AUDIT REPORT
ON
THE ACCOUNTS OF

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

GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2013-14

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

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

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

PREFACE

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

The report is based on audit of the accounts of Communication & Works Department, Housing, Urban Development & Public Health Engineering Department, Irrigation Department and Daanish Schools & Centers of Excellence Authority of the Government of the Punjab for the financial year 2012-13 and also contains a few audit observations pertaining to previous financial years. The Directorate General of Audit Works (Provincial), Lahore conducted audit during 2013-14 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The audit observations listed in the Annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regulatory framework besides instituting and strengthening of internal controls to avoid recurrence of similar violations and irregularities.

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

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

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

Directorate General of Audit Works (Provincial), Lahore (DGAW-P) carried out audit of the Departments of Communication & Works, Housing, Urban Development & Public Health Engineering, Irrigation, Local Government & Community Development, Daanish Schools & Centers of Excellence Authority, Energy Department and Cholistan Development Authority of the Government of the Punjab during 2013-14. Under the Punjab Budget Manual, the Secretary is the Principal Accounting Officer of the Administrative Department, its attached Departments, Autonomous Bodies and Project Management Units. Financial provisions of the Constitution describe the working of Provincial Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. When financial year is closed, audit exercise is carried by the Pakistan Audit Department as per constitutional provision with its final outcome as an Audit Report. For this, Director General, Audit Works (Provincial), Lahore has a human resource of 192 officers and staff resulting in a total of 48192 man days available with financial resources of Rs 163.236 million. This office is mandated to conduct Regularity Audit (Financial Attest Audit & Compliance with Authority Audit) besides conducting Performance/Project Audits of development schemes. The accounts audited in this audit report relate to the financial year 2012-13. Accounts of some formations pertaining to previous years were also audited.

Objectives:

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

a. Scope of Audit

Total auditable expenditure during financial year 2012-13 under the jurisdiction of Directorate General of Audit Works (Provincial), Lahore was Rs 155,771.111 million against total budgetary allocations of Rs 167,593.944 million covering seven (07) PAOs and 561 formations. DGAW-P audited an expenditure of Rs 97,096.870 million in respect of 240 formations, which in terms of percentage comes 62.33% of total auditable expenditure. Six Project Audit Reports are also under process and would be published separately. Moreover, Six Foreign Aided Projects (FAP) reports have been issued by this office during the current Audit Year (2013-14).

Besides incurring expenditure, the departments also realized the revenue/capital receipts of Rs 56,283.050 million against the estimated revenue of Rs 54,478.462 million. The Audit also covered the revenue realization on test check basis.

b. Recoveries at the instance of audit

During audit year 2013-14, the DGAW-P pointed out recovery of Rs 2,685.75 million. The Management accepted the stance of Audit to the extent of Rs 579.09 million. The Audit, after reviewing the evidences has verified the recovery of Rs 267.95 million from July 2013 to December 2013 which includes recovery of Rs 251.40 million pertaining to audit paras for the audit year 2013-14 and Rs 16.55 million relating to paras of previous years. Out of the total recoveries, Rs 155.99 million was not in the notice of the Management before audit.

c. Audit Methodology

The overall Audit Methodology involved the following steps:

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

- Risk assessment
- Selecting samples as per sampling criteria.
- Execution of audit programmes.
- Identification of weaknesses in internal controls and development of audit observations and recommendations relating to non-compliance of laws, rules, regulations and prescribed procedures.
- Evaluation of results.
- Reporting.
- Follow up.

d. Audit Impact

Due to continuous functioning of PAC over the years, there is positive change in the attitude of auditee formations towards audit. Earlier, non-production of record to audit teams was a common feature, which now seldom occurs. Audit view point on financial/technical issues in works audit is being appreciated by PAC, the Finance Department and Administrative Departments which is a healthy sign in the improvement of financial discipline in the public spending.

e. Comments on Internal Controls in the Auditee Departments

Implementation of internal controls mechanism is essential for improving accountability of limited public resources, preventing organizational problems, correct financial reporting, and finally improving public service delivery. Internal controls are, therefore, vital for the smooth and transparent operations of any department. However, the internal controls have not been effectively implemented in most of the auditee departments, as a result of which same nature of observations are being repeated over the years. The Annexure-2 of this report provides greater insight into quality of internal controls.

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

f. Key audit findings of this report

I. Fraudulent withdrawal of amounts etc. from bank account of Rs 240.48 million in twenty one (21) cases[1].

[1] Para 2.4.1, 2.4.2, 2.4.3, 3.4.1, 4.4.1

II. Non-production of record of expenditure for Rs 447.63 million in two (02) cases[2].
III. Wasteful expenditure on execution of non-viable projects for Rs 2,054.85 million in three (03) cases[3].
IV. Overpayment / unjustified payment in violation of JMF for Rs 887.07 million in thirty two (32) cases[4].
V. Undue financial benefit due to non-obtaining/less receipt of performance/ additional performance securities of Rs 231.99 million in sixteen (16) cases[5].
VI. Overpayment due to incorrect application of rate for Rs 155.39 million in nineteen (19) cases[6].
VII. Irregular award/enhancement of works in violation of PPRA's Rules for Rs 112.48 million in sever (07) cases[7].
VIII. Non-recovery of commercialization fee for Rs 68.71 million in ten (10) cases[8].
IX. Loss due to allowing excess rate than agreed / provision in MRS for Rs 538.49 million in eighty three (83) cases[9].
X. Loss on account of inadmissible component of preheating of bitumen of Rs 63.11 million in five (05) cases[10].

Audit Paras for the audit year 2013-14 involving procedural violations including internal control weakness and irregularities, not considered worth reporting to the PAC, have been included in Annexure-1 (MFDAC paras) of this Report.

g. Recommendations

During the audit execution it was noticed that most of the irregularities were committed either due to absence/weakness of internal control mechanism or lack of monitoring & supervision. While making trend analysis of effectiveness of Internal Controls, it became evident that the same audit observations have come up again and again over the period (Annexure-2). Principal Accounting Officers need to strengthen internal controls in their Departments / Authorities in the light of the following recommendations:

[2] Para 2.4.4
[3] Para 4.4.2
[4] Para 2.4.5, 3.4.6, 4.4.36
[5] Para 3.4.13, 3.4.22, 3.4.37, 4.4.6
[6] Para 2.4.28, 3.4.31, 4.4.8, 4.4.37, 4.4.40
[7] Para 3.4.7, 3.4.26, 5.3.9
[8] Para 3.4.8
[9] Para 2.4.6, 2.4.10
[10] Para 2.4.16

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

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

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

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

V. It is high time that an internal audit wing directly reporting to the PAO needs to be established in the engineering departments to strengthen the effectiveness of the prescribed internal controls.

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

VII. The compliance of directives of the Public Accounts Committee by the Principal Accounting Officers remained poor (0.73 % during the year 2012-13). Audit has been reminding the PAOs time and again but no improvement in this regard was visible so far. Principal Accounting Officers should give special attention to this issue and develop mechanism to monitor compliance of PAC directives in their departments.

SUMMARY TABLES & CHARTS

Table 1 Audit Work Statistics

(Rs in million)

Sr. No	Description	No.	Budget	
			Expenditure	Receipt
1	Total Entities in Audit Jurisdiction	07	167,593.94	54,478.46
2	Total Formations in Audit Jurisdiction	561		
3	Total Entities Audited	07	167,593.94	54,478.46
4	Total Formations Audited	240	119,376.66	8,449.64
5	Audit & Inspection Reports	240		
6	Performance / Project Audit Reports	6	5,107.63	-
7	Other Reports			
	Certification Audit Report	01	80,058.33	-
	FAP Reports	09	11,603.40	

Table 2 Audit Observations Classified by Categories

(Rs in million)

Sr. No.	Description	Monetary Value of Audit Observations
1	Unsound asset management	962.17
2	Weak financial management	1,396.58
3	Weak internal controls relating to financial management	8,935.34
4	Others	210.96
	Total	**11,505.05**

Table 3 Outcome Statistics

(Rs in million)

Sr. No	Description	Expenditure on acquiring physical assets (procurement)	Civil Works	Receipts	Others	Total current year	Total last year
1	Outlays audited	3,325.45	100,351.11	8,449.64	15,700.10	127,826.30	113,835.39
2	Monetary Value of Audit Observations	962.17	7,584.12	1,875.38	1,083.38	11,505.05	41,976.20
3	Recoveries pointed out at the instance of audit	51.04	1,569.61	856.10	209.00	2,685.75	12,692.10
4	Recoveries accepted / established at the instance of audit	0.71	414.50	83.55	80.33	579.09	12,117.58
5	Recoveries realized at the instance of audit	11.51	170.67	30.46	55.31	267.95	367.66

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	4,414.34
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	240.48
3	Accounting Errors (accounting policy departure from NAM*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements	0
4	Quantification of weaknesses of internal control systems	3,536.32
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	579.09
6	Non-production of record	447.63
7	Others, including cases of accidents, negligence etc.	2,287.19

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

Table 5 Cost-Benefit

(Rs in million)

Sr. No	Description	Audit Year	
		2013-14	**2012-13**
1	Outlays Audited	127,826.30	113,835.39
2	Expenditure on Audit	163.24	145.72
3	Recoveries realized at the instance of Audit	267.95	367.66
	Cost-Benefit Ratio	**1:1.64**	**1:2.52**

CHAPTER-1

PUBLIC FINANCIAL MANAGEMENT ISSUES
DIRECTORATE GENERAL ACCOUNTS WORKS LAHORE

1.1 AUDIT PARAS

1.1.1 Non-utilization of funds/budget - Rs 26,729.23 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 the appropriation accounts, it was observed that an amount of Rs 26,729.23 million remained unutilized by the end of the financial year.

Weak supervisory and financial controls resulted in non-utilization of funds and non-achievement of targets to the tune of Rs 26,729.23 million.

Audit pointed out the non-utilization of funds in September 2013 but no reply was received.

The matter was reported to the Principal Accounting Officers through Directorate General of Accounts Works, Lahore in December 2013 but no reply was received.

Audit recommends investigation besides fixation of responsibility.

(DP. 1)

1.1.2 Unnecessary re-appropriation of Rs 4,050.20 million and issuance of supplementary grants of Rs 794.41 million

According to para 2(56) of the Punjab Budget Manual, "Re-appropriation means the transfer of savings, in the appropriations of one or more objects, to meet excess expenditure anticipated under another

such object and as per para 2(69) of Punjab Budget Manual, supplementary grant for financial year means an amount included in the schedule of authorized expenditure relating to a supplementary budget statement of that year.

During scrutiny of the appropriation accounts, it was observed that an amount of Rs 4,050.199 million was re-appropriated as well as allowed supplementary grant amounting to Rs 794.407 million. However, the departments did not even utilize the original budget.

Weak supervisory and financial controls resulted in unnecessary re-appropriation and issuance of supplementary grants resulted in saving of Rs 4,844.606 million.

Audit pointed out the unnecessary re-appropriation in September 2013 but no reply was received.

The matter was reported to the Principal Accounting Officers through Directorate General of Accounts Works, Lahore in December 2013 but no reply was received.

Audit recommends investigation and fixation of responsibility.

(DP. 2)

CHAPTER – 2
COMMUNICATION & WORKS DEPARTMENT

2.1 Introduction of Department

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

2.2 Comments on Budget & Accounts (Variance Analysis)

The budget of Communication & Works Department comprises major heads of development and non-development. The non-development budget is allocated under Grant No. PC-21024 and Grant No. PC-21025 to cater for salary and non-salary expenditure. The development budget is provided through Grant No. PC-22036, Grant No. PC-12041 and Grant No. PC-12042.

