BOQ / PC-I resulted in unauthorized payment of Rs 48.397 million.

Audit pointed out unauthorized payment in August 2017. The department replied that due to deteriorating condition of law and order and the fact that Chinese personnel were working on all four projects, it was decided to enhance the security measure on various sites over and above normal security measures already adopted by the contractor. The reply was not tenable as the same item was not provided in BOQ. The payment was made without prior approval of the competent authority.

The matter was discussed in SDAC meeting on 27.10.2017. The department reiterated its earlier reply. Audit informed the Committee that security arrangements were the responsibility of the contractor. The Committee did not agree with the contention of the department and referred the case to Finance Department for clarification / regularization. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 14 FAP AIR 2017-18)

7.3.4 ADB Loan No.2841-Pak (SF): Punjab Irrigated Agriculture Investment Program (PIAP) Tranche-2 for New Khanki Barrage Construction Project

7.3.4.1 Non-recovery of dismantled material - Rs 147.442 million

As per provision of approved PC-I and engineer's estimate item 8.7 under sub-head "dismantling of existing head works" (Bill No.8) for the dismantled quantity of stone credit of retrieved stone 40% was to be reused.

Scrutiny of IPC No.44 paid in June 2017 revealed that under head "Dismantling of existing head works" quantity of 64908.471 cft and 14313.152% cft for the items "*dismantling of stone or spawl pitching and apron*" and "*dismantling of stone masonry in lime or cement mortar*" was

paid to the contractor but as per provision of approved PC-I neither credit of 40% stone was given to work nor recovery of stone was made from the contractor.

Violation of provision of PC-I resulted in non-recovery of Rs 147.442 million.

Audit pointed out non-recovery in July 2017. The department replied that contractor was required to give credit of dismantled stone under BOQ item. The contractor had failed to enter a rate or price which would be deemed to be recovered in other BOQ items. The reply was not acceptable because credit for cost for dismantled material was not effected from the contractor.

The para was also discussed in SDAC meeting held on 30.10.2017. The department reiterated its earlier reply. The Committee did not accept the view point of the department and directed the Project Director for technical probe into the matter. The compliance of the Committee's directive was not reported till finalization of the report.

Audit recommends early recovery of cost of dismantled material.

(Para - 15 & 19 FAP AIR 2017-18)

7.3.4.2 Overpayment due to allowing inadmissible items in rate analysis – Rs 26.818 million

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer / Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer / Director on the basis of input rate / MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny / standardization.

Examination of IPC No. 43 revealed that quantity of 11,853,340 cft each was paid for “*Borrowed Soil*”. Audit observed that in rate analysis cost of soil or borrowed soil was provided in material portion @ Rs 4 per cft which was not admissible because only lead and other activities were admissible.

Violation of instructions of Finance Department resulted in overpayment of Rs 26.818 million.

Audit pointed out the overpayment in July 2017. The department replied that payment was made in accordance with the provision of the contract and not in accordance with rates of TSE. Payment made to the contractor was valid and there was no overpayment involved. The reply was not tenable because borrowed soil provided @ Rs 4 per cft was not admissible (as per template of the finance department relating to borrowed soil).

The para was also discussed in SDAC meeting held on 30.10.2017. The department reiterated its original reply. The Committee was not convinced with the reply and directed the Head PMO Barrages for technical probe. The compliance of the Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(Para - 2 FAP AIR 2017-18)

7.3.5 ADB Loan No.3264: Flood Emergency Reconstruction & Resilience Project

7.3.5.1 Non-production of record

According to Section 14 (2) of Auditor General’s (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. Also,

Section 14(3) of AGP Ordinance requires that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Executive Engineer, Highway Division, Rawalpindi did not produce record for audit scrutiny pertaining to “Flood Emergency Reconstruction and Resilience Project Loan No.3264”. The requisition of record was forwarded by the Project Implementation Unit, FERRP, (C&W department), Lahore vide his letter No.1453/64 dated 10.08.2017 for production of record to audit team. But no record was produced to Audit Team. Resultantly audit of the division could not be conducted.

Violation of Auditor General’s (Functions, Powers and Terms & Conditions of Service Ordinance 2001 resulted in non-production of record involving millions of rupees.

Audit pointed out non-production/concealment of record in August 2017. The department did not reply.

The matter could not be discussed in the SDAC meeting held on 26th October, 2017 because the Executive Engineer, Highway Division Rawalpindi did not attend the meeting. The Committee took it seriously and directed the Project Director to investigate the matter and fix the responsibility against the delinquents within 15 days. The compliance of Committee’s directive was not reported till finalization of the report.

Audit recommends early disciplinary action against the defaulters.
(Para – 114 FAP AIR of 2016-17)

7.3.5.2 Non-recovery for de-escalation of bitumen and diesel - Rs 20.050 million

As per clause 55(1) of the contract agreement where any variation (increase or decrease) to the extent of 5% or more in the price of any of the item mentioned in sub-clause (2) takes place after the acceptance of

tender and before the completion of contract, the amount payable under the contract would be adjustable to the extent of the actual variation in the cost of the item concerned.

Project Director, (C&W Component) made payments to the contractors according to the work done. Audit observed that price of bitumen and diesel decreased during execution of work but the department did not effect recovery in violation of criteria ibid.

Violation of contractual obligation resulted in non-recovery of Rs 20.050 million (Annex-XXX).

Audit pointed out non-recovery in August 2017. The department did not reply.

The paras were also discussed in the SDAC meeting held on 26.10.2017. The department stated that schemes were completed physically at site however the final bills were under process and if any recoveries were due, these would be recovered from final bills. Audit informed the Committee that under contractual obligation the department was required to effect the recovery of de-escalation in running bills. The Committee directed the department to effect the recovery within 15 days. The compliance of Committee's directive was not reported till finalization of report.

Audit recommends early recovery and its verification.

(Paras – 20,22,23,26,30,31,30,39,40,41,43,46,47,50,52,54,59,60,61,63, 71,78,80,82, 84, 87,99,100,101,104,105,106,107,108,109,110,115,116,117,118,119 – C&W FAP AIR 2017-18)

7.3.6 *Loan from Peoples Republic of China: Lahore Orange Line Metro Train Project*

7.3.6.1 Non-production of record

As per section 14(2&37) of Auditor General of Pakistan's (Functions, Powers, Terms & Conditions of Services) Ordinance 2001, the

officer in-charge of any office or department shall afford all facilities and provide record for audit inspection. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall personally be responsible and dealt with under relevant Efficiency & Discipline Rules.

Managing Director, PMA did not produce the following record to Audit:

- I. Loan Agreement of the project.
- II. Inter government Framework Agreement.
- III. Expenditure statement and Bank statement of project funds used by the LDA.

Violation of Auditor General's (Functions, Powers and Terms & Conditions of Service Ordinance 2001 resulted in non-production of record.

Audit pointed out non-production in August 2017. The Authority did not reply.

The para was also discussed in SDAC meeting held on 01.11.2017. The Authority stated that Loan Agreement and the Inter-Governmental Framework Agreement were signed by the authorized agents of the Government of Pakistan in Economic Affairs Division. The Framework Agreement was adjudged to be a privileged document by the Honorable Lahore High Court in its Order dated 10.05.2016 and Loan Agreement of the Project contained confidentiality clauses. The Committee after detailed deliberation directed the Authority to produce clauses of Loan agreement about confidentiality and orders of the Lahore High Court to audit within one week. The same were produced by the Authority through its confidential letter addressed to EAD vide No.PMA-FW.AUD-056/2014-15 dated 02.11.2017. However, in absence of the loan agreement Audit could not express opinion on the financial statement.

Audit recommends early production of record.

(Para - 9 FAP AIR 2017-18)

7.3.6.2 Unjustified payment of extra cost due to civil work sub-letting US\$ 12.260 million

As per clause 3 of commercial contract, the civil work part of the project will be sublet to the Employer, worth US\$ 535,000,000 and E&M Works shall be US\$ 922,500,000 payable to EPC contractor.

Examination of record maintained in the office of Managing Director, Punjab Masstransit Authority (PMA) revealed that civil work of the project was sublet to LDA on behalf of main contractor CR-NORINCO, who was executing the E&M works of the project. Audit observed that management incorrectly allowed extra cost amounting to US\$ 12.260 million to the main contractor due to civil works subletting without any justification. Besides break down of cost approved in PC-I had not been shown to audit for scrutiny and verification of facts.

Violation of contract clause resulted in unjustified payment of US\$ 12.260 million.

Audit pointed out unjustified payment in August 2017. The Authority did not reply.

The para was also discussed in SDAC meeting held on 01.11.2017. The Authority stated that some part of civil works was not sublet to the civil contractors and included in the scope of works of the E&M contractor which he was obligated to execute within the aforementioned E&M costs. Audit informed the Committee that detail of civil work to be executed by the E&M contractor was not shown for verification of facts. The Committee directed the Punjab Masstransit Authority (PMA) to produce the complete record to Audit within one week. No compliance of SDAC directive was reported till finalization of the report.

Audit recommends early justification otherwise recovery of amount involved.

(Para - 6 FAP AIR of 2017-18)

7.3.6.3 Loss due to less recovery of income tax – US\$ 1.528 million

As per Income Tax Ordinance 2001 section 153 “Payments for goods and services” (1) (b) every prescribed person making a payment in full or part for the rendering of or providing of services shall at the time of making the payment deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule.

Managing Director, PMA deducted income tax in two cases on net amount arrived at after subtracting the amount of retention money from gross amount of IPCs. Audit observed that as per provision of Income Tax Ordinance, income tax was required to be deducted on gross amount including amount of retention money of IPCs payable to the contractor.

Violation of Income Tax Ordinance resulted in loss due to less recovery of income tax US\$ 1.528 million.

Audit pointed out the loss in August 2017. The Authority did not reply.

The para was also discussed in SDAC meeting held on 01.11.2017. The Authority stated that portion of retention money of an IPC was not payable until the issuance of taking-over certificate and it was not included in the gross amount payable to the contractor. In the second case the Authority explained that responsibility for scrutiny, checking, verifying and approving the IPC of the civil works contractors rested with NESPAK-CEC and PMA was just a conduit for transfer of loan withdrawals to LDA. Audit informed that IPCs of the civil contractors were submitted to PMA for onward submission to China Exim Bank and it was the responsibility of the PMA to recover the government taxes as per Income Tax Ordinance, 2001. The Committee upheld the view point of Audit and directed the Punjab Masstransit Authority to recover/adjust income tax from next IPCs of the contractors as well as consultants and get it verified from Audit. The compliance of Committee’s directive was not reported till finalization of the report.

Audit recommends early recovery.

(Para - 4 & 8 FAP AIR 2017-18)

7.3.6.4 Loss due to incorrect approval of mega project allowance - US\$ 1.478 million

As per rule 2.10(a) of PFR the disbursing officer and sanctioning authority should exercise same vigilance in respect of expenditure incurred from government revenue, as a person of ordinary prudence would exercise in respect of expenditure from his own money. It meant that government servant should always adopt cheaper and economical measures in the performance of his duty.

Managing Director PMA got approval of 4.16 % mega project allowance amounting to US\$ 1.478 million on escalation and miscellaneous items which was not admissible. Audit observed that management incorrectly allowed mega project allowance on these items and due to this incorrect loan amount was calculated on higher side without any justification.

Violation of financial rules resulted in loss of US\$ 1.478 million.

Audit pointed out the loss in August 2017. The Authority did not reply.

The para was also discussed in SDAC meeting held on 01.11.2017. The Authority stated that provisional sum was included in the PC-1 for escalation and miscellaneous items including design and supervision of civil works, review of E&M design etc. However, payment would be released on the said item as per relevant contract clause and not as per the amount included in the PC-1. Audit informed that mega project allowance was approved incorrectly which would result in excess drawl of loan and extra burden on public exchequer. The Committee upheld the view point of Audit and directed that Administrative Department would fix the responsibility for negligence and record would be produced to Audit for

verification. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early fixation of responsibility and amendment in PC-I.

(Para - 5 FAP AIR of 2017-18)

7.3.7 French Republic Loan No. B870a1002: Extension of Water Resources for Faisalabad City (Phase-I) Project

7.3.7.1 Misuse of project funds Rs 83.335 million

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

Project Director, awarded work "construction of water lagoon for surface treatment plant" to the contractor for Rs 218.435 million on 13.06.2015 to be completed within five months. Audit observed that during financial year 2015-16, payment of Rs 131.986 million was made to the contractor in February 2016 and balance work for Rs 83.335 million was incomplete. During financial year 2016-17, no payment for said work was made to the contractor as per financial statement. It was noticed that as per revised PC-I/A.A, approved GOP share for Rs 2,225.633 million (local component) was fully utilized but scope of work for Rs 83.335 million was not achieved, which showed that project funds were misused.

Violation of financial rules resulted in misuse of funds Rs 83.335 million.

Audit pointed out misuse of funds in September 2017. The Authority did not reply.

The para was also discussed in SDAC meeting held on 08.11.2017. The Authority explained that during the financial year 2016-17, an amount

of Rs 49.00 million was paid to the contractor from WASA's own sources and for clearing remaining amount of Rs 34.00 million, final bill was under process of approval and same would be also be cleared from WASA funds. Audit informed the Committee that during financial year 2015-16 development funds of the project Rs 83.335 million were irregularly used by WASA, Faisalabad and so far work was not completed as no expenditure was shown in financial statement of the project for the year 2016-17. The Committee upheld the view point of the Audit and decided that technical probe would be conducted by the administrative department within 30 days besides condonation of irregularity from the competent authority. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early compliance of Committee's directives.

(Para - 2 FAP AIR 2017-18)

7.3.8 IDA Credit No. 5153-Pak: Punjab Cities Governance Improvement Project

7.3.8.1 Misuse of project funds – Rs 326.698 million

As per Article II read with Section IV of Financing Agreement, the International Development Association (IDA) agrees to provide to the recipient, on the terms and conditions set forth or referred to in Financing Agreement, a credit/loan to assist in financing the project i.e. "Punjab Cities Governance Improvement Project" (PCGIP). The recipient may withdraw the proceeds of the financing only for project in accordance of Section IV.

Examination of record pertaining to PCGIP maintained in the office of Managing Director WASA, Faisalabad revealed that during financial year 2015-16 funds amounting to Rs 484.562 million were received against which expenditure of Rs 121.864 million was incurred for payment to contractors of 16 development works. Audit observed that remaining funds of Rs 326.698 million were not used on the project and WASA's management utilized funds towards claims not covered under the

project i.e. payment of salaries, medical bills, purchase of medicines, POL charges, electricity bills and other miscellaneous petty payments in violation of Financing Agreement.

Violation of Financing Agreement resulted in misuse of project funds Rs 326.698 million.

Audit pointed out misuse of funds during August 2016. The department did not reply.

The para was initially pointed out during 2016-17 and discussed in SDAC meeting held on 14.11.2016, wherein the Committee decided that Director General Monitoring & Evaluation, P&D Department Lahore would conduct detailed enquiry for misuse of funds within one month clearly fixing the responsibility and WASA Faisalabad would arrange the replenishment of funds. However, no inquiry as per decision of the SDAC was conducted and shown to Audit. The matter was again discussed in SDAC meeting held on 09.11.2017. The department stated that liability of PCGIP related funds had been cleared which might be verified. Audit informed the Committee that as per previous year's decision of SDAC, no inquiry was conducted and inquiry report was not shown to Audit. The Committee took it seriously and directed that P&D Department would enquire into the matter and record should be produced to Audit for verification within 15 days. The compliance of Committee's directive was not reported till finalization of the report.

Audit recommends early completion of inquiry, disciplinary action against the responsible person(s) and recovery of project funds.