(Rs in million)

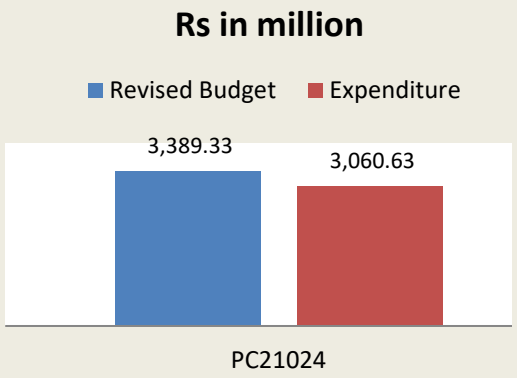
Grant No & Nature	Original Budget	Supplementary, Re-appropriation (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC-21024	3,159.19	230.14	3,389.33	3,060.63	(328.70)	(9.70)
PC-21025	3,331.39	316.37	3,647.76	3,650.45	2.69	0.07
Sub-Total	**6,490.58**	**546.51**	**7,037.09**	**6,711.09**	**(326.00)**	**(4.63)**
Development Grant						
PC-22036	2,505.00	(2,410.44)	94.56	51.24	(43.32)	(45.81)
PC-12041	32,045.00	(5,556.27)	26,488.73	25,639.13	(849.60)	(3.21)
PC-12042	30,915.12	(15,040.00)	15,875.12	13,025.73	(2,849.39)	(17.95)
Sub-Total	**65,465.12**	**(23,006.71)**	**42,458.41**	**38,716.11**	**(3,742.30)**	**(8.81)**
Grand Total	**71,955.70**	**(22,460.20)**	**49,495.50**	**45,427.20**	**(4,068.30)**	**(8.22)**

Source: SAP R/3 (CODE: YPIFMISPN)

Non-Development Grant

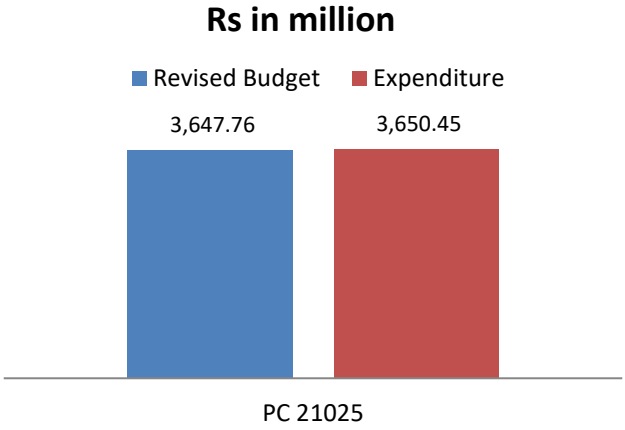
Grant No PC-21024

In the non-development grant PC-21024, budget was not fully utilized. The expenditure incurred was Rs 3,060.63 million against the revised budget of Rs 3,389.33 million. Thus, there was a saving of Rs 328.70 million (9.70 %) of the revised budget.



Grant No PC-21025

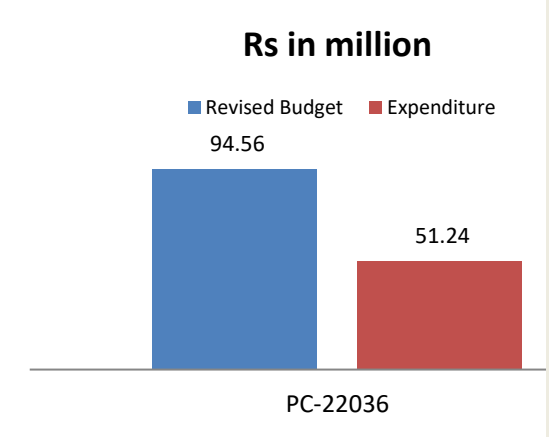
In the non-development grant PC-21025, budget was not fully utilized. The expenditure incurred was Rs 3,650.45 million against the revised budget of Rs 3,647.76 million. Thus, there was an excess expenditure of Rs 2.69 million (0.07%) of the revised budget.



Development Grant

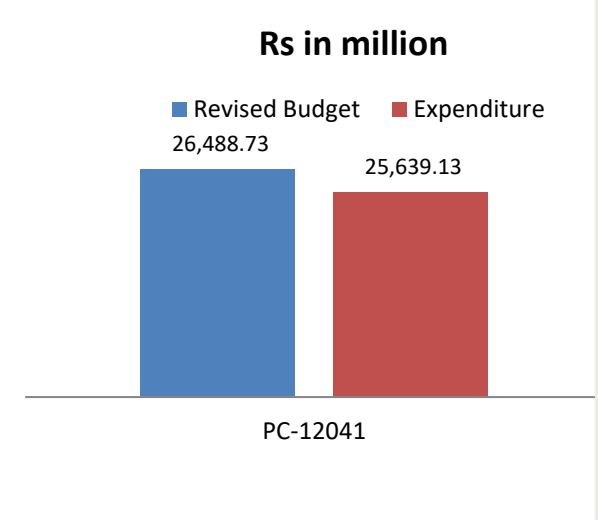
Grant No PC-22036

In case of development grant PC-22036, the expenditure incurred was Rs 51.24 million against the revised budget of Rs 94.56 million. Thus, there was a saving of Rs 43.32 million (45.81%) of the revised budget.



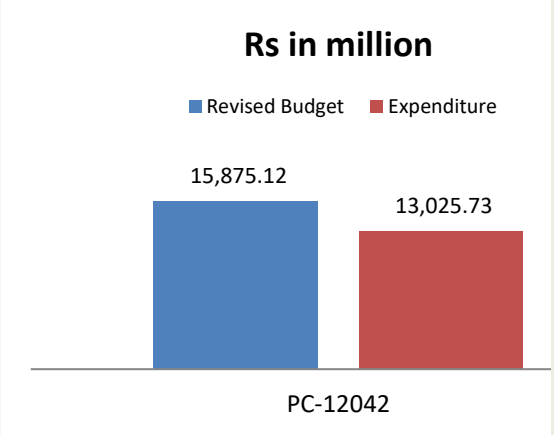
Grant No PC-12041

In case of development grant PC-12041, the total expenditure incurred was Rs 25,639.13 million against the revised budget of Rs 26,488.73 million. Hence, the budget was not fully utilized and there was a saving of Rs 849.60 million (3.21%) of the revised budget.



Grant No PC-12042

In case of development grant PC-12042, the expenditure incurred was Rs 13,025.73 million against the revised budget of Rs 15,875.12 million. Thus, there was a saving of Rs 2849.39 million (17.95%) of the revised budget.



According to Chapter 14 of Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the Communication and Works Department did not surrender the saving of Rs 328.70 million in case of non-development Grant No. PC-21024 and Rs 3,742.30 million for development Grant Nos. PC-22036, PC-12041 and PC-12042.

2.3 Brief comments on the status of compliance with PAC directives

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

Punjab Buildings Department

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

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

Punjab Highways Department

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1958-59	01	-	01	-
2	1961-62	17	-	17	-
3	1964-65	02	-	02	-
4	1965-66	03	-	03	-
5	1966-67	03	-	03	-
6	1967-68	05	-	05	-
7	1968-69	03	-	03	-
8	1970-71	02	-	02	-
9	1971-72	01	-	01	-
10	1972-73	12	-	12	-
11	1973-74	02	-	02	-
12	1975-76	02	-	02	-
13	1979-80	01	-	01	-
14	1980-81	05	-	05	-
15	1981-82	23	-	23	-
16	1982-83	63	-	63	-
17	1983-84	52	-	52	-
18	1984-85	26	-	26	-
19	1985-86	51	-	51	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
20	1986-87	69	-	69	-
21	1987-88	14	-	14	-
22	1988-89	07	-	07	-
23	1989-90	44	-	44	-
24	1990-91	98	-	98	-
25	1991-92	108	-	108	-
26	1992-93	79	-	79	-
27	1993-94	149	-	149	-
28	1994-95	93	-	93	-
29	1995-96	18	-	18	-
30	1996-97	61	-	61	-
31	1997-98	293	-	293	-
32	1998-99	69	-	69	-
33	1999-00	78	-	78	-
34	2000-01	35	-	35	-
35	2001-02	09	-	09	-
36	2003-04	07	-	07	-
37	2005-06	12	-	12	-
38	2006-07	29	02	27	6.90
39	2009-10	36	-	36	-
Total		**1582**	**02**	**1580**	**0.13**

Source: PAC Digest and PAC Compliance Cell Data Base

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

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

2.4 AUDIT PARAS

2.4.1 Fraudulent withdrawal of amounts from bank account - Rs 75.64 million

As per Rule 2.1, Chapter-II of Subsidiary Treasury Rules, Government of the Punjab, the Government servant may open an account with a bank for the deposit of non-government revenue received by him, with the prior approval of the Government. Further, the Government servant will personally be responsible for fair operation of bank account.

2.4.1.1 Executive Engineer, Provincial Highway Division, Muzaffargarh opened Bank Account No. 018063481001125 in MCB Muzaffargarh without approval of the Government. Bank statement for June 2009 to April 2013, disclosed 125 No. transactions for Rs 183.751 million as withdrawal and Rs 641.951 million as deposit. An amount of Rs 1.5 million was deposited in the bank account on 09.09.2009 and the same amount was shown as withdrawn on the same date. Further, two amounts of Rs 15,000,000 each were withdrawn with letters without signatures by the Executive Engineer concerned. Moreover, the department released security amounting to Rs 21.542 million to contractor against actual security deposit of Rs 16.685 million resulting in overpayment of Rs 4.857 million. No vouchers and documents showing transactions, purpose and authority existed on the departmental record. Hence, transactions of Rs 37.857 million were illegal and fraudulent.

Weak supervisory and financial controls resulted in fraudulent payment of Rs 37,857,326.

The fraudulent payment was pointed out in July 2013. The department replied that no document or authority letter was issued as well as available on the record of the Divisional Office. However, the Manager MCB Muzaffargarh was requested to produce any document in support of releases of two amounts of Rs 15,000,000 each but there was no response from the bank. Matter was referred to higher authorities of the department for probe but there was no response. The reply was not tenable as neither disciplinary proceedings were initiated against the officials at fault nor FIR was lodged with Anti-Corruption Establishment / FIA against culprits.

The para was also discussed in the SDAC meeting held on 06.11.2013. The department explained that the matter was under inquiry

with the Director General, Accounts Works, Lahore and the action would be taken accordingly. The department produced two authority letters No. 1207/AB and No. 1208/AB dated 18.08.2011 for release of security deposits for Rs 15 million each (Total 30 million), but the letters were not signed by the Executive Engineer concerned. Those amounts were released to M/s Royal Construction Company. Further, overpayment of Rs 4.857 million on account of release of security was also confirmed during meeting. The Committee directed the department to recover the amount of Rs 37.857 million besides disciplinary action against the persons responsible within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit stresses lodging of FIR with Anti-Corruption Establishment/FIA against the departmental as well as bank officials besides effecting recovery of amount involved.

(DP.246)

2.4.1.2 Executive Engineer, Provincial Highway Division, Muzaffargarh opened a bank account in MCB Muzaffargarh in September 2009 for maintenance of contractor's security deposit without obtaining approval from government. The department issued authority letter dated 19.08.2011 for Rs 17,100,770 to Manager, MCB Muzaffargarh for payment from security deposit to six contractors. The department further advised the bank to close the account No. 1001125 and payment of the balance interest of Rs 163,797 to contractor. The authority letter was neither entered in Dispatch Register nor the record was available in divisional office. The department neither lodged FIR with investigation agency nor conducted any inquiry against the culprits.

Weak supervisory and financial controls resulted in loss of Rs 17,100,770.

Audit pointed out loss in July 2013. The department replied that bogus authority letter was issued by the then Divisional Accounts Officer and same letter was sent to the then Executive Engineer for verification of signature but no response was received. The reply was not tenable as neither disciplinary proceeding against departmental officials/bank officials were initiated nor FIR was lodged with Anti-Corruption Establishment/FIA.

The para was also discussed in the SDAC meeting held on 06.11.2013. The department explained that the matter was under inquiry

by the Director General, Accounts Works, Lahore and the action would be taken accordingly. The Committee directed the department to pursue the matter vigorously. No compliance of the Committee's directive was reported till finalization of the report.

Audit stresses lodging of FIR with Anti-Corruption Establishment / FIA against the departmental as well as bank officials besides effecting recovery of amount involved.

(DP.247)

2.4.1.3 Executive Engineer, Provincial Highway Division, Muzaffargarh did not recover the income tax from a toll tax contractor for Rs 7.100 million as per Toll Tax Lease Agreement. A CDR No. 473616 dated 15.09.2011 for Rs 7.100 million on account of income tax was obtained from contractor but this amount was released to contractor by the Executive Engineer concerned instead of its payment into treasury. No action was initiated to lodge FIR with Anti-Corruption Establishment/FIA for this fraudulent action on the part of departmental/bank officials. No responsibility against the persons responsible was fixed as per rules ibid to recover the amount involved besides 18% default surcharge on income tax from date of default to date of payment.

Weak supervisory and financial controls resulted in fraudulent transaction of Rs 7,100,000 and non-recovery of default surcharge of Rs 5,112,000.