(Para - 18 WASA FDA FAP AIR 2017-18)

ANNEXURE-A: MFDAC PARAS

Annexure-A/1: Communication and Works Department

Highway

Rs in million

S#	DP	Amount
1	1362	0.86
2	1370	2.53
3	1371	0.72
4	1373	15.40
5	1386	0.08
6	1392	2.78
7	1393	0.39
8	1401	0.54
9	1404	0.20
10	1405	0.15
11	1408	0.56
12	9	3.47
13	10	-
14	11	2.15
15	12	1.25
16	14	2.13
17	16	0.07
18	19	1.56
19	23	0.40
20	27	1.53
21	29	1.73
22	30	0.18
23	47	18.76
24	48	153.72
25	49	9.27
26	51	0.88
27	53	16.82
28	54	9.47
29	55	76.01
30	56	50.03
31	57	23.18
32	62	0.85
33	63	28.96
34	65	12.40
35	68	10.50
36	81	138.77
37	83	2.14
38	84	14.69
39	92	11.44

S#	DP	Amount
40	96	1.26
41	99	58.14
42	101	3.25
43	102	76.93
44	103	33.98
45	107	36.39
46	108	-
47	109	50.56
48	113	13.52
49	114	87.50
50	117	3.51
51	118	7.25
52	124	41.58
53	126	5.11
54	127	0.30
55	130	2.82
56	135	188.31
57	136	2.89
58	141	5.52
59	142	0.25
60	144	0.29
61	150	3.08
62	154	0.17
63	157	1.23
64	159	2,337.04
65	160	0.10
66	163	2.00
67	164	5.00
68	165	1.42
69	168	0.31
70	169	6.41
71	240	3.21
72	242	0.76
73	246	15.37
74	323	-
75	1484	0.55
76	1485	8.02
77	334	47.50
78	336	1.00

S#	DP	Amount
79	339	11.61
80	343	29.78
81	344	145.84
82	345	6.59
83	347	3.05
84	349	3.80
85	353	36.39
86	397	0.44
87	398	3.52
88	400	0.19
89	402	6.51
90	403	2.72
91	407	2.55
92	408	0.40
93	409	0.49
94	410	0.40
95	412	0.84
96	413	0.42
97	414	2.00
98	416	0.62
99	417	3.75
100	418	0.10
101	419	0.09
102	421	2.86
103	422	0.74
104	424	2.54
105	425	0.52
106	426	0.37
107	427	2.77
108	429	15.66
109	430	0.48
110	434	5.01
111	435	0.51
112	436	2.91
113	437	1.83
114	438	1.82
115	440	0.73
116	441	0.15
117	445	4.15

S#	DP	Amount
118	446	2.40
119	447	0.20
120	448	1.97
121	449	0.62
122	533	0.63
123	534	0.22
124	536	0.04
125	537	1.45
126	538	1.38
127	539	1.26
128	540	0.17
129	541	26.38
130	542	10.84
131	544	26.18
132	545	69.41
133	548	210.50
134	558	0.92
135	563	561.38
136	564	35.78
137	566	3.12
138	570	0.60
139	576	5.11
140	577	1.80
141	578	2.21
142	579	0.45
143	580	0.67
144	581	0.41
145	582	2.70
146	584	0.69
147	586	0.65
148	587	0.86
149	589	0.53
150	591	0.31
151	592	0.99
152	593	0.46
153	594	0.94
154	595	0.11
155	596	0.30
156	598	0.49
157	599	0.09
158	600	3.19
159	601	1.84
160	602	0.69
161	603	0.62
162	604	1.45
163	605	0.55

S#	DP	Amount
164	606	0.39
165	607	0.25
166	608	0.89
167	609	1.02
168	610	0.84
169	611	1.19
170	612	0.37
171	613	0.18
172	614	0.34
173	615	0.22
174	616	0.30
175	619	2.96
176	621	0.54
177	622	0.40
178	627	0.49
179	777	0.67
180	780	8.56
181	781	0.64
182	785	6.27
183	786	0.30
184	787	5.81
185	793	5.69
186	799	55.74
187	803	19.14
188	807	4.37
189	812	3.01
190	816	0.24
191	818	0.60
192	819	1.25
193	833	5.56
194	835	0.66
195	836	12.90
196	838	0.42
197	872	4.47
198	897	1.69
199	899	0.59
200	900	2.10
201	914	0.18
202	920	1.94
203	928	0.49
204	1007	1.81
205	1014	0.15
206	1031	17.21
207	1032	4.38
208	1033	26.61
209	1039	5.00

S#	DP	Amount
210	1043	71.63
211	1046	3.70
212	1047	3.53
213	1049	4,924.57
214	1081	0.71
215	1082	2.68
216	1086	10.60
217	1088	1.05
218	1089	4.54
219	1090	1.81
220	1091	8.85
221	1092	27.79
222	1094	0.57
223	1101	28.27
224	1102	42.66
225	1106	0.80
226	1107	1.89
227	1109	0.47
228	1110	0.93
229	1112	0.69
230	1114	0.80
231	1115	3.25
232	1117	1.03
233	1118	0.16
234	1120	1.48
235	1122	2.00
236	1123	1.69
237	1130	0.91
238	1131	2.49
239	1136	1.46
240	1137	3.31
241	1154	12.74
242	1156	13.21
243	1217	0.36
244	1221	4.61
245	1226	2.87
246	1228	1.14
247	1230	0.65
248	1233	1.67
249	1239	0.37
250	1240	0.74
251	1242	0.11
252	1254	5.13
253	1255	15.84
254	1269	10.92
255	1272	0.54

S#	DP	Amount
256	1282	0.95
257	1284	119.50
258	1285	30.89
259	1286	1.13
260	1289	2.20
261	1292	23.32
262	1295	22.33
263	1335	51.27
264	1338	81.77
265	1343	3.99
266	1355	29.85
267	1397	1.01
268	1399	2.92
269	1400	2.11
270	1402	2.07
271	1403	4.40
272	1405	0.94
273	1408	0.23
274	1410	1.28
275	1414	0.14
276	1416	9.52
277	1420	0.18
278	1421	3.06
279	1422	0.34
280	1428	0.28
281	1429	2.26
282	1430	3.47
283	1436	5.16
284	1439	3.47
285	1441	2.30
286	1443	0.90
287	1445	1.85
288	1446	78.36
289	1472	102.88
290	1477	0.16
291	1479	5.47
292	1480	3.94
293	1481	2.12

S#	DP	Amount
294	1482	9.50
295	1484	0.07
296	1485	0.94
297	1486	47.98
298	1487	1.80
299	1488	31.93
300	1490	32.03
301	1502	5.91
302	1506	0.20
303	1508	2.07
304	1510	353.45
305	1512	2.92
306	1513	50.00
307	1514	0.75
308	1515	1.17
309	1516	1.98
310	1520	0.19
311	1521	9.04
312	1524	1.40
313	1533	32.50
314	1538	1.25
315	1539	1.00
316	1542	0.65
317	1547	13.05
318	1548	3.83
319	1552	1.41
320	1553	1.04
321	1557	165.70
322	1567	2.90
323	1571	16.62
324	1573	1,269.83
325	1577	98.38
326	1578	95.38
327	1579	40.67
328	1581	40.67
329	1584	1.51
330	1591	0.14
331	1636	384.22

S#	DP	Amount
332	1638	2.82
333	1642	0.30
334	1643	44.33
335	1644	2.63
336	1648	1,759.30
337	1649	35.01
338	1654	53.87
339	1658	280.65
340	1659	2.50
341	1661	14.82
342	1680	0.14
343	1681	1.02
344	1683	22.12
345	1684	0.19
346	1685	48.95
347	1686	2.32
348	1689	9.82
349	1690	1.54
350	1695	0.52
351	1697	0.10
352	1699	0.38
353	1700	0.31
354	1702	0.26
355	1703	1.17
356	1705	0.25
357	1706	0.14
358	1707	0.27
359	1708	0.57
360	1709	72.52
361	1710	0.53
362	1713	0.23
363	1715	0.19
364	1717	63.36
365	1718	0.62
Total		16149.62

Building

Rs in million

S.#	DP	Amount
1	31	55.16
2	32	11.02
3	33	13.49

S.#	DP	Amount
4	39	0.12
5	43	6.67
6	44	2.67

S.#	DP	Amount
7	46	85.00
8	74	0.10
9	75	0.04

S.#	DP	Amount
10	76	0.05
11	78	92.10
12	79	-
13	176	22.86
14	179	81.44
15	181	2.01
16	182	1.77
17	186	20.01
18	196	184.91
19	198	151.30
20	199	10.50
21	201	11.43
22	202	43.31
23	203	5.35
24	206	1.14
25	208	18.15
26	215	1.38
27	216	2.02
28	217	0.53
29	218	0.42
30	220	142.60
31	222	-
32	224	2.37
33	225	6.85
34	227	261.25
35	233	3.81
36	234	0.31
37	235	0.91
38	239	0.12
39	245	0.24
40	250	0.41
41	251	0.18
42	253	0.40
43	254	2.58
44	255	1.77
45	256	0.12
46	257	0.82
47	258	0.75
48	259	0.71
49	260	0.62
50	268	0.76
51	275	0.08
52	276	2.56
53	277	0.73
54	281	3.96
55	285	1.00

S.#	DP	Amount
56	290	2.90
57	291	1.76
58	292	4.31
59	293	2.00
60	294	0.13
61	296	0.66
62	299	13.44
63	303	0.15
64	307	1.96
65	308	0.15
66	310	4.74
67	311	2.97
68	319	0.24
69	321	0.84
70	328	0.41
71	329	0.70
72	330	20.46
73	331	38.92
74	1481	0.12
75	354	9.66
76	355	19.52
77	356	0.28
78	357	84.17
79	358	116.06
80	360	0.29
81	361	5.25
82	362	1.20
83	363	4.25
84	365	5.05
85	367	3.26
86	370	0.14
87	371	3.65
88	372	546.96
89	373	190.31
90	375	87.77
91	377	16.94
92	378	5.76
93	380	1.91
94	381	7.67
95	383	46.56
96	384	26.30
97	386	3.96
98	388	108.80
99	389	2.55
100	390	1.31
101	391	0.42

S.#	DP	Amount
102	450	0.54
103	451	0.28
104	453	0.21
105	454	0.15
106	475	0.13
107	476	1.84
108	483	0.13
109	485	0.51
110	486	0.17
111	488	0.15
112	489	0.28
113	497	0.34
114	499	0.83
115	501	1.96
116	502	1.97
117	503	0.22
118	505	0.28
119	507	0.11
120	509	0.29
121	510	87.84
122	513	77.74
123	515	33.08
124	516	0.18
125	517	14.53
126	518	6.01
127	521	57.69
128	522	15.59
129	523	1.66
130	524	1.92
131	525	10.42
132	529	0.25
133	532	0.26
134	629	4.97
135	630	3.65
136	633	49.77
137	634	6.80
138	635	3.17
139	636	7.30
140	637	0.33
141	638	4.61
142	639	0.04
143	644	0.76
144	645	1,318.53
145	646	43.98
146	650	6.33
147	651	1.29

S.#	DP	Amount
148	652	0.17
149	654	3.39
150	655	0.07
151	658	70.70
152	660	0.18
153	661	2.92
154	662	1.50
155	665	0.10
156	674	3.01
157	682	0.66
158	683	0.21
159	686	2.48
160	690	10.20
161	692	0.39
162	697	20.80
163	698	0.09
164	701	0.89
165	707	0.40
166	712	0.75
167	717	3.35
168	719	0.44
169	720	34.67
170	722	4.49
171	723	51.92
172	725	16.93
173	729	31.68
174	730	4.64
175	733	12.04
176	734	7.15
177	735	15.30
178	737	0.67
179	738	0.76
180	739	36.72
181	742	54.50
182	753	18.99
183	755	0.32
184	756	0.94
185	760	10.97
186	762	0.88
187	764	2.02
188	766	0.58
189	769	27.57
190	772	0.58
191	773	200.96
192	774	8.98
193	776	5.22

S.#	DP	Amount
194	856	4.82
195	857	1.42
196	858	169.19
197	859	2.13
198	867	5.65
199	941	1.72
200	942	0.12
201	950	34.84
202	956	1.05
203	958	0.18
204	960	8.71
205	961	5.30
206	962	1,584.52
207	965	1.13
208	966	158.45
209	967	79.23
210	968	31.69
211	969	199.63
212	971	0.20
213	973	1.66
214	979	29.30
215	982	0.52
216	983	12.21
217	985	5.89
218	986	2.15
219	994	7.59
220	995	0.36
221	996	0.24
222	997	0.18
223	1018	-
224	1019	3.63
225	1021	5.80
226	1024	0.68
227	1026	1.13
228	1027	0.61
229	1028	0.44
230	1029	28.75
231	1030	702.89
232	1050	23.03
233	1052	2.12
234	1053	192.91
235	1054	0.93
236	1055	18.12
237	1057	0.36
238	1058	1.23
239	1060	46.29

S.#	DP	Amount
240	1062	2.18
241	1064	7.36
242	1065	0.38
243	1067	5.02
244	1068	24.63
245	1069	12.03
246	1076	978.83
247	1165	2.13
248	1169	0.89
249	1170	13.92
250	1171	2.01
251	1172	0.20
252	1175	0.27
253	1176	0.92
254	1178	0.34
255	1180	0.08
256	1181	0.18
257	1183	3.43
258	1184	0.83
259	1185	0.11
260	1188	1.20
261	1189	0.44
262	1190	0.51
263	1191	0.89
264	1192	17.20
265	1195	0.15
266	1196	0.87
267	1198	0.20
268	1205	0.11
269	1207	5.89
270	1209	0.91
271	1210	0.72
272	1213	16.77
273	1214	1.06
274	1300	8.00
275	1303	0.40
276	1304	2.09
277	1305	0.66
278	1306	0.43
279	1309	0.38
280	1311	0.68
281	1313	0.44
282	1314	2.48
283	1315	0.81
284	1316	6.58
285	1317	6.51

S.#	DP	Amount
286	1318	0.19
287	1321	0.48
288	1322	0.14
289	1324	2.09
290	1325	1.29
291	1326	0.43
292	1328	1.79
293	1329	1.07
294	1332	7.02
295	1333	4.59
296	1334	8.91
297	1363	24.93
298	1366	0.16
299	1369	0.11
300	1370	2.77
301	1377	1.21
302	1378	5.01
303	1383	0.38
304	1384	147.41
305	1394	3.47
306	1449	0.22
307	1453	0.16
308	1457	0.08
309	1468	4.21
310	1594	0.52
311	1595	0.45
312	1597	0.12
313	1600	0.17
314	1602	8.21
315	1603	0.23
316	1604	0.15
317	1607	0.82
318	1608	0.14
319	1611	5.26
320	1612	72.21
321	1615	0.77
322	1616	0.06
323	1617	0.22
324	1618	2.18
325	1619	6.98
326	1622	1.36
327	1623	7.52
328	1628	75.22
329	1629	0.26
330	1633	0.33
331	1635	7.22

S.#	DP	Amount
332	1726	316.41
333	1728	729.06
334	1734	178.09
335	1737	0.08
336	1738	59.98
337	1740	0.44
338	1742	1.79
339	1744	8.61
340	1745	116.44
341	1747	4.31
342	1752	0.80
343	1753	16.13
344	1754	0.47
345	1755	16.38
346	1757	0.53
347	1760	0.52
348	1761	2.52
349	1764	1.35
350	1766	0.33
351	1767	0.15
352	1769	1.88
353	1770	0.59
354	1773	7.53
355	1776	0.24
356	1777	0.38
357	1781	0.12
358	1782	0.08
359	1783	0.55
360	1784	0.93
361	1786	0.17
362	1787	0.30
363	1788	0.26
364	1789	0.12
365	1790	0.55
366	1795	4.86
367	1796	1.34
368	1801	0.42
369	1804	0.18
370	1805	3.55
371	1806	0.63
372	1807	0.47
373	1808	3.25
374	1809	62.89
375	1810	0.07
376	1812	0.57
377	1813	0.20