Audit pointed out the fraudulent transactions of income tax in July 2013. The department replied that amount of Rs 7,100,000 was received vide CDR dated 15.09.2011 which was released by Mr. Muhammad Munir the then DAO fraudulently with his own signatures with the stamp of Executive Engineer. The matter was referred to Director General, Accounts Works, Lahore on 14.03.2013 but no action was taken. The amount was recovered from security deposit of the contractor in October 2012 and was paid to tax department in May 2013. The reply was not tenable as the transaction was clearly fraudulent and should had been reported to Anti-Corruption Establishment/FIA against the departmental officials as well as bank officials. The recovery made from security deposit in October 2012 was also against the rule as that was for security of public stake involved in work/project concerned and not for adjustment of this fraudulent act.

The para was also discussed in the SDAC meeting held on 06.11.2013. The department explained that amount of Rs 7.1 million was recovered from contractor's security deposit and remaining amount was being recovered. The matter was probed and inquiry under PEEDA Act 2006 was held. The Committee reduced the amount of the para to the extent of recovery from security deposit subject to production of final bill and completion of maintenance period. Para was kept pending with the directions to recover the balance amount and complete the inquiry process within 60 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit stresses lodging FIR with Anti-Corruption Establishment/FIA against the departmental as well as bank officials besides effecting recovery of amount involved.

(DP.240)

2.4.1.4 Executive Engineer, Provincial Highway Division, Muzaffargarh opened a bank account No. 1001125 in MCB Muzaffargarh without obtaining approval from the government. An amount of Rs 8.485 million was paid as release of security deposit of contractor through various letters addressed to the Manager, MCB, Muzaffargarh. Those contractors neither executed the work nor their firms were enlisted/registered in the Divisional Office. Hence, payments were made to bogus firms with fraudulent, action/motive. The department neither conducted any inquiry to fix responsibility nor registered FIR with investigating agencies i.e. FIA/Anti-Corruption Establishment.

Weak supervisory and financial controls resulted in loss of Rs 8,464,741.

Audit pointed out loss in July 2013. The department replied that the matter was brought to the notice of Superintending Engineer, Provincial Highways Circle, Dera Ghazi Khan to probe the matter vide letter dated 16.07.2013. The reply was not tenable as neither disciplinary proceedings were initiated against officials of department and bank nor any steps taken for lodging FIR with Anti-Corruption Establishment/FIA.

The para was also discussed in the SDAC meeting held on 06.11.2013. The department explained that the matter was under inquiry by Director General, Accounts Works, Lahore and the action would be

taken accordingly. The Committee directed the department to pursue the matter vigorously. No compliance of the Committee's directive was reported till finalization of the report.

Audit stresses lodging of FIR with Anti-Corruption Establishment / FIA against the departmental as well as bank officials besides effecting recovery of amount involved.

(DP.249)

2.4.2 Loss due to non-collection of lease money - Rs 59.61 million

As per para 2.33 of PFR Vol-I, every government servant should realize fully that he would be personally held responsible for any loss sustained by government through any fraud or negligence on his part.

Executive Engineer, Provincial Highway Division, Muzaffargarh auctioned toll tax plaza during 2009-10 to 2011-12 but did not collect performance bonds, earnest money and installments of lease. Further, two installments shown recovered were not certified by concerned DAO/Treasury Officer. As a result of preliminary inquiry/probe, Chief Engineer (South) ordered formal inquiry against the officers / staff responsible for this loss. Superintending Engineer neither issued charge sheets nor finalized inquiry against the culprits despite lapse of considerable time.

Weak supervisory and financial controls resulted in loss of Rs 59,609,678.

Audit pointed out loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department explained that the matter was probed and charge sheet against the accused was submitted to the C&W Department for further action. Audit pointed out that the inquiry was to be finalized within 60 days as per provision of PEEDA Act. The Committee directed the department to complete the inquiry within 90 days besides making loss good from concerned. No compliance of the Committee's directive was reported till finalization of the report.

Audit stresses early finalization of inquiry and recovery of loss besides action against culprits.

(DP.125)

2.4.3 Irregular release of premature security - Rs 54.75 million

As per clause-50(a) of contract agreement, the amount retained as security deposit shall not be refunded to the contractor before the expiry of six months in the case of original work valuing upto Rs 5 million and twelve months or even more, as may be determined by the Engineer-In-Charge with the prior approval of the Chief Engineer, in the case of works valuing above Rs 5 million.

2.4.3.1 Executive Engineer, Provincial Highway Division, Muzaffargarh opened a bank account No. 10402-1 in the Bank of Punjab, Muzaffargarh without approval from the Government. Amount of Rs 36,651,082 (635,959 + 1,200,123 + 34,815,000) were deposited into said account and subsequently withdrawn during 2009-2011. Further, amount of Rs 17,100,770 was released on 09.08.2011. No office record i.e. authorities of deposits and withdrawal/release of said amount from bank account, deposit register etc was available in divisional office. No departmental inquiry as per rule 2.10 of PFR was initiated to fix the responsibility besides lodging of FIR with the Anti-Corruption Establishment/FIA against departmental officials as well as bank officials to recover loss.

Weak supervisory and financial controls resulted in fraudulent payment of Rs 53,752,000.

Audit pointed out irregularity / fraud in July 2013. The department replied that it was correct that the payment of Rs 1,836,082 was made to contractors on 10.06.2010 and the matter was brought to the notice of Superintending Engineer, Provincial Highways Circle, Dera Ghazi Khan vide office letter dated 16.07.2013 to probe the matter. Reply was not tenable as neither disciplinary proceeding against the officials at fault were initiated nor FIR was lodged with Anti-Corruption Establishment/FIA against the officials concerned / bank for the fraudulent withdrawal of government money from the bank.

The matter was discussed in the SDAC meeting held on 26.11.2013. The Department explained that the matter was under inquiry by the Director General, Accounts Works, Lahore and the action would be taken accordingly. Audit pointed out that department should initiate action against the officers responsible of C&W Department. The Committee directed the department to pursue the matter vigorously.

Audit recommends lodging of FIR with Anti-Corruption Establishment / FIA against the departmental as well as bank officials as per rules ibid besides effecting recovery of amount involved.

(DP.381)

2.4.3.2 Superintending Engineer, Provincial Buildings Circle, Multan awarded a work "Construction of Mini Sports Stadium at Jalalpur Pirwala" to the contractor. The department deposited his interest bearing security in the Muslim Commercial Bank Muzaffargarh. The department released the premature security deposit amounting to Rs 1,000,000 to the contractor despite the work was in progress which was violation of the agreement.

Weak supervisory and financial controls resulted in premature release of security deposit to the contractor worth Rs 1,000,000.

Audit pointed out irregularity in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the work was almost completed and security deposit was released to the contractor in the 12th running bill. Audit pointed out that the work was in progress, therefore, release of security before completion was irregular. Para was kept pending for production of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends fixation of responsibility against the officer(s) concerned besides effecting recovery.

(DP.73)

2.4.4 Non-production of record of expenditure - Rs 447.63 million

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.

2.4.4.1 Executive Engineer, Provincial Highway Division, Sahiwal did not produce the record of five schemes/works for audit scrutiny valuing Rs 279.63 million due to which Audit of schemes could not be conducted. No disciplinary action against the officers responsible was initiated.

Weak supervisory control resulted in non-production of record and non-auditing of expenditure of Rs 279,630,000.

Audit pointed out non-production of record in July 2013. The department replied that sub-division Vehari was attached with Provincial Highway Division, Multan and all the relevant record was sent to that division. The reply was not tenable as the expenditure of those works was booked in said division. Further, the record of expenditure booked in Provincial Highway Division Sahiwal against those schemes was also not produced to Audit team conducting audit of Provincial Highway Division Multan.

The para was also discussed in the SDAC meeting held on 28.11.2013. The Committee directed the department to produce the record within 15 days to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends disciplinary action against the officers besides production of record for audit scrutiny.

(DP.390)

2.4.4.2 Executive Engineer, Provincial Highway Division, Okara did not produce the record of four schemes / works for audit scrutiny valuing Rs 167.998 million due to which Audit of schemes could not be conducted by the Audit. No disciplinary action against the officers responsible was initiated.

Weak supervisory control resulted in non-production of record / non-auditing of expenditure of Rs 167,998,000.

Audit pointed out non-production of record in August 2013. The department replied that sub-division Kasur was attached with Provincial Highway Division, Lahore and all the relevant record was sent to that division. The reply was not tenable as the expenditure of those works was booked in said division. Hence, it was obligation of the division to produce record to Audit. Further, no record was produced by the

Provincial Highway Division, Lahore regarding expenditure booked under said division against these schemes.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department reiterated its previous view point. The Committee directed the Executive Engineer, Provincial Highway Division, Okara to produce the relevant record to the extent of expenditure incurred under that public works division within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends disciplinary action against the officers besides production of record for audit scrutiny.

(DP.297)

2.4.5 Unjustified payment made without approval or in violation of JMF - Rs 704.79 million

As per condition No.6 of Finance Department notification No.RO(TECH) FD2-3/2004 dated 02.08.2004, rate for an item of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen ranging from 3% to 6%, and payment will be made to contractor as per Job Mix Formula or actual bitumen used in the work.

2.4.5.1 Executive Engineer, Provincial Highway Division, Lahore executed and made payment for the items of plant premix 2 inches thick with ratio of 4.5% of bitumen Asphaltic Base Course (ABC) and Asphaltic Wearing Course (AWC) 1.5 inches thick without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute, Lahore before execution of item, getting laboratory tests and release of payment to ascertain the actual use of bitumen on work.

Weak technical and financial controls resulted in unjustified payment of Rs 167,958,000.

Audit pointed out unjustified payment in January 2011. The department did not reply.

The para was also discussed in the SDAC meeting held on 18.10.2011. The department explained that the para pertained to work at Sr. No. 1 be settled/deleted being duplication of printed draft para 1.1.4 for

the year 2009-10. As regards work at Sr. No. 2, the department explained that the asphaltic concrete (Asphaltic Base Course and Wearing Course) was laid as per Job Mix Formula (JMF) provided by the RR&MTI, Lahore for the work "Dualization of Lahore-Jaranwala Road" as the work "Widening & improvement of Kahna Nau Road" taken up in the instant para was also being carried out by the same contractor using same source of materials and asphaltic plant. Thus, the Engineer in-Charge allowed the contractor for adopting the same JMF for this work. In case of work at Sr. No. 3 "Dualization of Ferozepur Road", the department explained that the work was being carried out at the risk and cost of the original contractor M/s Husnain Cotex, so the JMF provided for the original contractor by RR&MTI was adjusted by the successor contractor. Audit was of the view that the execution of the items was yet to be verified in accordance with the JMF. The Committee decided to delete the para pertaining to work at Sr. No.1 and deferred the components at Sr. No. 2 & 3 for verification from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of JMF and extraction test report to ascertain actual recovery.

DP.33 (2011-12)

2.4.5.2 Project Manager, Sub-Project Management Unit, Lahore for the work "Construction of Flyover at Kalma Chowk" measured and paid the items "Asphalt Base Course plant mix" and item "Asphalt Wearing Course" for 6158.587 cum and 4317.858 cum respectively without obtaining approved Job Mix Formula.

Weak supervisory and financial controls resulted in unjustified payment of Rs 149,374,000.

Audit pointed out lapse in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that Job Mix Formula would be produced to Audit for verification. The Committee directed the department to produce the JMF for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report to ascertain actual recovery.

Audit recommends production of Job Mix Formula/extraction test reports.

(DP.2)

2.4.5.3 Superintending Engineer, Provincial Highways Circle, Sargodha approved items "P/Laying plant premix bitumen carpet 2" thick Asphaltic Base Course with 4% bitumen" and "Asphaltic Wearing Course 1.5" thick with 4.5% bitumen" and paid for 620969 sft and 1918372 sft for Rs 19,510,846 and Rs 64,725,871 respectively. Similarly, in another work the department paid the item 4.5% bitumen for 338400 sft @ Rs 3,142.90 per % sft for Rs 10,574,661 without recommended Job Mix Formula by the RR & MT Institute, Lahore.

Weak supervisory and financial controls resulted in unjustified payment of Rs 94,811,378.

Audit pointed out unjustified payment in January 2013. The department did not reply despite repeated reminders.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that works were executed as per JMF given by the road research laboratory. JMF was verified by Audit. Audit demanded extraction tests and JMF of work involving of Para No.6. for item of Asphaltic Base Course. The Committee kept the para pending for record verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of JMF at the earliest.

(DP.189)

2.4.5.4 Project Manager, Sub-Project Management Unit, Lahore measured and paid the item of "Asphalt Wearing Course" for 3694.736 cum and 1894.549 cum without approved Job Mix Formula and bitumen extract test report for the work "Construction of Flyover along Ferozepur Road, at Canal/Wahdat Road Junction". Hence, the department made unjustified payment to the contractor.