S.#	DP	Amount
378	1814	0.74
379	1815	1.72
380	1816	1.52
381	1817	0.32
382	1818	1.21
383	1821	8.58
384	1822	0.24
385	1823	2.56
386	1825	0.08
387	1826	0.22
388	1827	1.46
389	1828	1.05
390	1831	3.27
391	1832	0.10
392	1843	22.67
393	1844	19.36
394	1846	0.47
395	1847	0.12
396	1848	1.36
397	1849	0.11
398	1850	0.14
399	1852	0.42
400	1855	0.07
401	1856	2.80
402	1857	0.64
403	1858	0.20
404	1859	0.10
405	1861	295.01
406	1862	1.59
407	1863	11.73
408	1864	0.12
409	1868	1.27
410	1873	0.29
411	1874	0.11
412	1876	0.14
413	1879	0.28
414	1881	0.09
415	1882	0.53
416	1885	3.70
417	1275	0.07
418	1276	0.12
419	1278	0.27
420	1280	0.13
421	1286	4.38
422	1287	0.23
423	1292	44.50

S.#	DP	Amount
424	1300	0.21
425	1301	0.11
426	1302	0.21
427	1306	0.39
428	1308	0.50
429	1309	5.88
430	1310	1.37
431	1312	0.51
432	1313	0.28
433	1314	6.07
434	1315	3.66
435	1317	43.19
436	1318	1.62
437	1319	6.28
438	1320	1.96
439	1321	1.17
440	1322	0.32
441	1323	1.59
442	1324	11.07
443	1325	8.25
444	1326	2.91
445	1327	7.12

S.#	DP	Amount
446	1328	1.27
447	1329	0.23
448	1330	0.33
449	1332	19.68
450	1334	2.09
451	1338	4.88
452	1339	14.33
453	1340	11.88
454	1341	1.39
455	1342	29.48
456	1343	7.89
457	1409	4.54
458	1410	0.17
459	1411	0.11
460	1412	0.28
461	1414	2.25
462	1417	2.19
463	1421	0.31
464	1422	0.38
465	1423	0.16
466	1424	0.12
467	1426	0.13

S.#	DP	Amount
468	1427	0.29
469	1431	0.08
470	1432	0.49
471	1433	0.18
472	1434	0.61
473	1435	2.84
474	1437	0.08
475	1439	1.94
476	1440	0.97
477	1443	1.56
478	1445	0.44
479	1446	0.34
480	1447	1.41
481	1450	14.46
482	1452	0.52
483	1458	0.40
484	1467	0.19
485	1468	0.09
486	1473	0.36
487	1475	0.56
488	1476	0.13
Total		12237.86

Annexure-A/2: HUD & PHE Department

Development Authorities/Agencies

UD-Wing LDA

Rs in million

S.#	DP	Amount	S.#	DP	Amount	S.#	DP	Amount
1	106	9.07	39	331	0.07	77	685	1.39
2	107	4.78	40	332	0.07	78	686	0.24
3	108	3.99	41	333	0.15	79	687	15.86
4	112	153.76	42	334	0.05	80	691	24.98
5	113	437.00	43	522	824.50	81	692	2.50
6	114	0.37	44	528	1.00	82	693	2.90
7	115	252.17	45	531	4.26	83	699	3,210.50
8	119	17.97	46	539	0.58	84	705	0.22
9	122	0.39	47	553	2.31	85	717	1.87
10	124	1.18	48	554	0.44	86	723	-
11	126	135.61	49	558	0.31	87	726	2.80
12	129	0.22	50	608	-	88	728	99.48
13	131	0.35	51	611	0.15	89	733	1.11
14	132	1.31	52	612	1.60	90	743	43.95
15	133	-	53	615	7.41	91	744	11.34
16	137	-	54	629	1.53	92	750	36.48
17	138	-	55	633	1.58	93	752	3.52
18	139	-	56	635	0.14	94	753	3.60
19	142	-	57	637	0.17	95	758	1.68
20	147	-	58	639	0.15	96	762	4.94
21	193	0.08	59	640	0.15	97	764	0.37
22	302	45.92	60	641	0.06	98	766	83.38
23	308	0.06	61	642	0.30	99	768	0.03
24	310	25.01	62	644	3.29	100	770	0.99
25	313	6.92	63	647	31.43	101	771	0.99
26	314	0.15	64	651	14.28	102	772	2.71
27	315	13.36	65	652	1.80	103	773	0.19
28	317	1.55	66	660	0.71	104	774	0.09
29	320	0.91	67	663	3.73	105	775	14.15
30	321	0.59	68	665	66.55	106	776	0.18
31	322	0.51	69	672	1.71	107	777	0.10
32	323	0.38	70	673	1.43	108	778	0.25
33	324	0.27	71	674	2.33	109	784	0.13
34	326	0.25	72	675	0.36	110	788	0.40
35	327	0.17	73	680	0.25	111	800	0.08
36	328	0.10	74	681	7.03	112	804	0.31
37	329	0.07	75	682	3.52	113	807	0.77
38	330	0.08	76	684	0.06	114	809	-

S.#	DP	Amount
115	812	3.89

S.#	DP	Amount
116	829	0.06

S.#	DP	Amount
	Total	5678.45

UD-Wing FDA

Rs in million

S.#	DP	Amount
1	212	3.47
2	213	16.69
3	215	0.21
4	216	0.48
5	219	4.18
6	249	4.40
7	251	0.47
8	253	0.05
9	282	7.35

S.#	DP	Amount
10	283	0.32
11	289	0.75
12	293	27.52
13	294	3.28
14	295	4.56
15	296	0.80
16	426	-
17	427	0.19
18	428	0.04

S.#	DP	Amount
19	431	6.66
20	432	0.17
21	433	0.21
	Total	81.82

UD-Wing MDA

Rs in million

S.#	DP	Amount
1	1	-
2	3	-

S.#	DP	Amount
3	59	0.23
4	64	0.24

S.#	DP	Amount
5	408	84.87
	Total	85.35

BDP Bahawalpur

Rs in million

S #	DP	Amount
1	834	1.20
2	835	9.91
3	839	-
4	840	-

S #	DP	Amount
5	841	-
6	842	0.43
7	843	41.20
8	846	0.09

S #	DP	Amount
9	849	0.12
10	850	1.09
	Total	54.04

UD-Wing RDA

Rs in million

S.#	DP	Amount
1	20	-
2	26	3.19
3	27	1.48
4	29	0.40
5	30	0.66
6	31	-
7	32	0.14
8	33	0.09

S.#	DP	Amount
9	34	0.16
10	51	17.30
11	53	50.20
12	56	2.42
13	73	0.99
14	74	2.69
15	76	0.64
16	78	0.20

S.#	DP	Amount
17	81	7.86
18	84	7.73
19	88	2.00
20	92	18.62
21	351	2.54
22	354	6.45
23	355	2.56
	Total	128.32

WASA LDA

Rs in million

S.#	DP	Amount	S.#	DP	Amount	S.#	DP	Amount
1	362	0.51	27	453	0.63	53	518	3.59
2	363	18.89	28	454	0.21	54	562	124.01
3	364	3.72	29	457	394.46	55	573	6.55
4	365	0.63	30	459	3.40	56	574	0.13
5	368	0.29	31	462	34.27	57	575	2.66
6	369	16.07	32	463	44.73	58	576	6.50
7	370	0.12	33	472	0.10	59	579	1.79
8	372	11.46	34	473	0.12	60	583	0.64
9	373	2.05	35	477	8.31	61	585	14.21
10	375	5.64	36	478	9.21	62	586	66.30
11	376	0.67	37	479	2.29	63	587	0.88
12	378	10.34	38	480	1.66	64	592	0.27
13	381	2.80	39	481	0.62	65	593	0.09
14	382	1.80	40	486	2.25	66	594	1.76
15	384	4.54	41	488	16.48	67	599	14.29
16	385	2.74	42	489	6.65	68	601	106.57
17	386	3.00	43	491	0.76	69	603	0.46
18	391	14.95	44	492	6.44	70	604	0.05
19	392	1.01	45	493	2.28	71	832	0.05
20	394	1.26	46	494	0.05	72	833	0.09
21	398	2.82	47	500	1.40			
22	401	0.46	48	502	2.62			
23	402	2.07	49	504	0.29			
24	403	0.87	50	505	0.85			
25	404	1.43	51	513	0.90			
26	407	0.40	52	514	0.52			
						Total		
						1002.98		

WASA FDA

Rs in million

S.#	DP	Amount	S.#	DP	Amount	S.#	DP	Amount
1	157	3.63	13	170	0.78	25	198	4.84
2	158	0.91	14	172	0.60	26	204	0.79
3	159	4.86	15	173	1.67	27	206	0.95
4	160	1.95	16	175	2.45	28	207	0.45
5	161	0.13	17	176	16.33	29	208	6.86
6	162	0.85	18	181	326.50	30	209	0.35
7	163	1.44	19	182	7.61	31	210	7.31
8	165	0.91	20	183	3.00	32	211	3.00
9	166	0.55	21	184	13.30	33	229	21.63
10	167	1.34	22	189	7.40	34	230	0.67
11	168	0.24	23	194	4.15	35	231	1.00
12	169	2.88	24	195	1.10	36	434	0.42

S.#	DP	Amount
37	440	12.00
38	441	1.12

S.#	DP	Amount
39	442	5.65
40	451	16.33

S.#	DP	Amount
	Total	487.99

WASA MDA

Rs in million

S.#	DP	Amount
1	2	-
2	6	2.50
3	11	3.96
4	12	351.83
5	15	61.46
6	16	10.45

S.#	DP	Amount
7	37	-
8	41	1.86
9	43	0.34
10	60	3.60
11	61	7.54
12	62	9.71

S.#	DP	Amount
13	63	0.11
14	361	0.53
15	413	209.07
16	415	0.39
17	420	3.73
	Total	667.09

WASA RDA

Rs in million

S.#	DP	Amount
1	46	69.75
2	103	0.83
	Total	70.58

TEPA LDA

Rs in million

S.#	DP	Amount
1	151	4.95
2	152	0.43
3	153	0.59
4	155	0.31
5	336	5.35
6	338	190.53

S.#	DP	Amount
7	340	326.24
8	341	36.21
9	342	24.62
10	347	75.17
11	348	60.31
12	618	0.29

S.#	DP	Amount
13	619	255.24
14	620	30.25
15	621	0.63
	Total	1,011.13

PHA Faisalabad

Rs in million

S.#	DP	Amount
1	220	2.33
2	221	8.67
3	223	0.41
4	224	2.27
5	225	0.16

6	241	1.36
7	258	8.73
8	259	1.35
9	260	1.38
10	267	0.58
11	268	6.90

S.#	DP	Amount
12	436	84,336.00
13	438	17.05
14	447	0.68
	Total	84,387.86

PHE

Rs in million

S.#	DP	Amount
1	490	352.46
2	491	8.60
3	497	1.44
4	498	1.17
5	507	11.98
6	508	0.43
7	510	2.78
8	517	11.45
9	523	13.76
10	525	4.34
11	526	5.20
12	527	0.15
13	530	2.00
14	534	1.05
15	535	0.51
16	547	1.37
17	548	5.50
18	549	1.44
19	550	0.37
20	553	16.50
21	555	0.07
22	556	0.16
23	558	2.30
24	559	26.29
25	566	3.22
26	570	200.96
27	572	95.54
28	575	97.12
29	578	0.12
30	579	3.23
31	580	0.15
32	581	1.63
33	585	4.31
34	586	0.96
35	587	0.38
36	590	0.40
37	592	5.40
38	593	-
39	596	3.55
40	602	23.50
41	604	0.08
42	605	-
43	607	-

S.#	DP	Amount
44	608	-
45	609	-
46	612	6,585.00
47	613	-
48	616	0.47
49	617	0.24
50	621	0.59
51	622	6.92
52	626	2.89
53	627	0.22
54	634	-
55	15	1.71
56	26	238.52
57	31	3.15
58	33	1.96
59	35	1.21
60	37	238.52
61	39	2.62
62	41	0.35
63	43	0.16
64	49	0.67
65	52	5.58
66	55	0.14
67	56	0.33
68	61	0.18
69	62	0.12
70	64	0.40
71	70	1.24
72	77	0.67
73	80	0.34
74	82	0.81
75	85	1.38
76	88	35.82
77	89	4.71
78	92	6.07
79	96	41.24
80	97	21.10
81	98	16.74
82	100	53.73
83	102	824.85
84	103	26.40
85	104	3.44
86	106	2.98

S.#	DP	Amount
87	113	0.99
88	114	2.68
89	118	2.65
90	120	0.19
91	123	20.25
92	124	3.25
93	125	23.68
94	126	7.91
95	128	0.20
96	134	80.89
97	139	0.58
98	147	0.15
99	150	46.08
100	157	0.90
101	158	4.61
102	160	118.43
103	168	12.70
104	169	0.13
105	176	2.40
106	178	303.08
107	180	2.37
108	183	0.30
109	184	0.30
110	187	44.33
111	190	0.79
112	191	0.48
113	192	5.61
114	194	0.26
115	195	0.20
116	196	5.60
117	197	0.79
118	198	43.80
119	199	4.18
120	200	0.09
121	201	3.91
122	203	0.10
123	210	0.57
124	211	0.09
125	213	0.08
126	214	0.16
127	217	0.14
128	220	0.22
129	225	0.08

S.#	DP	Amount
130	228	0.05
131	229	0.44
132	233	0.06
133	234	0.94
134	238	0.34
135	240	0.07
136	244	4.13
137	248	0.14
138	258	8.27
139	259	0.98
140	260	0.87
141	269	58.08
142	271	3.03
143	282	0.60
144	287	0.09
145	290	0.16
146	293	0.61
147	298	5.40
148	299	1.35
149	300	0.15
150	302	6.88
151	303	3.67
152	304	0.10
153	306	7.81
154	307	6.13
155	308	5.67
156	312	6.52
157	313	6.83
158	316	0.63
159	317	0.95
160	319	0.91
161	320	0.89
162	321	1.73
163	332	0.22
164	333	0.77
165	335	0.06
166	336	7.36
167	341	0.17
168	343	0.38
169	345	0.18
170	348	0.08
171	349	0.17
172	352	0.23
173	358	9.93
174	362	2.64
175	364	4.85

S.#	DP	Amount
176	366	0.50
177	368	8.32
178	369	4.68
179	373	23.56
180	374	4.75
181	376	0.11
182	377	4.24
183	385	0.11
184	392	0.44
185	394	0.11
186	397	0.04
187	402	0.38
188	403	2.44
189	406	2.45
190	416	834.93
191	419	75.30
192	421	4.77
193	426	2.97
194	428	42.14
195	429	140.75
196	430	2.55
197	436	1.19
198	439	10.88
199	440	6.84
200	441	67.49
201	442	47.70
202	443	166.82
203	448	17.05
204	450	6.02
205	451	0.19
206	454	27.88
207	455	0.65
208	457	0.21
209	458	15.44
210	462	8.85
211	465	9.04
212	466	0.21
213	469	0.22
214	472	1.97
215	474	0.17
216	475	0.77
217	476	1.62
218	479	0.80
219	481	0.13
220	482	0.14
221	483	21.75