Weak supervisory and financial controls resulted in unjustified payment Rs 82,848,725.

Audit pointed out lapse in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that Job Mix Formula was prepared by the consultant and approved by the department and would be produced to Audit for verification. The Committee directed the department to produce the JMF for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of Job Mix Formula / extraction test reports at the earliest.

(DP.3)

2.4.5.5 Superintending Engineer, Provincial Highways Circle, Faisalabad got approval and paid an item "Providing and laying plant premix bituminous carpet using 4.5% bitumen 3.5" thick for quantity of 7452925 sft @ Rs 1,076.35 per % sft in PC-I/TSE for the work "Widening / Improvement and raising of road Gojra to Toba Tek Singh without recommended Job Mix Formula.

Weak supervisory and financial controls resulted in unjustified payment of Rs 80,220,000.

Audit pointed out unjustified payment in February 2013. The department replied that Job Mix Formula was approved. The reply was not tenable because JMF was not produced.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that Job Mix Formula using 4.5% bitumen contents was obtained from the Road Research and Material Testing Institute and payment was made with ratio of 4.2% of bitumen contents worked out as per bitumen extraction test, but could not strengthen its contention with evidence. The Committee directed the department to produce the record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends verification of record and actual recovery.

(DP.350)

2.4.5.6 Executive Engineer, Provincial Highways Division, Gujranwala made payment for the items of work "Plant premix carpeting Asphaltic Wearing Course 1.5" thickness for 292278 sft @ Rs 5,400 % sft in case of Group-I and "Plant premix carpeting Asphaltic Base Course 2.0″ thickness for 12400 sft @ Rs 6,743.10 % sft and AWC 1.5″ for 240400 sft @

Rs 5,419.12 % sft in case of group-II to the contractor without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute. Hence, the department made unjustified payment to the contractor.

Weak supervisory and financial controls resulted in unjustified payment Rs 29,646,720.

Audit pointed out the unjustified payment in October 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that work was executed as per JMF provided by RR&MTI, but failed to produce record in support of its reply. The Committee directed the department to produce copy of JMF alongwith extract test reports to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of Job Mix Formula / extraction test reports besides effecting resultant recovery.

DP.477(2012-13)

2.4.5.7 Executive Engineer, Provincial Highways Division, Faisalabad made payment for the items of work "Asphaltic Base Course plant mix Class (B) for 674 cum @ Rs 19,525.27 per cum and Asphaltic Wearing Course plant mix class (A) for 621.815 cum @ Rs 20,272.84 per cum to the contractor without approved Job Mix Formula and extraction tests before the release of payment. Hence, the department made unjustified payment to the contractor.

Weak supervisory and financial controls resulted in unjustified payment of Rs 25,765,988.

Audit pointed out lapse in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that work was executed as per JMF given by the consultant and payment to contractor was made as per extraction tests which were produced to Audit for verification. The payment on reduced rate was allowed to the contractor and the rates as per extraction test reports would be revised and got verified from Audit

besides effecting recovery if any. The Committee kept the para pending for verification of record/recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.318)

2.4.5.8 Superintending Engineer, Provincial Highways Circle, Faisalabad approved rates and made payment for item of "Premix carpeting" for the work "Widening/Improvement of road from Faisalabad Bye-pass to Jassuana for 1382736 sft @ Rs 1,500 per % sft for Rs 20,741,040 without obtaining Job Mix Formula / Laboratory Test Report.

Weak supervisory and financial controls resulted in unjustified payment of Rs 20,741,040.

Audit pointed out unjustified payment in February 2013. The department replied that no provision of Asphaltic Base Course and Asphaltic Wearing Course with 4.5% bitumen existed in scheme. The reply was not tenable as items of carpeting existed in technically sanctioned estimate and no Job Mix Formula etc. was obtained to execute the same.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department explained that JMF would be produced to Audit for verification. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of record relating to Job Mix Formula and Laboratory Test Reports.

(DP.190)

2.4.5.9 Executive Engineer, Provincial Highway Division, Jhang paid an item of work "Providing and laying Plant Pre-mixed bituminous carpet including compaction and finishing for 2 inches thick with ratio 4.5% against the recommended formula with ratio 4.1%. Moreover, the department did not produce laboratory test reports duly vetted from Director, Road Research and Material Testing Institute, Lahore.

Weak supervisory and financial controls resulted in overpayment of Rs 16,106,026.

Audit pointed out overpayment in February 2012. The department replied that 2 inches thick wearing course with optimum bitumen content 4.5% was laid. The reply was not tenable because neither department produced lab test report for using 4.5% bitumen nor made recovery against the recommended formula with ratio 4.5%.

The para was also discussed in the SDAC meeting held on 07.02.13. The department admitted recovery of Rs 1.912 million whereas, during verification of record recovery of Rs 9.470 million was established. The Committee kept the para pending for further verification/recovery of overpayment within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery of the amount involved besides strengthening of internal controls to mitigate such lapses in future.

(DP.2, 8, 13 & 15 PAR JBP)

2.4.5.10 Executive Engineer, Provincial Highway Division, Lahore paid rate of Rs 18,435 per cum for an item of work "Asphaltic Base Course with 3.6% bitumen factor" instead of Rs 17,175 per cum with 3.10% bitumen factor as per plant site test report of RR&MTI/revised technical sanction estimate.

Weak supervisory and financial controls resulted in overpayment of Rs 10,458,769.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department promised that JMF for the item of carpeting would be produced to Audit for verification of record / recovery. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and verification of record.

DP.209(2012-13)

2.4.5.11 Executive Engineer, Provincial Highway Division, Gujranwala made payment of items of work "Asphaltic Wearing Course plant mix class (A)"for 1989.694 cum @ Rs 20,230.65 per cum with 4.5% ratio of bitumen and 'Asphaltic Base Course plant mix class (B)' for 3668.544 cum @ Rs 19,058.84 per cum with 4% ratio of bitumen instead of ratio of 4.2 % and 3.418% respectively as per reports of material testing laboratory.

Weak supervisory and financial controls resulted in overpayment of Rs 7,806,402.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that rates of Asphaltic Base Course and Asphaltic Wearing Course were reduced as per provision of JMF percentage 3.418% & 4.2% respectively and an amount of Rs 11.685 million was deducted from the contractor due to payment of items at lesser rates. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.208)

2.4.5.12 Executive Engineer, Provincial Highway Division, Gujranwala made payment ratio 4.5% of bitumen instead of Job Mix Formula of 4.1%, 4.2% and 4.3% ratio as recommended and approved by Road Research and Material Testing Institute (RRMTI) for the item of plant premix 2 inches thick carpeting.

Weak supervisory and financial controls resulted in overpayment of Rs 6,452,531.

Audit pointed out overpayment in July 2011. The department replied in 1st case, recovery would be effected from the next bill of the contractor. In the 2nd case, recovery was already made and in 3rd case, the department gave irrelevant reply. Recovery promised and effected was not got verified till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

DP.108 (2011-12)

2.4.5.13 Executive Engineer, Provincial Highway Division, Gujranwala got approved JMF for the work 'Rehabilitation of Gujranwala-Hafizabad Road 41.8 km' from Road Research and Material Testing Institute, Lahore with ratio of bitumen 4% and 4.4 % for execution of items 'Providing & laying Asphalt Base Course and Asphalt Wearing Course'. The department measured and paid the items with same ratio of bitumen instead of 3.9% and 4.3% on average as per laboratory test reports.

Weak supervisory and financial controls resulted in overpayment Rs 4,690,492.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that payment was made according to provision of JMF and test results. The Committee directed the department to produce the JMF along with test results to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.220)

2.4.5.14 Project Manager, Sub-Project Management Unit, Lahore measured and paid the item "Asphaltic Base Course" with ratio bitumen 3.6% as per provision of technical sanction estimate against actual use of bitumen ranging from 3.18 % to 3.37 % as per laboratory test reports. Hence, the department did not recover cost of less used bitumen in case of work "Construction of Flyover at Kalma Chowk" which was violation of instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 3,351,887.

Audit pointed out overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that extraction test for whole section/road was being taken by the consultant. The recovery, if any, would be made and got verified from Audit. The Committee directed the department to get the position verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.1)

2.4.5.15 Executive Engineer, Provincial Highway Division, Sialkot allowed the payment for carpeting items with 4% to 4.5% ratio of bitumen whereas actual ratio of bitumen used was 3.90% according to approved Job Mix Formula which was violation of instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment Rs 2,438,592.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that actual recovery would be made from next bill of the contractor. The Committee kept the para pending for recovery within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.232)

2.4.5.16 Executive Engineer, Provincial Road Construction Division, Lahore got approved Job Mix Formula from Road Research & Material Testing Institute with 3.9% bitumen contents and 4.4 % bitumen contents in items of "P/L Asphaltic Base Course and Asphaltic Wearing Course" respectively whereas the payment was made with percentage of 4 % and 4.5 % respectively without recovery of cost of less used bitumen which was violation of instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 2,245,331.

Audit pointed out overpayment in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that JMF and extraction test reports were produced to Audit for verification. Audit demanded consultant's verified check requests and measurement books for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.558)

2.4.5.17 Project Manager, Sub-Project Management Unit, Lahore measured and paid the item "Asphalt Base Course" with ratio of bitumen 3.6% as per provision of technical sanction estimate against the actual use of bitumen ranging from 3.22 % to 3.42 % as per laboratory test reports. Hence, the department did not recover the cost of less used bitumen for work "Construction of Flyover along Ferozepur Road, at Canal/Wahdat Road Junction".

Weak supervisory and financial controls resulted in overpayment of Rs 1,683,913.

Audit pointed out overpayment in January, 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that extraction tests reports for whole section/road were being taken by the consultant. The recovery, if any would be made and got verified from Audit. The Committee directed the department to get the position verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.8)

2.4.5.18 Executive Engineer, Provincial Highway Division, Lahore made payment for item of plant premix bituminous carpeting 2 inches thick with 4.5% ratio of bitumen instead of actual use of 4 % as recorded in MB for

price variation. Further, neither Job Mix Formula was got approved from Road Research and Material Testing Institute, Lahore before execution of work nor laboratory tests reports were obtained before the release of payment. Hence, the department made unjustified payment to the contractor.

Weak supervisory and financial controls resulted in unjustified payment of Rs 1,176,090.

Audit pointed out unjustified payment in January 2011. The department did not reply.

The para was also discussed in the SDAC meeting held on 18.10.2011. The department explained that recovery would be effected in the final bill of the contractor. The Committee directed the department to finalize the accounts within two weeks and produce record to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery beside fixation of responsibility against the officer(s) concerned.

DP.18 (2011-12)

2.4.5.19 Executive Engineer, Provincial Highway Division, Sialkot made payment for the item of "Asphaltic Base Course 2″ thick" with ratio of 4.5% of bitumen instead of 4.2% as recommended and approved in JMF by Road Research & Material Testing Institute (RRMTI). Hence, the department did not recover the cost of less used bitumen.

Weak supervisory and financial controls resulted in overpayment of Rs 1,001,188.

Audit pointed overpayment in November 2010. The department did not reply.

The para was also discussed in the SDAC meeting held on 15.01.2011. The department explained that bitumen contents were paid @ 4.5% as per JMF but did not produce the original JMF for verification. The Committee directed the department to get verified the original JMF from Audit within 30 days. No compliance of the Committee's directive was reported till finalization of the report. The para was included in

MFDAC report issued on 01.01.2013 but no compliance was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

DP.249(2010-11)

2.4.5.20 Chief Engineer, Punjab Highways Department (South), Lahore awarded work "Dualization of Sahiwal Pakpattan Road Group-I" to a contractor. The item of work "Bituminous carpeting" was provided in technical sanction estimate with 4.5% bitumen contents. The department measured and paid the said item with 4.5% ratio of bitumen whereas it was to be paid with ratio of 4.1% as per JMF attached with revised technical estimate.

Weak supervisory and financial controls resulted in overpayment of Rs 838,479.

Audit pointed out overpayment in February 2013. The department did not reply.

The SDAC meeting was held on 26.09.2013. The department did not submit any working paper for discussion in the meeting. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.118)

2.4.5.21 Executive Engineer, Provincial Highway Division, Lahore made payment of "Plant Premix Bitumen Carpeting for Asphalt Wearing Course (AWC) 2″ thick" with bitumen ratio of 4.5% whereas as per Job Mix Formula /extraction test reports, 4.4% ratio of bitumen was used on work but recovery of cost of less used bitumen was not made from the contractor.

Weak supervisory and financial controls resulted in overpayment of Rs 619,869.

Audit pointed out overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that rate for item of Asphaltic Wearing Course was paid with 4.5% ratio of bitumen actually used on work. Audit pointed out that as per the Finance Department instructions payment was to be made as per JMF (in this case 4.4%). The Committee directed the department to refer the case to the Finance Department for clarification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.605)

2.4.5.22 Executive Engineer, Provincial Highway Division, Multan allowed payment of item "P/L plant pre-mixed bituminous carpeting 2" thick using 4.5% of bitumen @ Rs 5,077.64 per % sft for quantity 244560 sft whereas the bitumen was to be paid with the ratio 4.10% as per JMF for the work "Construction of metalled road from Fertilizer Factory to Old Bye-Pass via Sabzi Mandi"

Week supervisory and financial controls resulted in overpayment of Rs 538,193.

Audit pointed out overpayment in October 2011. The department replied that contractor quoted the rate of Rs 5,077.64 per sft with 4.1% bitumen which was paid as per analysis. The reply was not tenable because the reduced rate was paid during execution of work whereas it should be verified upto final bill.

The para was also discussed in the SDAC meeting held on 18.11.2011. The department replied that rate for work done was paid for item of carpeting with 4.1 % ratio of bitumen contents as per JMF. Audit apprised the Committee that a consolidated rate for 3.5″ carpeting having 2″ Asphalting Base Course and 1.5 Wearing Course was available in the agreement with bitumen contents of 4.5 % as per JMF. Therefore, the revision of rate according to provision of JMF for Asphalting Base Course and Wearing Course was required. The Committee directed the department to amend the rate of carpeting 3.5 as per provision of JMF and recover the overpayment if any and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends verification of record at the earliest.

DP.243 (2011-12)

2.4.5.23 Executive Engineer, Provincial Road Construction Division, Lahore got approved Job Mix Formula from Road Research & Material Testing Institute for the items of Asphaltic Base Course and Asphaltic Wearing Course using bitumen contents as 3.9% and 4.4% respectively. Price variation of bitumen was calculated by taking incorrect percentage of bitumen 4% and 4.5% instead of 3.9% and 4.4% respectively.

Weak supervisory and financial controls resulted in overpayment on account of price variation on higher bitumen contents for Rs 388,600.

Audit pointed out overpayment in September 2013. The department did not furnish reply despite issuance of several written reminders.

The para was also discussed in the SDAC meeting held on 24.12.13. The department explained that JMF of adjacent road was adopted / approved by the Executive Engineer concerned for execution of ABC/AWC items. Audit pointed out that approval of JMF was responsibility of Director RR&MTI. The Committee directed the department to get extraction test from regional laboratory and produce to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.550)

2.4.5.24 Executive Engineer, Provincial Highway Division, Sialkot made payment for the item of "Providing/laying Asphaltic Base Course 2″ with 4% ratio of bitumen and Asphaltic Wearing Course 1-1/2″ with 4.5% ratio of bitumen for 259200 sft @ Rs 6,687 % sft and 259200 sft @ Rs 5,367 % sft" and "P/laying Asphaltic Base Course 2″ with 4% ratio of bitumen 288000 sft @ Rs 6,687 % sft" in case of Group-I & II and paid price variation on bitumen also to the contractor without obtaining recommended Job Mix Formula from Road Research and Material Testing Institute.

Weak supervisory and financial controls resulted in unjustified payment of Rs 258,894.

Audit pointed out unjustified payment in October 2012. The department replied that Job Mix Formula was obtained before the start of asphaltic carpeting and produced Laboratory Test Reports in which 3.97% ratio of bitumen was used on Asphaltic Base Course and 4.45 % ratio of bitumen in Asphaltic Wearing Course which showed that 0.03% and 0.05% less bitumen was used on carpeting for which recovery of Rs 258,894 was to be made from the item rate and price variation.

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that due recovery would be effected from the next running bill of the contractor. The para was kept pending for verification by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

DP.518(2012-13)

2.4.6 Loss due to allowing excess rate than provided in MRS - Rs 394.51 million

As per condition-d of the Finance Department Notification No.RO(Tech)FD2-3/2004 dated 02.08.2004, rate analysis and specifications standardized by the 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.

2.4.6.1 Chief Engineer, Provincial Highway Department, Lahore approved analysis of rates of Rs 9,594.55, Rs 9,758.53, Rs 9,781.97 & Rs 9,291.17 per % sft for the items "P/L plant premixed bituminous carpeting" for different schemes, against the admissible rate of Rs 8,567.71, Rs 8,801.40, Rs 8,801.40 and Rs 8,797.00 per % sft respectively as per relevant item in Market Rates System of 1st and 3rd Quarter 2008 and 3rd Quarter 2009.

Weak supervisory and financial controls resulted in overpayment of Rs 186,729,546.

Audit pointed out overpayment in September 2010. The department replied that the rate in MRS did not include carriage of bajri whereas the analysis of rates was prepared keeping in view the Finance Department's Notification No. RO(Tech) FD.2-9/2005, dated 05.04.2006 and the standing instructions. The reply was not tenable as rate more than

MRS rate was approved in the technical sanction estimate in violation of the Finance Department letter dated 02.08.2004. Similar case was discussed in the PAC-II meeting dated 28 & 30.5.2012. After detailed inquiry through member (infrastructure) P&D Board, the PAC II directed the department to enquire the matter and fix responsibility for the lapse. The Finance department was also directed to examine the matter in detail and submit its recommendation to PAC. Matter needed enquiry for fixing responsibility for the lapse.

The matter was reported to the Principal Accounting Officer in November 2010 and January 2013 but neither SDAC was conducted nor compliance was reported till finalization of the report.

Audit recommends recovery along with fixing of responsibility for the lapse as per PAC-II directive dated 28 & 30.05.2012 in similar case.

DP.167 (2010-11)

2.4.6.2 Superintending Engineer, Provincial Highway Circle, Multan got sanctioned the rate of item bituminous carpeting 3.5″ thick with 4.50 % bitumen at Rs 9,625.75 % sft and Rs 9,231.60 % sft instead of actual rate in MRS 3rd quarter 2008 and 1st quarter 2009 for Rs 8,561.17 per % cft and Rs 8,091.65 per % cft respectively for District Pakpattan in respect of work "W/I of Road From Bonga Hayat Pakpattan Sharif Arif wala Road" (Group-I + II).

Weak supervisory and financial controls resulted in overpayment of Rs 54,689,250.

Audit pointed out overpayment in March 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.09.2012. The Committee observed that the similar matter was discussed and decided by the PAC No-II in its meetings dated 28 & 30 May, 2012. Hence, it was directed the department to inquire the matter and fix the responsibility for the lapse. The Finance Department should also examine the matter in detail and submit the recommendation to PAC. The Committee kept the para pending for implementation of the PAC directive in this case but no progress was intimated to Audit till finalization of the report.

Audit recommends implementation of PAC directive dated 28 & 30 May, 2012 and recovery of overpayment.

DP.26(2012-13)

2.4.6.3 Chief Engineer Punjab Highway Department (South), Lahore sanctioned the items of work "P/L bituminous tack coat using 10 lbs, "P/L prime coat, P/L plant premixed carpeting 3.5″ and TST at higher rates as non-standardized rates instead of admissible rates available in MRS 3rd Quarter 2008 for District Vehari.

Weak supervisory and financial controls resulted in overpayment of Rs 50,406,021.

Audit pointed out the overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department did not submit the working paper for discussion in the meeting. No compliance was reported till finalization of the report.

Audit recommends disciplinary action against responsible besides effecting recovery.

(DP.117)

2.4.6.4 Executive Engineer, Provincial Highway Division, Multan got approved analysis of rates of item "P/L plant premixed bituminous carpeting" and derived incorrect/higher rates for Rs 5,315.04, Rs 5,360.67, Rs 5,141.40, Rs 5,144.30, Rs 5,069.60, Rs 5,371.69 and Rs 5,375.71 per % sft against the admissible rates of Rs 4,725.21, Rs 4,718.17, Rs 4,516.30, Rs 4,516.30, Rs 4,522.50, Rs 4,718.63 and Rs 4,718.17 per % sft respectively as per Market Rates System of 1st quarter 2009 against the admissible rate

Weak supervisory and financial controls resulted in overpayment of Rs 29,340,000.

Audit pointed out the overpayment in September 2010. The department replied that the estimates were framed on the basis of analysis of the items in the light of the Finance Department's letter No.RO(TECH) FD.2-9/2005, dated 05.04.2006 and input material rates of respective

quarters for District Multan and Khanewal and got approved/ sanctioned by the competent authority. The reply was not tenable as rates more than MRS rates were approved in technical sanction estimate in violation of the Finance Department letter dated.02.08.2004. Similar case was discussed in the PAC No.II meeting dated 28 & 30.05.2012. After detailed enquiry through the Member (Infrastructure) P&D Board, the PAC-II directed the department for inquiring the matter besides fixing responsibility for the lapse. Further, the Finance Department was directed to examine the matter in detail and submit recommendation to PAC. Matter needed enquiry for fixing the responsibility for the lapse.

The matter was reported to the Principal Accounting Officer in November 2010 and January 2013 but neither DAC/SDAC was conducted nor compliance was reported till finalization of the report.

Audit recommends recovery along with fixing responsibility for the lapse as per PAC-II directive dated 28 & 30.05.2012 in similar case.

DP.97(2010-11)

2.4.6.5 Executive Engineer, Provincial Highway Division, Bahawalpur got approved analysis of rates of items "P/L plant premixed bituminous carpeting" for Rs 7,245.95, Rs 4,347.57, Rs 2,654.59, Rs 2,475.3 and Rs 2,547.39 per % sft. Whereas, the complete item carrying the rate of Rs 6,368.47, Rs 3,821.08, Rs 2,992.00, Rs 2,656.20 and Rs 2,766.46 per % sft existed in Market Rates System of 3rd and 4th Quarter 2008 and 1st Quarter 2009 respectively.

Weak supervisory and financial controls resulted in loss of Rs 22,589,067.

Audit pointed out the loss in August 2010. The department replied that the estimates was framed on the basis of input material rates of respective quarters for District Bahawalpur and not on Market Rates System and the rates were approved/ sanctioned by the competent authority. The reply was not tenable as rates more than MRS rates were approved in technical sanction estimate in violation of the Finance Department letter dated 02.08.2004. Similar case was discussed in the PAC No.II meeting dated 28 & 30.05.2012. After detailed inquiry through the Member (Infrastructure) P&D Board, the PAC-II directed the department for inquiry of the matter besides fixing responsibility for the

lapse. Further, the Finance Department was directed to examine the matter in detail and submit recommendation to PAC. Matter needed enquiry for fixing the responsibility for the lapse.

The matter was a reported to the Principal Accounting Officer in November 2010 and January 2013 but neither DAC/SDAC was conducted nor was compliance reported till finalization of the report.

Audit recommends recovery alongwith fixing responsibility for the lapse as per PAC-II directive dated 28 & 30.05.2012 in similar case.

DP.05 (2010-11)

2.4.6.6 Superintending Engineer, Provincial Highway Circle, D.G Khan got approved in PC-I / technical sanction estimate the rates of "Providing and laying bituminous carpeting 2″ thick" (ABC) 4.2% bitumen carpeting 1.5″ thick (AWC) as Rs 5,073.44 per % sft and Rs 4,077.39 per % sft against the actual rates of Rs 4,397.92 per % sft and Rs 3,534.04 per % sft provided in the 1st Quarter 2009 for District Muzaffargarh.

Weak supervisory and financial controls resulted in overpayment of Rs 16,747,273.

Audit pointed out overpayment in March 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.01.2013. The department explained that rate of carpeting was provided in technical sanction estimate/ administrative approval because crush from Sakhi Sarwar Quarry was not suitable for execution of work. Accordingly, analysis of rate from the Finance Department template was prepared and provided in the said documents. Audit was of the view that the matter involving in this case had already been discussed in the PAC-II dated 30.05.2012. The PAC had directed/recommended that an enquiry should be held into the matter and responsibility be fixed for the lapse. Further, the Finance Department was directed to examine the matter in detail and submit its recommendations to the PAC within 120 days. The Committee kept the para pending for implementation of said PAC-II directive dated 30.05.2012 in this case. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends investigation for fixing responsibility against the person(s) responsible.