S.#	DP	Amount
222	484	0.08
223	485	39.35
224	487	0.07
225	489	1.62
226	493	2.74
227	494	0.51
228	498	1.41
229	502	13.50
230	503	28.47
231	506	15.52
232	511	2.40
233	512	303.08
234	514	0.32
235	515	44.86
236	516	0.12
237	521	0.11
238	537	0.08
239	538	0.43
240	540	20.56
241	541	0.57
242	542	0.08
243	545	0.30
244	546	0.11
245	548	20.83
246	555	0.12
247	561	2.56
248	570	47.79
249	572	32.01
250	575	0.20
251	576	4.27
252	581	45.92
253	583	10.58
254	586	0.14
255	587	0.89
256	589	9.92
257	591	15.44
258	594	0.35
259	596	0.89
260	601	9.15
261	602	0.20
Total		12200.23

Annexure-A/3: Irrigation Department

Irrigation

Rs in million

S.#	DP	Amount
1	1	1.21
2	2	0.47
3	4	7.46
4	7	1.74
5	9	11.96
6	10	4.60
7	12	0.32
8	17	5.58
9	18	4.78
10	20	0.65
11	21	0.65
12	22	0.72
13	25	2.85
14	26	11.32
15	28	9.73
16	31	8.12
17	32	1.51
18	34	4.05
19	36	1.20
20	37	1.42
21	38	0.86
22	39	1.46
23	41	56.48
24	43	2.19
25	45	4.76
26	46	2.38
27	47	1.63
28	48	0.30
29	57	2.02
30	59	1.60
31	64	0.65
32	66	2.57
33	67	1.71
34	68	16.40
35	69	1.13
36	70	2.98
37	72	10.86
38	73	39.78
39	74	0.25
40	77	1.49
41	79	0.75

S.#	DP	Amount
42	80	1.66
43	82	3.26
44	84	1.17
45	85	42.41
46	87	19.10
47	91	7.50
48	92	136.12
49	93	1.23
50	94	3.75
51	96	0.52
52	97	0.29
53	98	2.69
54	100	12.93
55	105	1.44
56	108	14.28
57	109	3.60
58	110	3.02
59	111	0.63
60	112	0.44
61	113	0.65
62	119	0.26
63	121	137.98
64	122	10.25
65	124	0.36
66	125	0.15
67	126	-
68	127	2,988.80
69	128	-
70	130	2,988.80
71	131	14.91
72	132	0.19
73	133	2.87
74	134	0.72
75	135	-
76	136	255.54
77	137	16.05
78	138	1.62
79	139	4.31
80	141	3.50
81	144	6.76
82	149	0.50

S.#	DP	Amount
83	164	0.18
84	166	4.59
85	167	-
86	169	1.63
87	171	5.75
88	172	1.42
89	174	-
90	175	6.63
91	176	978.37
92	177	0.44
93	178	110.47
94	179	0.38
95	180	42.66
96	183	77.74
97	184	28.73
98	185	49.02
99	186	34.88
100	187	66.71
101	188	11.47
102	191	-
103	192	36.11
104	194	1.11
105	195	3.56
106	200	4.11
107	201	0.77
108	202	0.48
109	203	0.14
110	204	21.30
111	205	0.39
112	208	-
113	211	-
114	216	48.54
115	218	5.77
116	221	0.76
117	224	-
118	225	0.77
119	226	-
120	227	155.55
121	228	954.78
122	230	61.50
123	231	581.59

S.#	DP	Amount
124	232	21.06
125	233	8.96
126	234	0.39
127	235	0.15
128	236	11.05
129	237	2.41
130	238	-
131	240	8.35
132	241	0.47
133	242	0.96
134	243	0.22
135	244	199.17
136	245	2.16
137	246	0.11
138	247	-
139	250	0.86
140	251	0.63
141	252	0.69
142	253	95.49
143	254	44.46
144	257	1.75
145	258	1.17
146	259	11.34
147	263	5.13
148	265	0.10
149	266	7.66
150	267	0.14
151	268	0.63
152	271	0.58
153	273	900.00
154	274	55.81
155	275	149.02
156	276	4.00
157	277	61.57
158	278	0.88
159	280	67.91
160	282	180.48
161	284	164.10
162	285	1.00
163	286	10.75
164	288	0.17
165	290	2.17
166	291	0.07
167	292	3.72
168	293	0.05
169	297	15.59

S.#	DP	Amount
170	298	6.80
171	299	0.16
172	313	0.07
173	316	1.75
174	317	22.88
175	318	-
176	319	180.48
177	322	166.89
178	325	1.00
179	328	-
180	329	0.80
181	330	0.81
182	331	1.44
183	332	0.54
184	333	1.29
185	334	0.22
186	335	-
187	337	8.97
188	338	0.35
189	340	0.44
190	341	0.76
191	346	0.35
192	349	0.08
193	351	2.91
194	353	0.40
195	354	0.60
196	355	0.14
197	357	0.48
198	358	0.29
199	359	4.07
200	361	1.32
201	363	23.25
202	366	2.90
203	368	18.10
204	370	1.01
205	372	0.34
206	376	0.57
207	379	6.41
208	382	4.40
209	383	0.53
210	384	0.41
211	385	3.85
212	386	5.99
213	388	0.04
214	389	0.59
215	390	0.22

S.#	DP	Amount
216	395	1.93
217	396	4.33
218	399	0.55
219	400	1.74
220	404	4.48
221	405	1.06
222	406	2.39
223	408	3.47
224	409	0.25
225	410	0.25
226	411	0.48
227	412	0.71
228	413	0.32
229	416	9.42
230	417	3.03
231	421	0.33
232	423	0.14
233	424	1.11
234	425	10.29
235	427	13.68
236	429	0.77
237	430	1.26
238	431	1.87
239	434	1.00
240	436	0.13
241	437	1.61
242	439	46.16
243	440	20.09
244	442	1.75
245	443	1.50
246	444	7.95
247	445	1.74
248	446	21.83
249	447	10.34
250	448	20.15
251	449	3.54
252	450	2.21
253	451	1.29
254	453	110.64
255	454	0.76
256	455	1.42
257	456	1.91
258	457	1.21
259	458	9.11
260	460	4.67
261	461	0.21

S.#	DP	Amount
262	465	0.12
263	467	0.14
264	468	0.26
265	470	27.14
266	473	5.32
267	474	13.38
268	475	0.17
269	478	9.44
270	480	0.20
271	481	0.59
272	482	55.31
273	483	7.82
274	484	42.54
275	485	3.47
276	486	6.23
277	487	1.24
278	488	0.48
279	489	0.44
280	491	11.42
281	494	8.38
282	499	5.77
283	500	11.44
284	501	4.80
285	506	23.60
286	508	3.93
287	510	0.51
288	512	-
289	517	3.07
290	519	0.14
291	520	0.43
292	521	0.20
293	523	0.80
294	524	1.08
295	525	0.09
296	526	562.44
297	527	6.21
298	528	619.12
299	530	12.88
300	531	1.13
301	532	955.56
302	533	403.00
303	538	5.42
304	541	169.30
305	542	132.00
306	543	12.05
307	544	54.56

S.#	DP	Amount
308	547	10.50
309	548	34.25
310	550	11.46
311	552	0.57
312	554	2.25
313	556	0.98
314	557	0.69
315	558	2.61
316	560	0.26
317	561	0.12
318	562	19.83
319	563	0.18
320	564	-
321	565	9.66
322	566	0.26
323	567	3.54
324	570	0.43
325	571	9.44
326	572	1.60
327	573	0.87
328	574	0.10
329	575	0.55
330	578	-
331	580	0.12
332	582	0.17
333	583	0.20
334	584	0.10
335	586	9.98
336	587	0.12
337	588	0.09
338	589	0.12
339	590	0.07
340	591	0.29
341	592	0.06
342	593	0.53
343	594	8.20
344	595	0.54
345	596	2.97
346	597	1.60
347	599	8.06
348	600	0.40
349	601	0.10
350	602	8.55
351	603	0.04
352	604	2.87
353	607	3.09

S.#	DP	Amount
354	609	130.00
355	610	411.99
356	611	879.25
357	612	26.87
358	613	20.55
359	614	0.58
360	615	17.56
361	616	20.44
362	618	4.61
363	619	1.50
364	620	21.97
365	621	0.98
366	622	23.42
367	624	3.79
368	625	42.86
369	630	203.47
370	631	24.53
371	632	2.04
372	634	1.35
373	637	3.92
374	638	0.19
375	639	8.49
376	640	6.16
377	641	3.26
378	642	0.53
379	643	2.24
380	646	19.94
381	647	0.31
382	648	53.81
383	649	2.18
384	650	8.71
385	653	2.76
386	658	6.58
387	659	8.30
388	660	18.56
389	664	0.12
390	665	5.55
391	668	2.33
392	671	0.50
393	672	1.42
394	673	1.29
395	674	0.09
396	675	1.22
397	676	0.06
398	677	1.96
399	678	13.08

S.#	DP	Amount
400	680	0.24
401	681	1.45
402	684	0.41
403	686	5.38
404	688	0.75
405	689	6.91
406	692	0.31
407	693	2.02
408	694	2.52
409	697	0.46
410	699	0.50
411	700	0.39
412	701	2.88
413	702	4.31
414	703	5.40
415	705	0.41
416	706	10.55
417	709	2.34
418	711	21.55
419	713	6.46
420	716	0.37
421	721	2.97
422	723	0.15
423	724	1.16
424	725	698.85
425	730	0.61
426	731	0.56
427	734	43.47
428	737	10.52
429	738	0.09
430	740	22.21
431	741	0.14
432	742	114.43
433	744	0.42
434	745	11.99
435	747	9.26
436	749	6.23
437	752	0.19
438	754	8.64
439	755	14.14
440	756	3.33
441	759	5.66
442	760	20.36
443	761	174.76
444	764	6.41
445	767	2.42

S.#	DP	Amount
446	768	1.72
447	769	1.48
448	770	3.20
449	771	6.06
450	773	1.92
451	775	8.18
452	776	0.40
453	777	0.65
454	778	1.72
455	779	210.45
456	784	2.98
457	786	1.83
458	787	0.70
459	789	0.33
460	791	13.42
461	792	14.14
462	793	2.58
463	794	3.07
464	795	2,008.61
465	797	1.26
466	798	0.24
467	799	3.71
468	800	9.59
469	801	8.75
470	802	2.25
471	803	0.59
472	804	0.49
473	806	1.61
474	810	0.79
475	812	10.52
476	813	10.50
477	814	0.46
478	815	0.37
479	816	0.10
480	818	0.74
481	819	0.28
482	820	3.28
483	821	0.09
484	822	0.44
485	823	3.96
486	824	-
487	826	39.50
488	827	1.40
489	828	0.18
490	829	0.31
491	830	7.69

S.#	DP	Amount
492	831	1.48
493	832	3.75
494	833	13.29
495	834	0.18
496	835	102.32
497	836	8.70
498	838	0.67
499	839	15.83
500	844	4.96
501	845	41.19
502	848	133.00
503	850	1.07
504	852	93.40
505	856	6.08
506	857	18.34
507	859	43.95
508	860	1.02
509	861	0.22
510	862	0.28
511	863	9.13
512	864	0.27
513	865	0.22
514	866	0.42
515	867	0.84
516	868	3.21
517	869	1.25
518	872	21.00
519	873	-
520	874	0.10
521	875	0.33
522	876	0.26
523	877	-
524	878	-
525	879	0.16
526	880	83.57
527	881	1.22
528	883	0.44
529	884	1.77
530	885	161.49
531	886	0.12
532	887	0.07
533	888	7.07
534	889	-
535	890	1.06
536	891	0.10
537	892	2.55

S.#	DP	Amount
538	893	0.20
539	894	50.00
540	895	205.10
541	896	0.27
542	898	0.38
543	899	0.83
544	900	16.12
545	901	-
546	902	0.37
547	903	2.00
548	904	17.96
549	905	13.48
550	906	0.17
551	908	1.09
552	911	5.64
553	912	5.63
554	914	55.83
555	915	18.74
556	917	0.20
557	918	1.48
558	919	1.48
559	920	7.40
560	921	47.20
561	922	1.02
562	924	0.21
563	926	0.29
564	928	34.80
565	929	0.04
566	930	42.40
567	931	34.80
568	932	260.40
569	933	0.65
570	935	1.44
571	936	1.10
572	937	92.93
573	938	0.10
574	939	0.24
575	941	-
576	942	6.82
577	943	1.64
578	945	0.28
579	946	0.69
580	947	0.22
581	949	0.79
582	951	4.79
583	954	0.94

S.#	DP	Amount
584	955	2.33
585	957	0.56
586	958	2.24
587	960	7.20
588	961	0.24
589	963	31.10
590	964	21.87
591	968	0.40
592	970	0.28
593	971	92.46
594	972	92.46
595	973	1.62
596	974	0.94
597	975	29.97
598	976	4.10
599	977	0.56
600	978	0.12
601	979	0.23
602	980	2.84
603	981	1.42
604	983	3.65
605	984	0.14
606	985	0.37
607	986	89.19
608	990	1.64
609	992	0.57
610	993	1.17
611	994	0.73
612	1000	4.00
613	1001	1.30
614	1002	0.12
615	1003	0.08
616	1004	0.53
617	1006	0.07
618	1008	7.24
619	1009	0.41
620	1010	0.10
621	1014	14.10
622	1015	0.63
623	1016	0.43
624	1017	1.93
625	1018	0.22
626	1021	6.13
627	1023	14.60
628	1024	0.09
629	1025	1.26

S.#	DP	Amount
630	1027	0.94
631	1028	2.32
632	1030	11.11
633	1031	0.29
634	1033	0.16
635	1034	8.93
636	1035	9.39
637	1036	7.20
638	1037	14.89
639	1041	7.83
640	1043	1.23
641	1044	1.10
642	1046	1.91
643	1047	83.28
644	1048	2.76
645	1051	0.12
646	1053	0.82
647	1055	48.70
648	1056	0.20
649	1058	0.47
650	1059	2.32
651	1060	43.39
652	1062	0.23
653	1063	10.88
654	1064	1.17
655	1065	0.98
656	1066	1.04
657	1067	4.35
658	1068	10.71
659	1069	158.82
660	1070	2.60
661	1071	1.99
662	1072	5.45
663	1073	1.49
664	1075	35.48
665	1077	0.21
666	1079	75.17
667	1080	158.82
668	1081	33.59
669	1082	13.95
670	1083	1.32
671	1084	1.32
672	1085	2.31
673	1086	547.80
674	1087	0.75
675	1089	7.90

S.#	DP	Amount
676	1090	1.22
677	1094	1.00
678	1095	2.56
679	1096	8.02
680	1097	3.55
681	1100	0.93
682	1101	12.06
683	1102	1.04
684	1103	0.09
685	1104	1.20
686	1105	0.16
687	1106	2.69
688	1107	0.15
689	1109	-
690	1110	1.86
691	1111	1.02
692	1112	-
693	1113	12.09
694	1114	27.78
695	1115	5.01
696	1117	0.17
697	1118	0.12
698	1119	0.21
699	1122	0.23
700	1123	34.56
701	1124	1.23
702	1125	10.88
703	1126	10.88
704	1128	1.17
705	1129	0.75
706	1131	3.26
707	1132	0.30
708	1133	26.94
709	1135	5.50
710	1136	0.11
711	1138	0.11
712	1139	0.25
713	1140	2.93
714	1142	13.13
715	1144	0.10
716	1145	0.23
717	1146	2.34
718	1147	4.91
719	1148	0.16
720	1149	1.26
721	1150	0.72