DP.76(12-13)

2.4.6.7 Executive Engineer, Provincial Buildings Division, Lodhran got approved the item of "Fabrication of mild steel for R.C.C work deformed bar grade-40 @ Rs 11,550.90 per % Kg against admissible rate of Rs 10719.10 per % Kg available in MRS 1st bi-annual 2013 for district Lodhran

Weak supervisory and financial controls resulted in loss of Rs 5,742,358.

Audit pointed out loss in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that the recovery/correction in TS Estimate and agreement would be made. The Committee directed the department to complete the action within 15 days and get it verified by Audit. Committee further observed that this was lapse on the part of Circle Head, the Draftsman and Chief Draftsman besides Sub-Engineers. They should be called upon to explain their position and warning should be issued to them by the department to be careful in future. Para was kept pending for recovery. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery and fixing responsibility against the concerned.

(DP.507)

2.4.6.8 Executive Engineer, Provincial Highway Division, Gujranwala measured and paid the item of work "Construction of New Jersey Barrier (N.J.B)" for quantity of 40487 rft @ Rs 1,202 per rft as a non-BOQ item instead of admissible rate of Rs 1,067.17 per rft prepared on the basis of input rate. Audit observed that higher rates were approved and paid due to addition of depreciation charges of hired machine and 20% profit on working of equipment/machines.

Weak supervisory and financial controls resulted in overpayment of Rs 5,458,862.

Audit pointed out the overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that rate was approved by the competent authority under clause-41 of the agreement. Audit pointed out that depreciation charges of the machinery were added in the analysis of rate besides higher input rate of labour etc. Therefore, department should revisit its rate by incorporating rent of machinery instead of depreciation. The Committee directed the department to revisit rate within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.216)

2.4.6.9 Superintending Engineer, Provincial Highway Circle, Multan approved the rate of item of work "P/L Plant premixed bituminous carpet 1″ thick with 4.5% bitumen contents" @ Rs 2,572.15 per % square feet in the technical sanction estimate of work "W/I of road from High Court to Northern Bye-Pass" and @ Rs 2,570.70 per % square feet in the work "Construction of Link road from Vehari chowk to Southern Bye-Pass in District Multan" instead of Rs 2258.15 per % square feet as provided in MRS first Quarter, 2009 for District Multan.

Weak financial and supervisory controls resulted in overpayment of Rs 10,309,060.

Audit pointed out the overpayment in February 2013. The department gave no reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. Recovery of Rs 6.273 million was verified. The department admitted the recovery of Rs 4.480 million. The Committee reduced the amount of para to Rs 4.480 million and directed to recover balance amount. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery at the earliest.

(DP.90)

2.4.6.10 Executive Engineer, Provincial Highway Division, Gujranwala measured and paid item of work 'Construction of New Jersey Barrier (N.J.B)' for quantity of 23905 rft @ Rs 1,202 per rft as non-BOQ item against the admissible rate of Rs 1,067.17 per rft as per input rates of the Finance Department for 2nd Quarter 2009 for Gujranwala District.

Weak supervisory and financial controls resulted in loss of Rs 3,223,111.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that NHA template was followed and labour charges were not included in the machinery hire charges. Therefore, department should revisit its rate and incorporate rent of machinery instead of depreciation. The Committee directed the department to revisit rate within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.224)

2.4.6.11 Chief Engineer (North), Highways Department approved the item of New Jerrsy Barrier for the work "Dualization of Kasur Depalpur Carriageway in District Okara" with the item of reinforcement cement concrete 1:1-1/2:3 Type-B for roof slab including horizontal shuttering/form work @ Rs 278.47 per cft. In construction of New Jerrsy Barrier, no horizontal shuttering/form work was involved. Admissible rate was available in MRS at S.No.6 (a)(ii)(2) @ Rs 209.10 per cft meant for RCC without form work/horizontal shuttering.

Weak administrative and supervisory controls resulted in loss to government due to application of incorrect rate for Rs 3,098,201.

Audit pointed out the loss to government in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that estimates were corrected and got verified from Audit. Audit pointed out that corrigendum to contract

agreement was also required to implement the provision of technical sanction estimate. The Committee directed the department to produce contractor's bill for payment on revised technical sanction rates. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends issuance of corrigendum to contract agreement alongwith recovery of loss and its verification.

(DP.139)

2.4.6.12 Executive Engineer, Provincial Highway Division, Multan sanctioned technical estimate of various items of works at rates higher than those provided in the MRS 3rd Quarter, 2008.

Weak supervisory and financial controls resulted in overpayment of Rs 1,775,219.

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

The para was also discussed in the SDAC meeting held on 08.01.2012. The department explained that the rates were applied as approved in the administrative approval and technical sanction estimate. Audit pointed out that mega project allowance @ 4.16% was allowed for the project/groups below the limit of Rs 200 million. The Committee directed the department to recover the actual recovery from the contractor within two months. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

DP.152(2012-13)

2.4.6.13 Superintending Engineer, Provincial Buildings Circle, Multan approved a non-standardized item of work "Shisham wood boarding or strip flooring 1″ thick (swan to required size) complete in all respect" in the TS estimate of the work @ Rs 250 per sft instead of admissible rate of Rs 112.40 per sft because this item was available in chapter 10 of MRS 3rd Quarter 2006 for District Khanewal.

Weak financial and supervisory controls resulted in loss of Rs 1,733,382.

Audit pointed out the loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the rate was being revised and would be got approved by adopting of MRS item template for 3/4″ wooden floor as per requirement. The Committee directed to produce approved rate and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends revised approval of non-standardized item/ recovery of loss.

(DP.71)

2.4.6.14 Executive Engineer, 7th Provincial Buildings Division, Lahore paid a non-standardized item "P/F aluminum anodized bronze window etc for quantity of 5063 sft @ Rs 515.63 per sft instead of correct rate already provided in MRS for Rs 301.65 per sft.

Weak supervisory and financial controls resulted in loss of Rs 1,595,503.

Audit pointed out the loss in March 2013. The department replied that the approved sections used in aluminum windows for this project were different from those given in MRS. The reply was not tenable as the MRS item was included in all type of glazed aluminum windows. Hence, scheduled rate was required to be applied.

The para was also discussed in the SDAC meeting held on 27.11.2013. The department explained that analysis of rate adopted would be revisited and forwarded to the Finance Department for advice within a month. No compliance of committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.375)

2.4.6.15 Chief Engineer (South Zone), Punjab Buildings Department, Lahore sanctioned the non-standardized item of work "Shisham Wood Boarding or Strip flooring ¾″ (Swan to required size) touged and grooved or splayed rebated fixed with brass screws complete in all respect for the

work “Construction of Proto Type Gymnasium at Chak Jumra District Faisalabad” @ Rs 277.56 per sft and for work “Construction of Gymnasium at Khair pur Tamianwali, District Bahawalpur” @ Rs 318 per sft instead of admissible rate of Rs 263.14 per sft and Rs 220.44 per sft respectively, provided in MRS at S.No 29 of chapter 10.

Weak supervisory and financial controls resulted in loss of Rs 1,410,923

Audit pointed out the loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that para consisted of two sub paras No. (3&6). In para-3, the scheme was unfunded and the item of work was not executed. Correction in the revised estimate and agreement would be made. The Committee directed the department to issue corrigendum to revised technical sanction estimate and contract agreement (Acceptance letter). In para-6, the Committee directed the department to produce evidences to Audit for verification of facts. No compliance of the Committee’s directive was reported till finalization of the report.

Audit recommends recovery of loss and issuing of corrigendum for technical sanction estimates / agreements.

(DP.75)

2.4.6.16 Executive Engineer, Provincial Highway Division, Gujranwala made payment for the item “Disposal of dismantled material including screening and stacking within one chain” for quantity of 309913.91 cft @ Rs 361.29 per % cft. Labour rate for screening and stacking within one chain was already included in the composite rate of item No. 46 Chapter No. 4 “Dismantling of existing road pavement i/c screening stacking” by product upto one chain lead complete in all respect @ Rs 853.87 per % cft. Hence, separate rate for screening and stacking was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 1,119,810.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that against contract or quoted rate of Rs 680.04 per % cft for shifting and stacking of dismantled material, reduced/part rate of Rs 361.29 per % cft was paid. Overpayment pointed out by Audit would be adjusted in the forthcoming bill of contractor. The Committee kept the para pending for want of adjustment and verification by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

DP.346(2012-13)

2.4.6.17 Chief Engineer (South Zone), Punjab Buildings Department, Lahore approved rate analysis of the item of work "Providing and fixing all type of partly fixed and partly openable glazed with aluminum corrugated strip for protection against stretcher hit comprising of anodized bronze colour using deluxe section" of M/s Al-Cop or Pakistan Cables having chowkat frame 100mm x 44mm x 2 (D-10) with leaf frame of top & bottom size 80mm x 44mm x 2 (D-33) side leaf frame 80mm x 44mm x 2 complete in all respect"@ Rs 530 per sft for works "Construction of Judicial Complex at Sadiqabad District R.Y Khan Group No.I & II" and @ Rs 345 per sft for the work "Establishment of 60 bedded hospital in Qaidabad District Khushab Group 2-B" instead of @ Rs 294.80 per sft as per item 52 chapter 25 of MRS 1st bi-annual 2012 for District Rahim Yar Khan, and 3rd Quarter 2011 for District Khushab. Audit observed that the department enhanced the rate abnormally with the slight change in specification and it was also against the canon of financial proprietary.

Weak supervisory and financial controls resulted in loss of Rs 850,298.

Audit pointed out the loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the section of the door and window were changed from MRS item with thickness as 2 mm against 1.6 mm. Audit reiterated its earlier stance. The Committee directed the department to revisit its rate and come up with conclusive evidence and also send the rate to the Finance Department as per standing instructions

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

Audit recommends revision of item rates and effecting resultant recovery.

(DP.80)

2.4.6.18 Executive Engineer, Provincial Building Division, GOR Lahore paid a non-standardized item of work "P/F all type of glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using deluxe section of M/s Pakistan Cable / Al-cop having frame size 1.1 mm x 30 mm having 1.6 mm thickness and leaf frame section of 45 mm x 35 mm having 1.6 mm thickness including 5 mm thick imported tinted glass complete in all respect" @ Rs 495 per sft in the estimate of the work instead of admissible rate of Rs 301.05 per sft available vide Chapter No.25 item No.52 as standardized item in MRS 3rd Quarter 2009 for district Lahore with nominal change of specification. Audit observed that the department enhanced the rate abnormally with the slight change in specification.

Weak financial and supervisory controls resulted in loss of Rs 720,920.

Audit pointed out the loss in April 2013. The department did not reply.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that sections of window adopted by Building Department were different from sections of MRS rate item No 52 of chapter 25. Audit reiterated its previous stance. The Committee directed the department to refer the case to the Finance Department for advice within one month. No compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends for obtaining early clarification from the Finance Department.

(DP.32)

2.4.6.19 Executive Engineer, Provincial Building Division, Sargodha got approved and made payment for ten items in four groups at higher rates than provided in MRS rates of 3rd Quarter 2011 and 2nd bi-annual 2012 for District Sargodha.

Weak supervisory and financial controls resulted in overpayment of Rs 607,542.

Audit pointed out the overpayment in August 2013. The department replied that payment was made with cost of polythene sheet. The reply was not tenable because additional rate for execution of said item on 2nd, 3rd and 4th floors 13%, 32% were to be paid MRS composite rate instead of labour rate being economical.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that rate was correctly paid to the contractor. Audit stated that rate was paid more than rate for single layer of tile for the floor next above instead of the original floor rate. The Committee directed the department to get the position verified from Audit besides effecting recovery of the amount, if any, on account of rate increased for extra floor on composite rate instead of labour rate within 15 days. Para was kept pending. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.478)

2.4.6.20 Executive Engineer, Provincial Buildings Division, Multan got approved and paid a non-standardized item of work "P/F all type of glazed aluminum windows of bronze colour partly fixed and partly sliding" of M/s Al-cop or Pakistan cables having a size 100 mm x 30 mm and leaf frame section of 45mm x 25mm thickness including 5mm thick imported tinted glass with rubber & gasket" @ Rs 540 per sft instead of admissible rate of Rs 301.65 per sft as per standardized item in MRS, Chapter 25. Audit was of the view that although the change in specification of standardized item of work was slight but difference of rate was high.

Weak supervisory and financial controls resulted in loss Rs 565,604.