S.#	DP	Amount
722	1152	9.42
723	1154	0.11
724	1155	0.36
725	1156	4.07
726	1158	38.47
727	1159	0.07
728	1160	14.60
729	1161	0.17
730	1162	9.49
731	1163	1.05
732	1164	55.67
733	1166	10.81
734	1168	358.28
735	1172	0.35
736	1173	0.78
737	1174	3.63
738	1175	1.02
739	1176	0.83
740	1177	11.32
741	1178	1.32
742	1179	1.45
743	1180	0.21
744	1181	4.11
745	1182	1.30
746	1183	3.28
747	1184	15.99
748	1185	3.18
749	1186	9.60
750	1187	105.99
751	1188	206.11
752	1189	2.10
753	1191	17.35
754	1192	28.31
755	1193	1.36
756	1197	2.00
757	1200	43.12
758	1201	7.20
759	1202	3.66
760	1206	0.77
761	1207	4.96
762	1209	6.49
763	1214	1.34
764	1216	1.26
765	1217	28.68
766	1219	12.62
767	1220	2.01

S.#	DP	Amount
768	1221	479.90
769	1223	3.10
770	1224	1.54
771	1226	26.00
772	1228	73.75
773	1230	10.09
774	1231	0.84
775	1232	0.74
776	1233	0.39
777	1234	0.93
778	1237	2.71
779	1238	0.14
780	1239	53.45
781	1240	1.08
782	1241	5.45
783	1242	1.08
784	1243	26.97
785	1244	0.38
786	1245	0.65
787	1246	3.24
788	1247	1.25
789	1248	15.91
790	1249	4.81
791	1251	685.29
792	1252	134.52
793	1253	0.40
794	1254	101.60
795	1257	8.49
796	1258	0.21
797	1262	28.61
798	1263	0.25
799	1265	62.47
800	1266	6.96
801	1269	6.26
802	1270	1.53
803	1272	8.37
804	1274	10.19
805	1277	44.23
806	1279	2.02
807	1283	7.36
808	1285	8.45
809	1290	2.02
810	1293	2.77
811	1295	0.40
812	1296	0.63
813	1297	3.51

S.#	DP	Amount
814	1299	0.32
815	1303	1.89
816	1305	46.32
817	1307	0.13
818	1316	7.01
819	1317	6.70
820	1320	0.58
821	1322	1.63
822	1323	0.53
823	1325	9.86
824	1326	13.33
825	1329	42.66
826	1333	2.61
827	1336	3.51
828	1337	14.71
829	1338	0.38
830	1341	1.61
831	1346	-

S.#	DP	Amount
832	1348	-
833	1349	0.22
834	1350	-
835	1351	223.45
836	1352	0.14
837	1353	1.28
838	1354	0.10
839	1355	2.15
840	1356	1.75
841	1357	13.28
842	1358	0.15
843	1359	-
844	1360	0.17
845	1361	4.90
846	1362	3.15
847	1364	0.87
848	1365	4.69
849	1366	8.54

S.#	DP	Amount
850	1367	4.82
851	1369	0.15
852	1371	10.80
853	1374	15.52
854	1379	0.19
855	1381	64.57
856	1382	0.58
857	1383	32.82
858	1384	2.49
859	1386	20.16
860	1387	21.56
861	1388	9.00
862	1391	0.33
863	1392	0.10
864	1393	0.13
Total		29234.65

Annexure-A/4**LG&CD, BISE Rawalpindi, Foreign Aided Project****LG&CD****Rs in million**

S.#	DP	Amount
1	1	0.23
2	3	6.07
3	10	0.21
4	11	2.97
5	12	0.20
6	16	0.14
7	17	1.68
8	29	12.71
9	31	0.82
10	32	0.21
11	35	0.11
12	37	0.08
13	38	0.51
14	41	0.11
15	42	0.14
16	45	1.52
17	48	0.43
18	50	0.05
19	51	0.04
20	53	8.65
21	54	1.54
22	55	1.73
23	64	0.22
24	65	0.42
25	66	0.90
26	73	1.80
27	76	0.06
28	77	0.12

S.#	DP	Amount
29	79	0.13
30	80	0.31
31	83	0.61
32	87	0.59
33	89	0.06
34	93	3.48
35	95	1.45
36	97	0.21
37	98	1.14
38	106	2.07
39	109	23.27
40	111	1.52
41	112	7.94
42	118	0.11
43	120	0.98
44	121	12.32
45	123	0.26
46	125	0.44
47	128	0.40
48	131	94.10
49	132	400.60
50	134	0.58
51	136	0.54
52	142	26.64
53	143	6.10
54	145	77.06
55	146	0.18
56	148	33.56

S.#	DP	Amount
57	149	1.20
58	152	3.89
59	153	2.00
60	165	3.39
61	166	0.12
62	167	1.21
63	168	0.23
64	169	0.25
65	171	0.68
66	172	0.36
67	173	0.14
68	175	0.45
69	176	2.07
70	177	4.93
71	179	0.38
72	180	0.26
73	182	0.31
74	183	0.12
75	186	0.21
76	187	2.97
77	189	0.74
78	192	0.10
79	195	0.30
80	196	0.64
81	197	0.21
Total		767.45

BISE Rawalpindi**Rs in million**

S #	DP	Amount
1	9	0.41
2	16	799.41

3	29	26.60
4	32	0.58
5	40	0.51

6	67	27.96
Total		855.47

Foreign Aided Project

Rs in million

S.#	Para No	Amount	Project Code
1	4	0.27	LBDC 2299/3351
2	23-D	1,231.17	LBDC 2299/3351
3	17	1,118.01	LBDC 2299/3351
4	9	207.80	LBDC 2299/3351
5	23-C	112.86	LBDC 2299/3351
6	23-A	107.51	LBDC 2299/3351
7	8	33.31	LBDC 2299/3351
8	19 (enhance)	43.34	LBDC 2299/3351
9	15	6.44	LBDC 2299/3351
10	14	4.76	LBDC 2299/3351
11	28	2.56	LBDC 2299/3351
12	25-A	0.36	LBDC 2299/3351
13	19	175.74	REDSIP 2286
14	14,23,24,26,27	614.01	New Khanki Loan 2841
15	12	343.57	New Khanki Loan 2841
16	7	9.03	New Khanki Loan 2841
17	4	9.87	FERRP 3264
18	11	0.81	FERRP 3264
19	49	0.33	FERRP 3264
20	33,37,65,68,73, 86,91,92,94,112	20.74	FERRP 3264
21	6	4.79	FERRP 3264
22	13,27,85	3.82	FERRP 3264
23	103	1.53	FERRP 3264
24	18 (reduce)	0.04	FERRP 3264
25	113	0.60	FERRP 3264
26	5	0.20	FERRP 3264
27	21	0.11	FERRP 3264
28	7	0.25	Orange Line
29	2	-	Orange Line
30	3	-	Orange Line
31	17	39.62	Jinnah Barrage Loan 7900
32	3	31.58	Extn,Water FDA
33	43 DA South	54.84	PCGIP
34	3 DA South	61.32	PCGIP
35	6 Urban unit	42.00	PCGIP
36	5 DA South	12.28	PCGIP
37	2 Urban unit	6.33	PCGIP
38	35 DA South	6.16	PCGIP
39	8 WASA MDA	5.69	PCGIP
40	12 DA North	5.67	PCGIP
41	4 DA south	4.51	PCGIP
42	27 DA South	2.08	PCGIP

43	4,5 WASA RDA 2, 12,20 WASA FDA	1.51	PCGIP
44	6 DA North	1.05	PCGIP
45	4 DA North	0.73	PCGIP
46	4 DA North	0.62	PCGIP
47	19 DA North	0.42	PCGIP
48	1 DA North	0.41	PCGIP
49	G/wala	0.35	PCGIP
50	8 WASA MDA	0.35	PCGIP
51	46 DA North	0.32	PCGIP
52	16 DA North	0.29	PCGIP
53	11 DA North	0.25	PCGIP
54	32 DA South	0.23	PCGIP
55	29 DA South	0.21	PCGIP
56	5 GDA	0.15	PCGIP
57	12 FDA	0.15	PCGIP
58	FDA,GDA,LDA	16.67	PCGIP
59	2 DA South	9.18	PCGIP
60	49 DA South	0.71	PCGIP
61	1 DA South	82.13	PCGIP
62	10 DA South	12.95	PCGIP
63	45 DA South	2.29	PCGIP
64	11 DA South	2.03	PCGIP
65	9 DA South	0.71	PCGIP
66	13 DA North	0.56	PCGIP
67	6	118.14	R.Y.Khan
68	20	0.92	R.Y.Khan
69	13, 25	0.90	R.Y.Khan
70	8	0.41	R.Y.Khan
71	1, 8	2.36	Jalalpur Loan 6006
72	6	-	Jalalpur Loan 6006
73	4	-	Jalalpur Loan 6006
74	6	131.54	Trimmu-Pujnad Loan 3159-3160
75	14	6.52	Trimmu-Pujnad Loan 3159-3160
76	12	0.85	Trimmu-Pujnad Loan 3159-3160
77	13	83.02	Trimmu-Pujnad Loan 3159-3160
78	15	475.02	Pakpattan & Sulemanki Loan 2971
79	14	354.61	Pakpattan & Sulemanki Loan 2971
80	10	16.17	Pakpattan & Sulemanki Loan 2971
81	5	7.69	Pakpattan & Sulemanki Loan 2971
82	11	7.44	Pakpattan & Sulemanki Loan 2971
83	6,7,8,9	5.50	Pakpattan & Sulemanki Loan 2971
84	2, 3	42.54	Disaster Credit 5686
85	24	11.08	Disaster Credit 5686
86	5, 8	1.64	Disaster Credit 5686
87	7	0.65	Disaster Credit 5686
88	5	90.75	Walled City Multan

89	7,11,18,21	17.00	Walled City Multan
90	12	6.62	Walled City Multan
91	2	5.19	Walled City Multan
92	2, 11	129.72	PIAIP Loan 2300
93	3	612.00	PIAIP Loan 2300
94	13	57.63	PISIP Loan PK-P59
95	15	2.83	PISIP Loan PK-P59
96	11	0.30	PISIP Loan PK-P59
	Total	6,649.20	

Annexure-B

SIGNIFICANT ISSUES FOR PAC's NOTICE

This section invites PAC's attention to irregularities of recurring nature needing immediate intervention by the PAO. It highlights trends in audit findings of the past five years, followed by an analysis of the underlying issues to be addressed.

TREND OF AUDIT FINDINGS OVER PAST FIVE YEARS

A glance at the past five years printed audit reports of the Public Works Departments reveals three main clusters of irregularities:

- (i) Non-adherence to contract clause to obtain performance security.
- (ii) Making overpayment due to execution of works at higher/non standardized rates.
- (iii) Non-recovery on account of less use of bitumen contrary to Job Mix Formula (JMF).

YEAR WISE RECURRING IRREGULARITIES

(Rs in million)

Audit Year	Issues Pertaining to Performance Security	Execution of work at Higher /Non-standardized Rates	Non-recovery on account of Less use Bitumen contrary to JMF
2013-14	231.99	155.39	887.06
2014-15	173.19	296.53	279.40
2015-16	232.57	462.06	28.53
2016-17	2,505.92	430.92	325.66
2017-18	1,997.84	1,824.13	382.52

FACTORS BEHIND RECURRENCE OF IRREGULARITIES

Analysis of the above table, depicting the statistics of Audit Report for last five years, reveals that most of these audit objections cropped up due to non-adherence to contractual obligations and non-compliance of financial rules by the departmental officers in particular and by the contractors in general, resulting in undue financial benefit to the contractors at the cost of public exchequer. Irregularities pointed out by audit with regard to non-obtaining of performance security recurred purely due to non-adherence to contractual obligations. As per contract clause, performance security had to be obtained before issuance of acceptance letter to the contractor for execution of work/project. This clause was not being complied with in spite of repeated pointation by Audit. This lapse involves a potential risk because in case of contractor's default, the executing departments have no security money to complete the project at the risk and cost of the contractor. Cases of overpayment on account of disregard to the JMF formula and approval of incorrect rates of non-standardized items were occurring time and again in violation of specific and unambiguous rules/procedure were available on these subjects.

Such errors have been recurring mainly either because of deficiencies in the design or ineffective implementation of the prescribed Internal Controls. Following major deficiencies in the design of internal controls were noticed which require immediate attention of the PAOs:

- Insufficient control consciousness within the departments/authorities, 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 operational effectiveness of the department's internal controls.
- 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 in the departments.

- Management's failure to assess the significance of deficiencies previously communicated by auditors.
- Lack of accountability process within the departments on repetition of the same irregularities.

PAOs' RESPONSIBILITIES

- i. The PAOs should ensure that the agreement clauses regarding provision of performance/additional performance bank guarantees are being complied with to safeguard the risk involved in the case of contractor's defaults.
- ii. The departments need to devise such a mechanism that the updated information relating to rates is timely available to the executives of all the formations and to ensure that the rates of non-standardized items are prepared and approved in accordance with material input rate available on the website of the Finance Department.
- iii. The PAO of the department should also issue clear direction that no payment should be made to the contractors without obtaining Job Mix Formula (JMF) from Roads Research and Material Testing Institute, Lahore.

PAC's INTERVENTION SOUGHT

The Public Works Departments, being executing authority of contracts, did not take notice of the recurrence of these irregularities despite repeated pointation by the audit. Lack of interest/leadership on part of successive PAO's in providing an overall direction to the financials management of the departments under their controls resulted in audit objections on the same themes, year after year, wasting PAC's valuable time. There is a need for a clear policy directive from PAC to address and resolve these chronic issues/problems to save public money and valuable time of all the tiers involved.

Annex-I

Para No. 2.4.1.5.1
Non-recovery on account of price variation – Rs 408.337 million

Sr. No.	Name of Division	DP No.	Amount	Recovery Verified	Balance
1	RCD Faisalabad	1572	96,520,623	-	96,520,623
2	HD Khanewal	1268	48,498,000	-	48,498,000
3	RCD Faisalabad	1580	43,598,525	-	43,598,525
4	HD Khanewal	1258	42,843,851	-	42,843,851
5	HD Sargodha	1340	31,568,719	-	31,568,719
6	HD Sahiwal	875	26,635,348	-	26,635,348
7	HD Mianwali	805	16,576,000	-	16,576,000
8	HD Sahiwal	894	14,606,780	-	14,606,780
9	HD Sahiwal	877	13,596,815	-	13,596,815
10	HD Sahiwal	926	11,537,887	-	11,537,887
11	HD Sahiwal	927	6,240,598	-	6,240,598
12	HD Muzaffargarh	624	5,704,667	-	5,704,667
13	HD Sialkot	1423	4,582,342	-	4,582,342
14	HD Jhelum	1675	4,142,920	-	4,142,920
15	HD D.G Khan	439	3,798,273	3,218,442	579,831
16	HD D.G Khan	411	3,480,549	2,636,059	844,490
17	HD M. Garh	571	3,370,251	-	3,370,251
18	RCD Rawalpindi	1115	3,246,155	-	3,246,155
19	HD Sahiwal	887	2,874,251	-	2,874,251
20	RCD Gujranwala	1527	2,653,000	-	2,653,000
21	HD Sialkot	1427	2,557,197	-	2,557,197
22	HD Sialkot	1424	2,544,129	-	2,544,129
23	HD D.G Khan	444	1,909,496	-	1,909,496
24	HD Sialkot	1417	1,614,596	-	1,614,596
25	RCD Gujranwala	1517	1,564,544	-	1,564,544
26	HD Sahiwal	921	1,520,643	-	1,520,643
27	RCD Gujranwala	1518	1,248,081	-	1,248,081
28	RCD Gujranwala	1503	1,197,978	-	1,197,978
29	HD Rawalpindi	855	1,130,609	-	1,130,609
30	HD D.G Khan	406	1,023,184	-	1,023,184
31	RCD Gujranwala	1535	1,015,065	-	1,015,065
32	HD Rawalpindi	839	814,835	-	814,835
33	RCD Gujranwala	1509	712,530	-	712,530
34	HD Sialkot	1433	624,399	-	624,399
35	HD Rawalpindi	847	603,125	-	603,125
36	HD Sialkot	1419	591,525	-	591,525
37	RCD Gujranwala	1534	582,615	-	582,615
38	HD Sahiwal	878	392,726	-	392,726
39	RCD Gujranwala	1504	301,658	-	301,658
40	HD Sialkot	1418	249,498	-	249,498
41	RCD Gujranwala	1536	62,707	-	62,707
	Total		408,336,694	5,854,501	402,482,193
	Rs in million		408.337	5.855	402.482

Annex-II

Para No. 2.4.1.6.1
Overpayment due to application of higher rate – Rs 124.677 million

Sr. No.	Name of Division	DP No.	(Amount in Rs)
1	HD Sargodha	1147	26,265,000
2	HD Bahawalpur	549	19,498,000
3	HM Div. Lahore	134	14,390,867
4	HD Sialkot	1425	9,856,451
5	HC Gujranwala	145	5,817,023
6	HD Okara	1291	4,384,000
7	HD Sahiwal	999	4,065,495
8	HD Bahawalpur	1376 (16-17)	4,055,166
9	HD Faisalabad	1493	3,628,000
10	HD Lodhran	1047	3,534,000
11	HD Lahore	58	3,327,000
12	MMD Lahore	125	3,031,000
13	RC Gujranwala	1512	2,922,994
14	HD D.G Khan	432	2,842,233
15	HD Jhelum	1673	2,767,973
16	HD Multan	1082	2,684,000
17	RC Gujranwala	1522	2,121,636
18	HD Bahawalpur	1354 (16-17)	1,972,660
19	RC Gujranwala	1523	1,967,359
20	RC Faisalabad	1560	1,596,000
21	HD Khanewal	1256	1,593,000
22	HD Rawalpindi	810	943,198
23	RC Faisalabad	1640	759,324
24	HD R.Y Khan	351	655,000
Total			124,677,379
Rs in million			124.677

Annex-III

Para No. 2.4.1.14
Non-recovery of cost of less used bitumen than approved jobmix formula –
Rs 83.198 million

(Amount in Rs)			
Sr. No.	Name of Division	DP No.	Amount
1	HD Lahore	91	42,574,000
2	HD Lahore	52	10,124,759
3	HD Lahore	89	5,713,045
4	HD M/Garh	623	3,333,636
5	HD D.G Khan	405	2,992,023
6	HD Lahore	90	2,846,000
7	HD DG Khan	443	2,715,755
8	HD DG Khan	431	2,609,686
9	HD M/Garh	575	2,597,132
10	HD Jhelum	1686	2,315,150
11	HD Sahiwal	920	1,941,231
12	HD Lahore	94	1,439,098
13	HD M/Garh	1483	1,095,389
14	HD Bahawalpur	1365 (16-17)	900,777
Total			83,197,681
Rs in million			83.198

Annex-IV

Para No. 2.4.1.17.1
Overpayment due to excess measurement – Rs 31.999 million

(Amount in Rs)			
Sr. No.	Name of Division	DP No.	Amount
1	HD Muzaffargarh	567	7,544,216
2	HD Muzaffargarh	569	4,972,371
3	HD Sialkot	1426	4,207,396
4	HD Muzaffargarh	588	3,676,917
5	HD D.G Khan	442	2,900,494
6	HD Muzaffargarh	568	1,950,573
7	HD Muzaffargarh	625	1,481,023
8	HD Rawalpindi	849	1,512,327
9	HD Mianwali	778	1,447,000
10	HD Muzaffargarh	626	1,204,480
11	HD Rawalpindi	852	1,102,083
Total			31,998,880
Rs in million			31.999

Annex-V

Para No. 2.4.1.52
Non-utilization of dismantled material – Rs 144.791 million

(Amount in Rs)			
Sr. No.	Name of Division	DP No.	Amount
1	HD Sargodha	1353	41,751,000
2	HD Okara	1293	32,230,000
3	RCD Lahore	1344 (16-17)	15,146,131
4	HD Lahore	69	14,670,000
5	HD Sargodha	1158	13,484,000
6	RCD Faisalabad	1592	13,052,000
7	HD Mianwali	809	6,567,000
8	HD Bahawalpur	1400 (16-17)	4,617,844
9	HD Sahiwal	873	1,501,706
10	RCD Rawalpindi	1104	687,882
11	HD Bahawalpur	1484	547,136
12	HD Bahawalpur	1401 (16-17)	536,604
Total			144,791,303
Rs in million			144.791

Annex-VI

Para No. 2.4.2.2

**Non recovery on account of de-escalation in price of diesel and steel -
Rs 196.650 million**

Sr. No	DP No.	Name of Division	Amount (Rs)
1	998	Sahiwal	669,288
2	368	Rahim Yar Khan	2,014,000
3	1727	Faisalabad	7,202,000
4	1725	Faisalabad	14,932,000
5	1768	4th Building, Lahore	858,487
6	1851	5th Building, Lahore	1265165
7	1845	5th Building, Lahore	3,568,142
8	1823	5th Building, Lahore	2,558,726
9	1877	7th Building, Lahore	349,509
10	1869	7th Building, Lahore	170,749
11	1374	Sialkot	545,764
12	1393	Sialkot	908,511
13	1392	Sialkot	2,461,584
14	1454	Sialkot	3,732,848
15	1455	Sialkot	1,222,383
16	1194	Narowal	123,522
17	1164	Narowal	2,166,058
18	1173	Narowal	573,180
19	1174	Narowal	527,448
20	1464	Sialkot	146,178
21	1166	Narowal	630,685
22	1023	Jhang	2,680,000
23	987	Sahiwal	793,425
24	988	Sahiwal	502,142
25	975	Sahiwal	8,209,692
26	976	Sahiwal	2,304,129
27	952	Sahiwal	1,934,222
28	938	Sahiwal	1,625,474
29	939	Sahiwal	832,453
30	761	Rawalpindi	410,038
31	705	Muzaffargarh	293,033
32	706	Muzaffargarh	138,073
33	700	Muzaffargarh	115,912
34	699	Muzaffargarh	271,950
35	688	Muzaffargarh	433,176
36	689	Muzaffargarh	532,554
37	675	Muzaffargarh	1,297,825
38	666	Muzaffargarh	461,729
39	667	Muzaffargarh	112,923
40	668	Muzaffargarh	1,342,975

Sr. No	DP No.	Name of Division	Amount (Rs)
41	669	Muzaffargarh	187,025
42	640	Lodhran	1,421,000
43	653	Lodhran	1,044,000
44	504	Sargodha	2,509,000
45	473	Dera Ghazi Khan	624,595
46	472	Dera Ghazi Khan	288,963
47	470	Dera Ghazi Khan	873,667
48	468	Dera Ghazi Khan	3,607,227
49	465	Dera Ghazi Khan	1,490,009
50	466	Dera Ghazi Khan	2,865,545
51	463	Dera Ghazi Khan	954,619
52	457	Dera Ghazi Khan	350,713
53	458	Dera Ghazi Khan	520,323
54	393	Bahawapur	76,825,000
55	271	GOR, Lahore	92,400
56	272	GOR, Lahore	99,139
57	270	GOR, Lahore	157,157
58	187	3rd Building, Lahore	29,365,000
59	1438 (2016-17)	Rahim Yar Khan	244,392
60	1416 (2016-17)	Rahim Yar Khan	671,475
61	1304 (2016-17)	1st Building, Lahore	343,831
62	1305 (2016-17)	1st Building, Lahore	185,956
63	1307 (2016-17)	6th Building, Lahore	225,458
64	1303 (2016-17)	1st Building, Lahore	663,680
65	1276 (2016-17)	1st Building, Lahore	122,235
		Total	196,650,361

Annex-VII

Para No. 2.4.2.3.1
Overpayment due to application of incorrect rate –
Rs 42.527 million

Sr. No	DP	Name of Division	Amount (Rs.)
1	1323	Gujranwala	301,087
2	1596	Jehlum	486,320
3	1735	Faisalabad	231,688
4	1732	Faisalabad	1,563,000
5	1803	4th Building , Lahore	95,245
6	1785	4th Building , Lahore	328,461
7	1774	4th Building , Lahore	144,102
8	1765	4th Building , Lahore	1,382,093
9	1368	Sialkot	107,281
10	1867	7th Building, Lahore	195,469
11	1182	Narowal	110,662
12	1177	Narowal	142,342
13	1187	Narowal	889,943
14	1169	Narowal	892,369
15	1162	Narowal	166,378
16	1206	Narowal	202,792
17	1056	Multan	4,635,000
18	997	Sahiwal	180,485
19	972	Sahiwal	1,195,355
20	951	Sahiwal	268,627
21	940	Sahiwal	5,189,220
22	759	Rawalpindi	925,000
23	750	Rawalpindi	891,829
24	728	Mianwali	3,666,067
25	685	Muzaffargarh	311,974
26	678	Muzaffargarh	924,290
27	670	Muzaffargarh	343,482
28	664	Muzaffargarh	289,124
29	657	Muzaffargarh	149,327
30	647	Lodhran	599,020

Sr. No	DP	Name of Division	Amount (Rs.)
31	511	Sargodha	495,000
32	482	Dera Ghazi Khan	329,133
33	484	Dera Ghazi Khan	358,641
34	487	Dera Ghazi Khan	285,425
35	490	Dera Ghazi Khan	401,571
36	496	Dera Ghazi Khan	282,747
37	478	Dera Ghazi Khan	1,540,623
38	471	Dera Ghazi Khan	230,366
39	469	Dera Ghazi Khan	226,076
40	464	Dera Ghazi Khan	171,406
41	461	Dera Ghazi Khan	180,447
42	452	Dera Ghazi Khan	2,351,960
43	312	7th Building, Lahore	1,204,508
44	273	GOR, Lahore	521,157
45	209	Buiding Circle No.1	330,960
46	70	Bahawalpur	1,165,000
47	35	Building Circle , Sargodha	461,649
48	36	Building Circle , Sargodha	141,000
49	37	Building Circle , Sargodha	530,579
50	38	Building Circle , Sargodha	614,079
51	183	3rd Building, Lahore	140,870
52	34	Building Circle , Sargodha	665,798
53	6	Dera Ghazi Khan, Circle	185,247
54	4	Dera Ghazi Khan, Circle	124,320
55	1462 (2016-17)	2nd Building, Lahore	161,574
56	1459 (2016-17)	2nd Building, Lahore	705,495
57	1455 (2016-17)	2nd Building, Lahore	645,204
58	1448 (2016-17)	2nd Building, Lahore	209,588
59	1413 (2016-17)	Rahim Yar Khan	192,192
60	1295 (2016-17)	1st Building, Lahore	866,488
		Total	42,527,135

Annex-VIII

Para No. 2.4.2.3.2
Overpayment due to application of incorrect rate –
Rs 33.299 million

Sr. No.	DP	Name of Division	Amount (Rs.)
1	1749	Faisalabad	197,631
2	1797	4th Building, Lahore	577,584
3	1199	4th Building, Lahore	670,272
4	1829	5th Building, Lahore	1,689,332
5	1361	Sialkot	871,969
6	1168	Narowal	428,717
7	1197	Narowal	191,189
8	1204	Narowal	636,866
9	990	Sahiwal	146,440
10	727	Mianwali	1,289,477
11	693	Muzaffargarh	103,583
12	663	Muzaffargarh	220,178
13	648	Lodhran	269,120
14	479	Dera Ghazi Khan	70,797
15	262	GOR, Lahore	287,800
16	1311 (2016-17)	6th Building, Lahore	458,317
17	1772	4th Building, Lahore	95,344
18	1763	4th Building, Lahore	215,039
19	1388	Sialkot	419,160
20	1469	Sialkot	1,646,018
21	1459	Sialkot	384,120
22	1470	Sialkot	1,124,870
23	1460	Sialkot	447,563
24	746	Rawalpindi	1,077,751
25	691	Muzaffargarh	127,686
26	366	Rahim Yar Khan	3700000
27	1798	4 th Building, Lahore	256605
28	981	Sahiwal	82050
29	1792	4 th Building Division, Lahore	1793421
30	1793	4 th Building Division, Lahore	521512
31	1794	4 th Building Division, Lahore	6123796
32	1778	4 th Building Division, Lahore	1086750
		Total	33,299,157

Annex-IX**Para No. 2.4.2.7
Non-recovery of Punjab Sales Tax - Rs 43.967 million**

Sr. No.	DP No.	Division	Amount (Rs)
1	526	Sargodha	2,706,000
2	1299	Gujranwala	161,547
3	1312	Gujranwala	12,453,000
4	1380	Sialkot	3,470,000
5	1320	Gujranwala	104,471
6	771	Rawalpindi	438,992
7	736	Mianwali	3,382,000
8	708	Muzaffargarh	8,113,017
9	703	Muzaffargarh	104,147
10	497	D.G Khan	45,964
11	1419(2016-17)	Rahim Yar Khan	11,699,000
12	1819	4 th Building LHR	1,288,928
		Total	43,967,066

Annex-X**Para No. 2.4.2.25**

Unjustified payment due to execution of below specification work by using below standard bricks - Rs 194.082 million

Sr. No.	DP	Name of Division	Amount (Rs)
1	1630	Jehlum	16,716,511
2	1724	Faisalabad	31,151,000
3	1452	Sialkot	2,935,220
4	1203	Narowal	209,595
5	1202	Narowal	1,098,214
6	1051	Multan	4,996,000
7	743	Rawalpindi	8,141,419
8	724	Mianwali	18,338,000
9	741	Mianwali	38,375,000
10	732	Mianwali	834,752
11	684	Muzaffargarh	593,319
12	374	Muzaffargarh	3,009,274
13	673	Muzaffargarh	20,803,051
14	671	Muzaffargarh	897,079
15	659	Muzaffargarh	1,295,704
16	632	Lodhran	6,493,000
17	519	Sargodha	7,795,000
18	480	Dera Ghazi Khan	1,288,574
19	455	Dera Ghazi Khan	369,167
20	313	7th Building, Lahore	7,337,087
21	332	7th Building, Lahore	811,190
22	180	3rd Building, Lahore	8,396,000
23	1486 (2016-17)	Rahim Yar Khan	456,238
24	869	Sargodha	8,946,000
25	1856	5th Building, Lahore	2,796,474
		Total	194,082,868

Annex-XI

Para 3.4.1.2.1

Non-recovery of PST -Rs 580.579 million

Sr. No.	DP No.	% of PST to be recovered	Formation	Amount (Rs in million)
1.	526	16 %	DF, LDA.	561.053
2.	524	16 %	DF LDA, LHR	3.681
3.	694	16 %	Dir.ADS-I LDA,	3.445
4.	722	16 %	Dir.ADS-II LDA,	1.765
5.	555	16 %	-do-	1.208
6.	697	16 %	Dir.ADS-I LDA,	0.574
7.	696	16 %	-do-	0.552
8.	830	16 %	Dir.Bldg-I LDA,	0.278
9.	818	16 %	-do-	0.245
10.	822	16 %	-do-	0.188
11.	637	16 %	Dir.EME LDA,	0.172
12.	828	16 %	Dir.Bldg-II LDA,	0.170
13.	639	16 %	Dir.EME LDA,	0.150
14.	824	16 %	Dir.Bldg-II LDA,	0.143
15.	815	16 %	-do-	0.136
16.	823	16 %	-do-	0.117
17.	820	16 %	-do-	0.115
18.	821	16 %	-do-	0.053
	TOTAL-(1)			573.726
19.	716	1%	Dir.ADS-II LDA,	6.560
20.	646	1%	Dir.ADS-II LDA,	0.293
	TOTAL-(2)			6.853
	G.TOTAL		TOTAL	580.579