Audit pointed out the loss in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that work was executed as per technical sanction estimate. Comparison of rate with MRS rate was

produced during the meeting. The Committee directed the department to send the case to the Finance Department for advice within a month. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early action / recovery

(DP.355)

2.4.6.21 Executive Engineer, Provincial Building Construction Division, D.G.Khan provided an item of work "Providing and fixing all types of glazed openable aluminum double doors partly fixed and partly openable with aluminum corrugated strip for protection against stretcher comprising of anodized bronze colour using deluxe section of M/s Al-Cop or Pakistan cables having chowkat frame size 100 mm x 44 mm x 2 mm with leaf frame of top & bottom size 80 mm x 44 mm x 2 mm side leaf frame 80 mm x 44 mm" @ Rs 833.34 per square feet as non-standardized rate in the estimate of the work instead of admissible rate of Rs 650.35 per square feet as per prevailing MRS.

Weak financial and supervisory controls resulted in loss of Rs 501,699.

Audit pointed out loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that rate was revised to Rs 693 per square feet instead of Rs 650 per square feet as worked out by Audit. Item had not been paid yet. The payment to contractor would be released after approval from the competent authority. The Committee directed the department to get approval of the rate besides issuing corrigendum to technical sanction and agreement. Para was kept pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against responsible(s).

(DP.61)

2.4.6.22 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved rate analysis of "aluminum windows" as non-MRS item by changing frame size from 100 mm x 20 mm to 101 x 30 and leaf frame

section from 50 x 20 mm to 40 x 25 mm with same thickness @ Rs 495 per sft and paid accordingly for quantity 2018 sft instead MRS rate @ Rs 292.47 per sft.

Weak supervisory and financial controls resulted in loss of Rs 426,970.

Audit pointed out the loss in September 2013. The department replied that the work was got executed and paid in accordance with the detailed technical sanction estimate by the competent authority and agreement was executed with the contractor. The reply was not tenable as the same item with same specification was available in MRS @ Rs 292.47 whereas department converted this item into non-MRS item by making very slight change and abnormal higher rate i.e Rs 495 per sft was allowed to the contractor.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the rate as per technical sanction estimate was paid to the contractor. The Committee observed that difference of rate was high and directed the department to refer the case to the Finance Department for clarification/advice. No compliance of the Committee's directive was reported by the department till finalization of the report.

Audit recommends obtaining clarification from the Finance Department.

(DP.449)

2.4.6.23 Executive Engineer, Provincial Building Division, Sargodha measured and paid the item of "Single layer of tile with polythene sheet of 500 gauge" for 2nd and 3rd floor in three groups at higher rates of Rs 6,009.79 per % sft, Rs 6,411.79 per % sft, Rs 6,400 per % sft and Rs 5,900 per % sft than admissible rate Rs 5,377.62 per % sft, Rs 5,558.37 per % sft, Rs 5,558.37 per % sft and Rs 5,558.37 per % sft respectively than provided in the MRS for 3rd quarter 2011 for district Sargodha.

Weak supervisory and financial controls resulted in overpayment of Rs 339,468.

Audit pointed out the overpayment in August 2013. The department replied that payment was made with cost of polythene sheet. The reply was not tenable because additional rate for execution of item for

2nd, 3rd and 4th floors was paid on MRS composite rate instead of labour rate being economical.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that rate was correctly paid to the contractor. Audit stated that rate was paid more for single layer of tile for the floor next above instead of the original floor rate. The Committee directed the department to get the position verified from Audit and recover resultant amount within 15 days. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.477)

2.4.6.24 Superintending Engineer, Provincial Buildings Circle, Multan sanctioned a non-standardized item of work "Providing and fixing all type of partly fixed and partly openable glazed with aluminum corrugated strip for protection against stretcher hit comprising of anodized bronze colour using deluxe section of M/s Al-Cop Pakistan Cables having chowkat frame 100mm x 44mm x 2 (D-10) with leaf frame of top & bottom size 80mm x 44mm x 2(D-33) side leaf frame 80mm x 44mm x 2 complete in all respect" in the technical sanction estimate of the work @ Rs 624 per sft for the work "Conversion of existing DHQ Hospital Lodhran to Family Hospital for Female and Children" instead of MRS rate @ Rs 385.30 per sft 1st quarter 2011 (District Lodhran), Chapter 25 vide item No.52. Audit observed that the rate was doubled with nominal change in specification. Hence, the department made overpayment to the contractor.

Weak financial and supervisory controls resulted in loss of Rs 236,790.

Audit pointed out loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the section of the door and window were changed from MRS item with thickness as 2 mm against1.6 mm. Audit was of the view that in remarks column of MRS item indicated that in case frame of door thickness was used 2 mm, the rate could be increased @ Rs 30 per sft and only additional rate for jali was paid to the contractor. The Committee directed the department to revisit its rate and

come up with conclusive evidence and also send the rate to the Finance Department as per standing instructions within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends revision of rate besides effecting recovery of overpayment and its verification.

(DP.67)

2.4.6.25 Executive Engineer, Provincial Highway Division, Sargodha No.1 measured and paid item of earth work excavation in foundation building / bridges and other structure for 161260 cft @ Rs 3,358.99 per ‰ cft to the contractor instead of admissible Rate of Rs 2,556.29 per ‰ cft as per MRS item No. 7 of Chapter No. 3 as "Earthwork excavation in open cutting upto 5'-0" (1.5 m) depth for storm water channels, drains, etc.

Weak supervisory and financial controls resulted in overpayment of Rs 129,443.

Audit pointed out overpayment in September 2012. The department replied that the payment was made as per approved rate in the estimate technically sanctioned by the competent authority. The reply was not tenable because incorrect rate was approved in technical sanction estimate.

The para was also discussed in the SDAC meeting held on 03.01.2013. The Committee directed the department to make recovery within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery alongwith fixing responsibility against the concerned officer(s).

DP.284(2012-13)

2.4.7 Short deduction of securities deposits from work done of contractor - Rs 255.03 million

As per clause 48 of the contract agreement, at the time of making each payment to contractor for the work done, the Engineer-in-Charge shall retain the amount of security deposit @ 10% up to 5,000,000 and @ 5% beyond 5,000,000. The earnest money of the contractor on execution of the contract will however be adjusted towards the amount of such security deposit.

2.4.7.1 Executive Engineer, Provincial Highway Division, Multan made running payment to contractors on account of cost of work done but did not deduct security deposit at prescribed rates. Hence, the department deducted less security deposit than actual due.

Weak supervisory and financial controls resulted in short deduction of security deposit for Rs 73,499,653.

Audit pointed out the short deduction of security deposit in August, 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that a cheque of Rs 52,990,447 was obtained from the XEN, PHD, Sahiwal and was being accounted for in monthly account and verification of cheques / accountal thereof on the record of DAO Multan / Sahiwal and would be got reconciled with Audit. The Committee directed the department to get the position verified from Audit besides effecting recovery / receipt of balance amounts within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides disciplinary action against the defaulter.

(DP.379)

2.4.7.2 Superintending Engineer, Provincial Highway Circle, Sargodha awarded two works exceeding Rs 50 million each to two contractors but performance security @ 5% of agreement cost amounting to Rs 73.026 million was not obtained from contractors in violation of instructions of the Finance Department and codal rules.

Weak supervisory and financial controls resulted in undue financial benefit Rs 73,026,000.

Audit pointed out the lapse in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that the matter was sub-judice in the court. The Committee directed the department to pursue the case in the court in interest of the government. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends obtaining of security at the earliest.

(DP.13)

2.4.7.3 Executive Engineer, Provincial Highway Division, Multan failed to obtain the performance securities @ 5% of agreement cost from four contractors in violation of instructions of the Finance Department and codal rules.

Weak supervisory and financial controls resulted in undue financial benefit to contractors for Rs 61,760,000.

Audit pointed out lapse in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that a cheque of Rs 52,990,447 was obtained from the Executive Engineer, Provincial Highway Division, Sahiwal and was being accounted for in monthly account and verification of cheques / accountal thereof on the record of DAO Multan / Sahiwal would be got reconciled with Audit. The Committee directed the department to get the position verified from Audit besides effecting recovery/receipt of balance amounts within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and disciplinary action against the defaulter.

(DP.380)

2.4.7.4 Record of office of the Chief Engineer, Punjab Highway Department (South), Lahore revealed that in work "W/I of road from Bunga Hayat Pakpattan Arifwala Group-1" the performance security of Rs 23.105 million was not obtained from contractor. Only Rs 3.356 million were deducted in piece meal from running bills of contractor. Hence, the contractor was given undue benefit of Rs 19.740 million.

Weak supervisory and financial controls resulted in undue financial benefit to contractor Rs 19,740,000.

Audit pointed out lapse in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department did not submit the working papers for discussion in the meeting. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends investigation at the earliest.

(DP.126)

2.4.7.5 Executive Engineer, Provincial Road Construction Division, Lahore awarded the work to the contractor for agreement amount of Rs 284.969 million in February 2009 but failed to obtain the performance scrutiny @ 5 % of contract amount in violation of instructions of the Finance Department and codal rules.

Weak Supervisory and financial controls resulted in undue financial benefit to the contractor Rs 14,248,000.

Audit pointed out lapse in September 2013. The department did reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that performance guarantee was not obtained and was being recovered from contractor's running bills. Audit stressed disciplinary action against the persons concerned. The Committee kept the para pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation and fixation of responsibility against the officer(s) concerned besides obtaining balance security.

(DP.560)

2.4.7.6 Executive Engineer, Provincial Road Construction Division, Lahore awarded work to the contractor for agreement amount of Rs 255.166 million in February 2009 but failed to obtain performance scrutiny @ 5 % of contract amount in violation of instructions of the Finance Department and codal rules.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor Rs 12,758,000.

Audit pointed out lapse September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that performance guarantee was not obtained and was being recovered from contractor's running bills. Audit stressed disciplinary action against the persons concerned. The Committee kept the para pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation and fixation of responsibility against the officer(s) concerned besides obtaining balance security.

(DP.561)

2.4.8 Overpayment of price variation due to adoption of incorrect methodology - Rs 181.01 million

As per clause 55(6) of contract agreement, the amount payable or deductable shall be calculated on the basis of the quantity of the item actually consumed on the work during the month.

2.4.8.1 Chief Engineer (North), Highway Department approved price variation on bitumen used in road carpeting due to increase in the rate of bitumen without approval of recommended Job Mix Formula by the Road Research and Material Testing Institute, Lahore/extraction tests to ascertain the actual use of bitumen on work as per instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in unjustified payment of Rs 170,323,989.

Audit pointed out unjustified payment in January 2013. The department did not reply.

The para also was discussed in the SDAC meeting held on 02.10.2013. The department explained that JMF of work concerned would be produced to Audit for verification. The Committee directed the department to produce JMF to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixation of responsibility for unjustified approval of price variation.

(DP.140)

2.4.8.2 Executive Engineer, Provincial Road Construction Division, Lahore paid price variation for Rs 9,714,596 on the basis of record entries made in MBs instead of keeping in view the dates of check requests prepared by the Consultant.

Weak supervisory and financial controls resulted in irregular / overpayment of Rs 9,714,000.

Audit pointed out overpayment in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that recovery would be made from the next bill of the contractor. The Committee kept the para pending for recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.562)

2.4.8.3 Chief Engineer, Punjab Highway Department (South Zone), Lahore approved price variation paid to the contractors on sub-base and base course material by multiplying the quantity with factor 1.20 and 1.22 instead of quantity actually used in the sub-base course and base course.

Weak financial and administrative controls resulted in overpayment of Rs 998,212.

Audit pointed out overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The para consisted of 3 sub paras. Para No. 8 pertained to Provincial Highway Division Bahawalpur for Rs 381,498. Recovery of Rs 213,319 was already verified. In para No. 18 for the year 2011-12 to the extent of two works Group-3 of work W/I of Bahawalpur to Yazman against Rs 204,760. No recovery of Rs 176,738 for Group-2 was made.

The Department promised recovery within a month. The amount of para was reduced to Rs 376,738 pertaining to Provincial Highway Division, Bahawalpur and total amount of para was reduced to Rs 793,452 pertaining to Provincial Highway Division, Multan & Sahiwal. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.114)

2.4.8.4 Executive Engineer, Provincial Highway Division, Gujranwala made payment for item of" Plant premix carpeting 2" thick using 4.0% ratio of bitumen for 218960 sft executed during May 2011 and June 2011 for Rs 2,123,962 sft whereas price variation was paid with ratio of 4.2% bitumen. Further, price variation on bitumen was paid for Prime Coat and Tack coat with difference in rate of packed bitumen instead rate of bulk bitumen.