Annex-XII

Para No. 3.4.1.2.2

Non-recovery of General Sales Tax – Rs 26.772 million

(Rs in million)		
DP No.	Formation	Amount
614	DF, LDA, UD Wing	10.165
767	Dir.Bldg-I, LDA, UD Wing	7.644
802	Dir. Bldg-I, LDA, UD Wing	2.401
631	Dir.EME, LDA, UD Wing	0.836
810	Dir. Bldg-I, LDA, UD Wing	0.680
795	-do-	0.680
625	Dir.EME, LDA, UD Wing	0.631
630	-do-	0.580
811	Dir. Bldg-I, LDA, UD Wing	0.452
653	Dir. ADS-I, LDA, UD Wing	0.435
688	-do-	0.415
627	Dir.EME, LDA, UD Wing	0.288
813	Dir. Bldg-II, LDA, UD Wing	0.257
634	Dir.EME, LDA, UD Wing	0.183
817	Dir. Bldg-II, LDA, UD Wing	0.142
523	DF, LDA, LHR	0.129
636	Dir.EME, LDA, UD Wing	0.124
638	-do-	0.112
803	Dir. Bldg-I, LDA, UD Wing	0.056
819	Dir. Bldg-II, LDA, UD Wing	0.052
632	Dir EME LDA	0.510
	Total	26.772

Annex-XIII

Para No. 3.4.10.1.2
Non-recovery of secured advance - Rs 216.07 million

Sr. No	DP	Year	Name of PHE Division	Amount	Verified	Remaining amount
1	521	2016-17	Chiniot	7,774,878	721,000	7,053,878
2	12	2017-18	Attock	13,438,000	10,430,000	3,008,000
3	132	2017-18	Okara	79,251,978	23,364,000	55,887,978
4	344	2017-18	MB Din	22,188,308	13,422,000	8,766,308
5	384	2017-18	Khushab	9,350,810	5,113,000	4,237,810
6	395	2017-18	Khushab	426,600	-	426,600
7	444	2017-18	DG Khan	16,509,189	-	16,509,189
8	445	2017-18	DG Khan	34,184,479	-	34,184,479
9	501	2017-18	Bahawalpur	13,763,221	6,537,000	7,226,000
10	563	2017-18	Khanewal	13,691,407	1,468,000	12,223,595
11	597	2017-18	Bhakkar	5,491,351	-	5,491,351
Total				216,070,221	61,055,000	155,015,188
				216.07(M)	61.05 (M)	155.01(M)

Annex-XIV

Para No. 3.4.10.3.1
Overpayment due to application of higher rates - Rs 91.33 million

Sr.No	PDP No	Year	Name of Division	Amount
1	538	2016-17	PHE, Vehari	683,984
2	539	2016-17	PHE, Vehari	1,484,030
3	571	2016-17	PHE Circle Faisalabad	2,277,182
4	573	2016-17	PHE Circle Faisalabad	3,901,516
5	574	2016-17	PHE Circle Faisalabad	1,605,217
6	583	2016-17	PHE Division Bhakar	386,140
7	4	2017-18	PHE, Attock	374,473
8	6	2017-18	PHE, Attock	236,277
9	10	2017-18	PHE, Attock	1,402,403
10	13	2017-18	PHE, Attock	354,052
11	25	2017-18	PHE, Rawalpindi	497,200
12	27	2017-18	PHE, Rawalpindi	220,446
13	32	2017-18	PHE, Rawalpindi	151,828
14	38	2017-18	PHE, Rawalpindi	138,321
15	45	2017-18	PHE, Gujrat	328,559
16	59	2017-18	PHE, Gujrat	232,985
17	63	2017-18	PHE, Gujrat	210,740
18	67	2017-18	PHE, Lahore	170,250
19	70	2017-18	PHE, Lahore	1,239,022
20	83	2017-18	PHE, Lahore	132,663
21	84	2017-18	PHE, Lahore	335,404
22	91	2017-18	PHE, Bahawalnagar	1,719,000
23	94	2017-18	PHE, Bahawalnagar	5,203,606
24	109	2017-18	PHE, Vehari	2,998,000
25	111	2017-18	PHE, Vehari	426,644
26	121	2017-18	PHE, Pakpattan	647,515
27	133	2017-18	PHE, Okara	12,296,000
28	142	2017-18	PHE Gujranwala	1,351,668
29	154	2017-18	PHE Gujranwala	982,293
30	155	2017-18	PHE Gujranwala	117,884
31	159	2017-18	PHE Gujranwala	877,682
32	162	2017-18	PHE Gujranwala	447,891
33	163	2017-18	PHE Chakwal	235,290
34	170	2017-18	PHE Chakwal	136,959
35	177	2017-18	PHE Chakwal	269,899
36	181	2017-18	PHE Jehlum	499,302
37	204	2017-18	PHE Sialkot	1,452,642
38	207	2017-18	PHE Sialkot	319,592
39	216	2017-18	PHE Sialkot	1,978,279
40	221	2017-18	PHE Sialkot	1,532,790
41	224	2017-18	PHE Sialkot	1,329,179

Sr.No	PDP No	Year	Name of Division	Amount
42	231	2017-18	PHE Narowal	601,350
43	236	2017-18	PHE Narowal	1,325,438
44	253	2017-18	PHE Sahiwal	1,682,784
45	265	2017-18	PHE Multan	2,287,000
46	279	2017-18	PHE Hafizabad	1,368,373
47	291	2017-18	PHE Narowal	4,303,202
48	296	2017-18	PHE Khanewal	510,004
49	305	2017-18	PHE Lodhran	239,381
50	322	2017-18	PHE Nankana Sahib	214,927
51	325	2017-18	PHE Nankana Sahib	139,928
52	326	2017-18	PHE Nankana Sahib	527,938
53	339	2017-18	PHE MB Din	266,421
54	340	2017-18	PHE MB Din	454,054
55	347	2017-18	PHE MB Din	376,268
56	351	2017-18	PHE MB Din	133,122
57	354	2017-18	PHE Nankana Sahib	765,892
58	357	2017-18	PHE Mianwali	1,053,379
59	359	2017-18	PHE Mianwali	2,343,074
60	360	2017-18	PHE Mianwali	1,308,404
61	361	2017-18	PHE Mianwali	306,959
62	363	2017-18	PHE Mianwali	351,351
63	371	2017-18	PHE Mianwali	345,967
64	378	2017-18	PHE Khushab	6,464,574
65	379	2017-18	PHE Khushab	1,077,735
66	380	2017-18	PHE Khushab	1,166,076
67	381	2017-18	PHE Khushab	564,298
68	398	2017-18	PHE Sargodha	219,692
69	422	2017-18	PHE RY Khan	8,378,688
70	432	2017-18	PHE, DG Khan	210,711
71	433	2017-18	PHE, DG Khan	152,463
72	527	2017-18	PHE, Kasur	363,477
73	531	2017-18	PHE, Kasur	229,856
74	536	2017-18	PHE, Kasur	411,376
Total				91,328,969
				91.33 (M)

Annex-XV

Para No. 3.4.10.3.2
Overpayment due to application of higher rates - Rs 46.96 million

Sr.No	PDP No	Year	Name of PHE Division	Amount
1	492	2016-17	PHE, Sialkot	802,549
2	542	2016-17	PHE Circle Bahawalpur	1,504,506
3	543	2016-17	PHE Circle Bahawalpur	100,140
4	544	2016-17	PHE Circle Bahawalpur	6,480,152
5	545	2016-17	PHE Circle Bahawalpur	1,112,861
6	567	2016-17	PHE Circle DG Khan	18,838,359
7	619	2016-17	PHE Circle Sahiwal	1,775,828
8	108	2017-18	PHE, Vehari	1,045,000
9	129	2017-18	PHE, Okara	6,094,000
10	202	2017-18	PHE Sialkot	304,639
11	215	2017-18	PHE Sialkot	746,418
12	223	2017-18	PHE Sialkot	454,204
13	254	2017-18	PHE Sahiwal	574,200
14	274	2017-18	PHE Hafizabad	591,572
15	284	2017-18	PHE Hafizabad	93,063
16	285	2017-18	PHE Hafizabad	306,969
17	431	2017-18	PHE, DG Khan	2,997,732
18	434	2017-18	PHE, DG Khan	107,236
19	477	2017-18	PHE, Rajanpur	962,810
20	478	2017-18	PHE, Rajanpur	826,609
21	480	2017-18	Rajanpur	687,400
22	588	2017-18	Layyah	556,775
Total				46,963,022
Rs in million				46.963

Annex-XVI

Para No. 3.4.10.7.1
Non-recovery of government taxes - Rs 28.03 million

Sr.No	PDP No	Year	Name of Division	Amount (Rs)
1	500	2017-18	PHE, Sialkot	567,936
2	518	2015-16	PHE, Chiniot	268,566
3	519	2015-16	PHE, Chiniot	458,007
4	584	2015-16	PHE Division Bhakar	1,428,000
5	606	2015-16	Secretary HUD & PHE Lahore	139,428
6	18	2017-18	PHE, Attock	286,491
7	21	2017-18	PHE, Attock	319,882
8	28	2017-18	PHE, Rawalpindi	289,000
9	29	2017-18	PHE, Rawalpindi	8,109,742
10	46	2017-18	PHE, Gujrat	542,058
11	51	2017-18	PHE, Gujrat	390,101
12	57	2017-18	PHE, Gujrat	194,957
13	127	2017-18	PHE, Pakpattan	10,059,000
14	144	2017-18	PHE Gujranwala	242,382
15	149	2017-18	PHE Gujranwala	246,163
16	173	2017-18	PHE Chakwal	137,360
17	232	2017-18	PHE Narowal	268,752
18	242	2017-18	PHE Narowal	271,709
19	245	2017-18	PHE Narowal	455,294
20	289	2017-18	PHE Hafizabad	425,023
21	309	2017-18	PHE Lodhran	891,118
22	330	2017-18	PHE Nankana Sahib	285,318
23	331	2017-18	PHE Nankana Sahib	153,872
24	408	2017-18	PHE Sargodha	227,829
25	411	2017-18	PHE Sargodha	235,732
26	413	2017-18	PHE Sargodha	290,598
27	415	2017-18	PHE Sargodha	279,555
28	539	2016-17	PHE, Kasur	569,573
Total				28,033,446
				28.03 (M)

Annex-XVII

Para No. 3.4.10.8
Overpayment due to non-deduction of cost of old material - Rs 27.57 million

Sr.No	PDP No	Year	Name of Division	Amount (Rs)
1	504	2015-16	PHE, Mandi Bahuddin	434,686
2	546	2015-16	PHE Circle Bahawalpur	582,120
3	554	2015-16	PHE Circle Sahiwal	121,942
4	562	2015-16	PHE Circle DG Khan	5,390,775
5	5	2016-17	PHE, Attock	471,300
6	44	2016-17	PHE, Gujrat	1,033,359
7	58	2016-17	PHE, Gujrat	94,669
8	68	2016-17	PHE, Lahore	653,645
9	174	2016-17	PHE Chakwal	309,025
10	272	2016-17	PHE Hafizabad	500,126
11	278	2016-17	PHE Hafizabad	887,456
12	288	2016-17	PHE Hafizabad	274,817
13	324	2016-17	PHE Nankana Sahib	498,330
14	337	2016-17	PHE MB Din	299,412
15	350	2016-17	PHE MB Din	121,338
16	367	2016-17	PHE Mianwali	292,932
17	372	2016-17	PHE Mianwali	256,774
18	375	2016-17	PHE Mianwali	132,372
19	383	2016-17	PHE Khushab	164,055
20	399	2016-17	PHE Sargodha	622,764
21	400	2016-17	PHE Sargodha	274,662
22	405	2016-17	PHE Sargodha	225,252
23	409	2016-17	PHE Sargodha	733,284
24	410	2016-17	PHE Sargodha	232,434
25	414	2016-17	PHE Sargodha	270,900
26	435	2016-17	PHE, DG Khan	6,643,500
27	492	2016-17	PHE, Bahawalpur	882,900
28	532	2016-17	PHE, Kasur	1,183,428
29	560	2016-17	PHE, Khanewal	552,614
30	574	2016-17	PHE, Layyah	78,732
31	584	2016-17	PHE, Layyah	2,860,452
32	592	2016-17	PHE, Bhakkar	488,911
Total				27,568,966
Rs in million				27.569

Annex-XVIII

**Para No. 3.4.10.9
Overpayment due to excess measurement - Rs 15.65 million**

Sr.No	PDP No	Year	Name of Division	Amount
1	524	2016-17	PHE, Bahawalnagar	2,327,908
2	532	2016-17	PHE, Bahawalnagar	424,880
3	591	2016-17	PHE Division Pakpattan	577,283
4	3	2017-18	PHE, Attock	626,286
5	86	2017-18	PHE, Lahore	3,850,985
6	112	2017-18	PHE, Vehari	2,023,000
7	185	2017-18	PHE Jehlum	239,847
8	188	2017-18	PHE Jehlum	157,676
9	249	2017-18	PHE Sahiwal	148,611
10	263	2017-18	PHE Multan	1,260,320
11	264	2017-18	PHE Multan	888,363
12	327	2017-18	PHE Nankana Sahib	2,817,688
13	490	2017-18	PHE, Bahawalpur	286,036
14	585	2017-18	PHE, Layyah	24,739
Total				15,653,622
Rs in million				15.654

Annex-XIX

Para No. 3.4.10.11

Loss to Govt due to purchase of machinery through contractor – Rs 12.23 million

Sr No	PDP No	Year	Formation	Amount (Rs)
1	557	2016-17	PHE Circle DG Khan	9,859,337
2	563	2016-17	PHE Circle DG Khan	744,861
3	146	2017-18	PHE Gujranwala	127,800
4	152	2017-18	PHE Gujranwala	262,500
5	153	2017-18	PHE Gujranwala	134,100
6	161	2017-18	PHE Gujranwala	83,666
7	235	2017-18	PHE Narowal	150,987
8	239	2017-18	PHE Narowal	149,344
9	365	2017-18	PHE Mianwali	60,846
10	390	2017-18	PHE Khushab	88,260
11	404	2017-18	PHE Sargodha	125,256
12	407	2017-18	PHE Sargodha	322,498
13	412	2017-18	PHE Sargodha	123,750
Total				12,233,205
Rs in million				12.233

Annex-XX

Para No. 3.4.10.13
Non-recovery on account of shrinkage allowance Rs 10.14 million

Sr.No	PDP No	Year	Name of Division	Amount (Rs)
1	561	2015-16	PHE Circle DG Khan	459,788
2	562	2016-17	PHE, Khanewal	102,709
3	565	2015-16	PHE Circle DG Khan	457,666
4	7	2016-17	PHE, Attock	83,668
5	42	2016-17	PHE, Gujrat	333,117
6	93	2016-17	PHE, Bahawalnagar	2,416,859
7	141	2016-17	PHE Gujranwala	164,163
8	143	2016-17	PHE Gujranwala	170,321
9	156	2016-17	PHE Gujranwala	548,687
10	314	2016-17	PHE Lodhran	410,917
11	328	2016-17	PHE Nankana Sahib	350,133
12	389	2016-17	PHE Khushab	309,110
13	393	2016-17	PHE Khushab	161,006
14	437	2016-17	PHE, DG Khan	140,394
15	453	2016-17	PHE, Muzaffargarh	462,135
16	461	2016-17	PHE, Muzaffargarh	152,506
17	468	2016-17	PHE, Muzaffargarh	295,780
18	473	2016-17	PHE, Muzaffargarh	252,474
19	495	2016-17	PHE, Bahawalpur	210,738
20	520	2016-17	PHE, Kasur	444,850
21	528	2016-17	PHE, Kasur	639,491
22	535	2016-17	PHE, Kasur	722,565
23	577	2016-17	PHE Division Layyah	456,130
24	593	2016-17	PHE, Bhakkar	396,762
Total				10,141,969
Rs in million				10.142

Annex-XXI

Para No. 4.4.1
Overpayment due to non-maintenance of quoted percentage – Rs 217.406 million

Sr. No.	DP No.	Name of Division	Amount (Rs)
1	262	Bhakkar Canal Div. Bhakkar	31,085,299
2	360	LBDC Sahiwal	1,516,422
3	394	Khanki Headworks Div	4,197,703
4	401	DG Khan Canal Div DG Khan	5,610,595
5	539	DG Khan Const Div	14,323,059
6	569	DCC Div Kasur	1,671,216
7	608	Jampur Const. Div DG Khan	57,438,081
8	646	RY Khan Canal Div RY Khan	19,938,338
9	661	Rajanpur Canal Div	8,451,729
10	666	Burala LCC East Faisalabad	4,245,233
11	733	Headworks Division Kalabagh Mianwali	275,844
12	772	Rachna Drainage Div S/Pura	3,896,672
13	811	UCC Div Gujranwala	1,180,549
14	882	UCC Div Sheikhupura	1,712,920
15	897	UCC Div Sheikhupura	3,518,588
16	916	Flood Bund Div Narowal	2,457,978
17	965	Marala Div UCC Marala	419,818
18	1078	M/garh Canal Div M/garh	538,195
19	1093	Ahmadpur Canal Division, Ahmadpur	427,291
20	1218	Pasrur Link Div Sialkot	23,496,330
21	1229	Taunsa Barrage Div Kot Adu	2,754,802
22	1273	Small Dams Div Jhelum	13,744,485
23	1368	Development Div-II Lahore	26,951,606
24	1386	Development Div-II Lahore	20,155,094
Total			217,406,126
Rs in million			217.406

Annex-XXII

Para No. 4.4.3
Non-recovery of General Sale Tax – Rs 77.971 million

DP No.	Name of Division	Amount (Rs)
3	Development Div. B/nagar	2,937,566
29	Ahmadpur Canal Division, Ahmadpur (East)	1,380,152
549	DG Khan Const Div	43,298,187
623	Jampur Const. Div DG Khan	18,390,557
1370	Development Div No II Lahore	11,964,956
Total		77,971,418
Rs in million		77.971

Annex-XXIII

Para No. 4.4.8
Non-recovery of price de-escalation – Rs 53.118 million

DP No.	Name of Division	Amount (Rs)
14	Development Division Bahawlanagar	2,986,099
76	Western Bar Division Thingi	450,315
504	DCC Khanwah Division Depalpur	688,456
551	DG Khan Construction Division DG Khan	24,083,022
628	Jampur Constrcution Division	6,119,360
719	Small Dams Division Islamabad	2,709,198
728	Small Dams Division Islamabad	3,591,952
729	Small Dams Division Islamabad	1,229,945
1019	Jhang Canal Division Jhang	371,005
1040	Shujabad Canal Division Multan	729,541
1130	Kot Adu Canal Division Kot Adu	1,405,819
1276	Small Dams Division Jhelum	889,800
1315	CBDC Division Lahore	3,055,161
1376	Development Division II Lahore	4,808,321
Total		53,117,994
Rs in million		53.118

Annex-XXIV

Para No. 4.4.9
Overpayment due to application of incorrect rate – Rs 31.205 million

DP No.	Name of Division	Amount
339	LBDC Sahiwal	3,086,632
343	LBDC Sahiwal	187,923
474	UJC Div Gujrat	13,376,342
748	Rachna Drainage Divisiobn Sheikhupura	2,593,250
913	Flood Bund Division Narowal	2,874,119
953	UCC division Sheikhupura	482,380
1007	Drainage Division Sargodha	1,550,295
1269	Small Dams Div Jhelum	6,258,853
1280	Small Dams Div Jhelum	795,302
	Total	31,205,096
	Rs in million	31.205

Annex-XXV

Para No. 4.4.28
Loss due to encroachment on government land - Rs 1,538.261 million

DP No.	Name of Division	Amount
24	Fordwah Canal Division, Bahawalnagar	1,102,255,885
35	Ahmadpur Canal Division, Ahmadpur (East)	97,640,000
55	Mailsi Syphon Division, Thingi, Vehari	8,247,900
102	Hakra Canal Division, Bahawalnagar	7, 809,000
364	LBDC Sahiwal	240,000, 000
380	Western Bar Thingi	91,764,203
403	DG Khan Canal Div DG Khan	47,327,012
433	Mailsi Syphon Div Thingi Vehari	29,052,614
555	QB Barrage Div Qadirabad	4,005,250
605	Eastern Bar Div Pakpattan	30,365,878
995	Marala Div UCC Marala	600,000
1157	Trimmu Barrage Div Trimmu	127,002,591
	Total	1,538,261,333
	Rs in million	1,538.261

Annex-XXVI

Para No. 4.4.29
Loss due to non-auction of government land on lease –
Rs 786.864 million

DP No.	Name of Division	Amount
19	Fordwah Canal Division, Bahawalnagar	6,840,000
40	Ahmadpur Canal Division, Ahmadpur (East)	30,160,000
89	Western Bar Division Thingi	5,251,200
101	Hakra Canal Division, Bahawalnagar	4,806,000
295	Mailsi Syphon Division Thingi Nagar	1,900,000
381	Western Bar Thingi	66,171,200
432	Mailsi Syphon Div Thingi Vehari	24,300,000
513	DCC Khanwah Div Depalpur	44,640,000
577	DCC Div Kasur	151,280,000
606	Eastern Bar Div Pakpattan	131,840,000
635	RY Khan Canal Div RY Khan	22,159,000
656	Rajanpur Canal Div	8,329,657
679	Dallas Canal Div RY Khan	3,200,000
690	Khanpur Canal Div Khanpur	4,531,695
982	Marala Div UCC Marala	146,480,000
1039	Shujabad Canal Div Multan	1,726,131
1050	Multan Canal Div Multan	4,857,000
1061	M/garh Canal Div M/garh	14,578,021
1120	Bhakkar Canal Div Bhakkar	776,460
1121	Kot Adu Canal Div Kot Adu	154,000,000
1169	Taunsa Barrage Div Kot Adu	84,177,500
1196	Pasrur Link Div Sialkot	6,700,000
	Total Rs in million	786,863,864 786.864

Annex-XXVII

Para No. 4.4.30

Undue financial benefit due to non-obtaining of additional and performance security - Rs 775.170 million

DP No.	Name of Division	Amount (Rs)
44	Ahmadpur Canal Division, Ahmadpur (East)	80,118,571
117	Lower Chenab Canal (W) Division Jhang	57,853,000
147	Eastern Bar Division Pakpattan	38,759,576
264	Bhakkar Canal Div. Bhakkar	4,023,000
342	LBDC Sahiwal	5,892,842
350	LBDC Sahiwal	4,006,302
402	DG Khan Canal Div DG Khan	2,700,711
428	Mailsi Syphon Div Thingi Vehari	93,704,373
492	DCC Khanwah Div Depalpur	28,075,807
516	Eastern Bar Div Pakpattan	3,143,776
568	DCC Div Kasur	7,086,491
585	DCC Div Kasur	17,897,920
687	Khanpur Canal Div Khanpur	1,348,044
718	Small Dams Div Islamabad	154,563,000
762	Rachna Drainage Div S/Pura	17,584,968
805	Bahawalpur Canal Div	6,914,414
851	Upper Gugera Div Sheikhupura	7,887,859
853	Upper Gugera Div Sheikhupura	45,298,321
988	Marala Div UCC Marala	1,700,500
1011	Drainage Div Sargodha	511,884
1092	Ahmadpur Canal Division, Ahmadpur	12,258,378
1134	Kot Adu Canal Div Kot Adu	12,111,255
1235	Multan Canal Div Multan	21,292,000
1271	Small Dams Div Jhelum	147,983,000
1304	CBDC Div Lahore	2,453,728
	Total Rs in million	775,169,720 775.170

Annex-XXVIII

Para No. 4.4.34
Non-utilization/deduction of available earth - Rs 57.950 million

Sr. No.	DP No.	Name of Division	Amount (Rs)
1	145	Secretary Irrigation, Lahore	5,489,870
2	414	DG Khan Canal Div DG Khan	12,936,485
3	436	Mailsi Syphon Div Thingi Vehari	131,970
4	462	Eastern Bar Div Pakpattan	410,173
5	463	Eastern Bar Div Pakpattan	2,880,627
6	466	Eastern Bar Div Pakpattan	573,883
7	467	UCC Div Gujranwala	142,139
8	476	UJC Div Gujrat	4,803,638
9	498	DCC Khanwah Div Depalpur	421,418
10	644	RY Khan Canal Div RY Khan	870,766
11	841	Upper Gugera Div Sheikhupura	2,203,650
12	923	Flood Bund Div Narowal	3,530,193
13	1026	Jhang Canal Division Jhang	3,209,712
14	1076	M/garh Canal Div M/garh	2,686,150
15	1151	Trimmu Barrage Div Trimmu	699,233
16	1165	Trimmu Barrage Div Trimmu	7,496,850
17	1215	Pasrur Link Div Sialkot	1,129,165
18	1385	Development Div-II Lahore	8,333,772
		Total Rs in million	57,949,694 57.950

Annex-XXIX

Para No. 4.4.60
Loss to due to non-auction of scrap material - Rs 114.584 million

DP No.	Name of Division	Amount
71	TOD Khanpur	2,600,000
165	Machinery Circle Lahore	-
170	Machinery Circle Lahore	-
220	Central Store Div. Lahore	77,285,398
1032	Jhang Canal Div LCC (W) Jhang	11,098,372
1170	Taunsa Barrage Div Kot Adu	20,000,000
1171	Taunsa Barrage Div Kot Adu	3,600,000
	Total	114,583,770
	Rs in million	114.584

Annex-XXX

Para No. 7.3.5.2 Non-recovery for de-escalation of bitumen and diesel - Rs 20.050 million

(A) Bitumen

S. No.	Para No.	Division	Base Rate (Rs)	Current Price (Rs)	Difference (Rs)	Percentage Below	Quantity in Metric Ton	Amount of Recovery (Rs)		
1.	20	HW Div. Sialkot	73,030	65,770	7,260	9.94%	42.37	307,606		
			73,030	61,270	11,760	16.10%	13.79	162,170		
2.	22	HW Div. Narowal	89,180	69,140	20,040	22.47%	16.92	339,077		
			89,180	73,160	16,020	17.96%	5.23	83,784		
3.	23	HW Div. Narowal	89,180	61,400	27,780	31.15%	26.98	749,604		
4.	26	HW Div Gujranwala	88,920	65,360	23,560	26.49%	29.18	1,203,680		
5.	30	HW Div Gujranwala	88,920	65,360	23,560	26.49%	22.92	539,995		
6.	31	HW Div Gujranwala	88,920	60,860	28,060	31.55%	13.67	383,580		
			88,920	63,280	25,640	28.83%	14.74	377,934		
7.	35	HW Div. Gujrat	88,930	68,850	20,080	22.58%	21.87	439,150		
			88,930	65,600	23,330	26.23%	20.12	469,399		
8.	39	HW Div. Gujrat	72,870	61,100	11,770	16.15%	11.76	138,474		
			72,870	65,600	7,270	9.97%	28.71	208,743		
9.	43	HW Div. Gujrat	88,930	72,870	16,060	18.06%	11.67	187,560		
			88,930	68,850	20,080	22.58%	33.40	670,672		
			88,930	76,310	12,620	14.19%	40.01	505,016		
10.	46	HW Div. Gujrat	88,930	68,850	20,080	22.58%	18.32	376,865		
			88,930	76,310	12,620	14.19%	56.47	713,047		
			88,930	65,500	23,330	26.23%	26.77	625,544		
11.	59	HW Div Gujrat	72,870	68,850	4,020	5.51%	10.94	43,993		
12.	63	HW Div Hafizabad	88,580	68,210	20,370	22.99%	6.07	123,646		
			88,580	64,940	23,640	26.68%	61.56	1,455,278		
13.	71	HW Div Jhelum	89,470	72,870	16,600	18.55%	14.27	236,882		
			89,470	65,600	23,830	26.63%	8.96	213,876		
14.	87	HW Div Jhang	70,942	59,132	11,810	16.64%	27.66	326,664		
15.	99	HW Div Jhang	70,942	63,632	7,310	10.30%	46.78	341,961		
16.	105	HW Div Jhang	70,942	63,632	7,310	10.30%	33.20	242,692		
17.	106	HW Div Jhang	70,942	63,632	7,310	10.30%	7.68	56,141		
18.	108	HW Div Jhang	70,942	59,132	11,810	16.64%	22.95	271,098		
19.	109	HW Div Jhelum	89,470	76,348	13,122	14.66%	63.80	837,183		
			89,470	71,246	18,224	20.36%	10.75	195,908		
			89,470	65,746	23,724	26.51%	0.59	13,997		
20.	115	HW Div Jhelum	89,470	65,746	23,724	26.51%	54.69	1,297,703		
21.	116	HW Div Jhelum	89,470	65,746	23,724	26.51%	30.67	727,615		
22.	117	HW Div Jhelum	89,470	65,746	23,724	26.51%	32.62	773,877		
23.	118	HW Div Gujranwala	72,637	65,363	7,274	10.01%	39.38	286,450		
24.	119	HW Div Gujranwala	88,920	65,360	23,560	26.49%	46.02	1,081,373		
			88,920	76,060	12,860	14.46%	23.12	97,787		
			88,920	72,630	16,290	18.32	15.20	247,608		
Total							17,353,632			
Rs in million							17,353			

(B) Diesel

S. No.	Para No.	Division	Base Rate	Current Price	Difference	Percentage Below	Payment Made	Amount of Recovery
1	40	HW Div. Gujrat	83.61	72.52	11.09	13.26%	8,351,270	166,608
2	41	HW Div. Gujrat	80.61	72.52	08.09	10.04%	5,502,582	82,836
3	47	HW Div. Gujrat	80.65	72.52	08.13	10.08%	6,438,820	97,600
4	50	HW Div. Gujrat	83.61	72.52	11.09	13.26%	14,055,854	280,414
5	52	HW Div. Gujrat	83.61	72.52	11.09	13.26%	7,041,255	140,473
6	54	HW Div. Gujrat	83.61	72.52	11.09	13.26%	8,938,927	169,171
7	60	HW Div. Gujrat	83.61	72.52	11.09	13.26%	10,034,648	190,929
8	61	HW Div. Gujrat	83.61	75.22	08.39	10.03%	4,440,949	66,845
9	78	HW Div. Jhang	83.61	71.12	12.49	14.94%	8,003,053	179,329
			83.61	75.22	08.39	10.39%	7,019,612	105,659
			83.61	72.52	11.09	13.26%	842,360	12,679
10	80	HW Div. Jhang	83.61	72.52	11.09	13.26%	9,655,969	192,115
11	82	HW Div. Jhang	83.61	72.52	11.09	13.26%	7,795,443	155,098
12	84	HW Div. Jhang	83.61	71.22	12.49	14.94%	2,699,347	60,485
			83.61	72.52	11.09	13.26%	2,238,006	44,527
13	100	HW Div. Jhang	83.61	72.52	11.09	13.26%	8,355,307	166,688
14	101	HW Div. Jhang	83.51	72.52	11.09	13.26%	7,218,561	144,011
15	104	HW Div. Jhang	83.61	72.52	11.09	13.26%	9,699,172	192,954
16	107	HW Div. Jhang	83.61	72.52	11.09	13.26%	8,473,389	168,585
17	110	HW Div. Jhang	80.61	72.52	08.09	10.03%	5,299,207	79,774
Total							142,103,731	2,696,780
Rs in million								2.697

SUMMARY TABLES & CHARTS