Weak administrative and financial controls resulted in overpayment of Rs 180,990.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department stated that they wanted to modify their reply in light of contention of Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

DP.470(2012-13)

2.4.9 Misuse of power regarding diversion of contingencies - Rs 147.18 million

According to Sr. No. 13 of Delegation of Financial Powers/rules 2006 diversion of provision for contingencies of a sanctioned estimate was allowed for purchase of new items, which were required for preparation of estimate, furniture and equipment for site office for the same works estimate and the provision for which could not be made in the original estimates.

2.4.9.1 Superintending Engineer, Provincial Highway Circle, Gujranwala diverted the contingencies from the T.S. Estimate for Relocation of telephone poles, Beautification of city road with painting/marking of traffic lanes, Cat eyes (by splitting), Consultancy charge, Provision of RCC pipe 42″ dia, Installation of sign boards, Purchase of Laptop for Divisional Office, Relocation of existing Boundary Wall, Construction of Nullah/side drains, Eradication of water supply lines, Relocation of HT/LT Lines, Carpeting of road for VVIPs movement, Laying of stone ceremony, Construction of RCC Slab and Shifting of Water Supply Lines which were not unforeseen items and were to be provided in the technical sanction estimate.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers amounting to Rs 119,114,202.

Audit pointed out the irregularity in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that contingency was diverted for removal of utilities and execution of additional items besides consultancy charges to complete the projects timely and was without any additional cost to government. Provision of those items was not covered in the technical sanction estimate. Out of 12 schemes most of the schemes were completed at site. Audit pointed out that diversion of contingency for execution of additional items was not permissible. The Committee directed the department to produce revised PC-I / revised estimate / final bills for verification to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the irregularity.

(DP.181)

2.4.9.2 Superintending Engineer, Provincial Highway Circle, Gujranwala diverted the contingencies from the T.S. Estimate for replenishment cost of removed tree for payment to the Forest Department whereas removal of trees and their replenishment were not unforeseen items and were to be provided in the technical sanction estimate.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers of Rs 17,620,450.

Audit pointed out the irregularity in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that contingency was diverted for removal of trees to complete the project timely and was without any additional cost to government. Provision for replenishment cost against removal of trees could not be made inadvertently. Revised PC-I / cost estimate were under approval and record would be produced to Audit for verification. Two works were completed at site since long. The Committee directed the department to produce revised PC-I / revised estimate of scheme and under revision / final bills for verification to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the irregularity.

(DP.180)

2.4.9.3 Superintending Engineer, Provincial Highway Circle, Gujranwala approved the diversion of contingencies for Survey to ascertain the quantity of earth work for embankment of work executed by the defaulter contractor M/s Hussain Cotex, Detail survey and mapping of work done by the defaulter contractor M/s Tarmac Pak and Relocation of damaged pipe line/water supply at Noor Kot damaged by the contractor during execution of road work. Additional consultancy charges were paid due to non-completion of work by FWO (Balance work allotted to another contractor), compaction test charges were paid to University of the Punjab to ascertain the quality of work executed by the contractor and Cold milling to remove the damaged portions of ABC (Asphaltic Base Course) was executed by the defaulter contractors and cost was to be recovered from the defaulting contractors but it was not recovered from them.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers of Rs 6,772,000.

Audit pointed out the loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that sanction for diversion of contingency of items was carried out as per provision of power/rules.

Audit pointed out that diversion of contingency was made for item of works which was not permissible as those were for rectification of defective works of the contractor. The Committee directed the department to get the matter probed and take the action accordingly. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the matter.

(DP.184)

2.4.9.4 Superintending Engineer, Provincial Highway Circle, Gujranwala diverted the contingencies from T.S. Estimate for installation of sign boards on airport road, dismantling / reconstruction of check posts, reconstruction of dismantled boundary wall and compaction tests charges were paid to University of the Punjab. Said items were not unforeseen and were to be provided in the technical sanction estimate / PC-I. It was approved for provision of contingencies for other works. Costs of compaction test were recoverable from contractors.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers of Rs 2,132,000.

Audit pointed out the irregularity in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that sanction for diversion of contingency for installation of sign board, construction of check post etc. was rightly granted as per provision of Delegation of Financial Power Rules. Audit pointed out that contingencies were diverted for the various items of work which were not permissible. The Committee reduced the amount of para to Rs 200,000 with the direction to justify the expenditure with reference to rule position to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the matter.

(DP.183)

2.4.9.5 Superintending Engineer, Provincial Highway Circle, Gujranwala approved the diversion of contingencies for Construction of Diversion roads due to construction of bridge over Saim Nullah whereas the cost of diversion roads was the responsibility of the contractor and was to be recovered from him.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers of Rs 1,646,000

Audit pointed out the loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that diversion of contingency was made for construction of service road / diversion in construction of culvert /bridge. Audit pointed out that the item was covered in the provision of contract and no additional payment was payable to the contractor. The Committee directed the department to justify the payment on account of construction of service road/diversion with reference to contract provision /rules within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the matter besides action against responsible(s).

(DP.185)

2.4.9.6 Superintending Engineer, Provincial Highway Circle, Gujranwala approved the diversion of contingencies for purchase of generator for Circle, Division and SDO offices, purchase of colour laser printer, desk jet laser printer, multimedia projector, conference tables/revolving chairs, installation of new air conditioners, P/F ceiling of gypsum and LCD/computer which were not unforeseen items. Said items were to be purchased against provision of office contingency of department instead of from development budget.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers amounting to Rs 1,061,636.

Audit pointed out the irregularity in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that items of work were purchased for site office established to monitor the mega projects in the jurisdiction of circle office. Audit did not agree as items were purchased for offices and not for site offices. The Committee directed the department to justify

its action with cogent evidences within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of the matter.

(DP.182)

2.4.9.7 Superintending Engineer, Provincial Building Circle, Rawalpindi approved the diversion from contingencies of the works for payment of consultancy charges and purchase of container for consultants whereas payment was to be made from the provision of consultancy provided in the estimate technically sanctioned by the competent authority.

Weak supervisory and financial controls resulted in misuse of delegation of financial powers of Rs 1,027,200.

Audit pointed out irregularity in March 2013. The department replied that the diversion of contingencies was accorded as per delegated powers which allowed for diversion in respect of furniture and fixture for site office. The reply was not correct because expenditure incurred for consultants was to be charged to the provision of consultancy charges approved in the estimate instead of contingencies of the work.

The para was also discussed in the SDAC meeting held on 27.09.2013. The department explained that no payment for purchase of container of Rs 770,200 was incurred and Rs 250,000 were incurred for third party validation of contract documents of the project. The Committee accepted the view point of the department to the extent of Rs 250,000 and directed the department to withdraw the contingency diversion sanction of Rs 770,200 and get the record verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization of irregularity.

(DP.46)

2.4.10 Loss due to allowing incorrect input rates - Rs 143.98 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.

2.4.10.1 Executive Engineer, Provincial Highway Division, Sialkot got approved and paid item of work "Construction of New Jerrsy Barrier of RCC 1:1-2:3" for quantity of 95802 and 25780 rft @ Rs 1,202 per rft as non-standardized item. The rate analysis was not correctly prepared because depreciation charges of machine and incorrect rate of RCC 1:1½:3 was added which were not admissible. Further, incorrect input rate of labour and hire charges of machine were included in the rate analysis and rate of Rs 1,202 per rft was calculated instead of Rs 970.94 per rft as per input rate of Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 28,092,737.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that NHA template was followed and labor charges was not included in the machinery hire charges rate displayed at the Finance Department website. Audit pointed out that input rate adopted from the Finance Department website included labour charges and were not payable as per the Finance Department template dated 04.07.2006. The Committee directed the department to obtain clarification from the Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends obtaining clarification from the Finance Department at the earliest.

(DP.226)

2.4.10.2 Superintending Engineer, Provincial Highway Circle, Lahore in the execution of work "Remolding of Canal Bank Road between Dharampura under pass to Thokar Niaz Baig Lahore from Mall-FC College under pass and Campus Doctor's Hospital Phase-I" approved rate analysis of item of work, safety railing @ Rs 11,865 per meter for the quantity of 6935 meter and awarded work to the contractor and made payment accordingly. The department in the revised PC-I enhanced the quantity from 6935 meter to 17200 meter and rate from Rs 11,865 per

meter to Rs 13,639 per meter. Hence, the department made overpayment to contractor.

Weak supervisory and financial controls resulted in loss of Rs 18,208,673.

Audit pointed out the loss in March 2012. The department replied that the item of railing was included in the PC-I and accordingly technical sanction was accorded by the Chief Engineer. On the basis of provision, the rate of this item was approved for Rs 13,644.91 per meter in the award letter of the contractor. In the revised technical sanction, the approved rate was Rs 13,639 per meter based on the revised drawing of railing which indicated that the rate of railing in the revised technical sanction estimate was less than the approved tender rate. The reply was not tenable because the rate in revised PC-I was enhanced from rate of Rs 11,865.14 per meter to Rs 13,639 per meter.

The para was also discussed in the SDAC meeting held on 04.09.2012. The department replied that rate as well as quantities for the item of safety railing were got approved in revised administrative approval/technical sanction estimate and would be got verified from Audit. The Committee kept the para pending for verification of record within 15 days but no compliance was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible officers / officials

DP.63(2012-13)

2.4.10.3 Executive Engineer, Provincial Highway Division, Gujranwala executed items of works "Asphaltic Base Course Class (A) and Asphaltic Wearing Course class (B)" and approved rate analysis by adding labour charges @ 12.5% of equipment/machinery's rent whereas labour charges were already included in the rent charges of equipment / machinery. Further, only 10% sundries on assumed labour charges (included in the hire charges) were to be included in the rate analysis.

Weak supervisory and financial controls resulted in loss of Rs 16,507,334.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that NHA template was followed and labour charges were not included in the machinery hire charges. Audit pointed out that labour charges were payable as per the Finance Department template dated 04.07.2006 circulated for item of carpeting. The Committee directed the department to obtain clarification from the Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.223)

2.4.10.4 Project Manager, Sub-Project Management Unit, Lahore got approved rate for the item of Asphaltic Wearing Course @ Rs 14,939.06 per % sft, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 13,195 per cubic meter as per relevant input rates and standardized rate analysis of the Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating charges which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 8,735,199.

Audit pointed out the overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that analysis of rate for premix carpeting was worked out with input rate of the Finance Department including the stone dust having rate of quarry site instead of district rate as approved in the PC-I/technical sanction estimate. The Committee directed the department to produce the said documents with input rate applied for stone dust etc. within 15 days to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation and fixation of responsibility against the officer(s) concerned besides effecting recovery.

(DP.197)

2.4.10.5 Project Manager, Sub-Project Management Unit, Lahore got approved rate for the item of Asphaltic Wearing Course @ Rs 16,030.48 per % sft, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 13,887.88 per cubic meter as per relevant input rates and standardized rate analysis of the Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating charges which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 4,485,553.

Audit pointed out the overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that analysis of rate for premix carpeting was derived with input rate of the Finance Department including the stone dust having rate of quarry site instead of district rate. The rate was approved in the PC-I/technical sanction estimate. The Committee directed the department to produce the said documents with input rate applied for stone dust etc. within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation and fixation of responsibility against the officer(s) concerned besides effecting recovery.

(DP.198)

2.4.10.6 Executive Engineer, Provincial Highway Division, Gujranwala executed items of works 'Asphaltic Base Course plant mix Class (A) and Asphaltic Wearing Course plant mix class (B)' as per rate analysis prepared by the M/s NESPAK and approved in the PC-I by the competent authority as BOQ Item. In the rate analysis, Labour charges @ 12.5% of equipment/machinery's rent charges were included excessively whereas labour charges were already included in the rent charges of equipment / machinery and only 10% sundries on assumed labour charges (included in the hire charges) were to be included in the rate analysis.

Weak supervisory and financial controls resulted in loss of Rs 4,131,804.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that NHA template was followed and labour charges were not included in the machinery hire charges. Audit pointed out that labour charges were payable as per the Finance Department's template dated 04.07.2006 circulated for item of carpeting. The Committee directed the department to obtain clarification from the Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.221)

2.4.10.7 Superintending Engineer, Provincial Highway Circle, Gujranwala approved the non-standardized item "Providing and fixing pole 10-meter long double arm with hot dip galvanized (Jamal Pipes)" @ Rs 237,200 each without preparation of rate analysis on the basis of required material/ specifications/ competitive market rates.

Weak supervisory and financial controls resulted in overpayment of Rs 4,032,400.

Audit pointed out overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that item was approved in the technical sanction estimate and analysis of rates available therein. Audit pointed out that payment of cable was to be made as per actual measurement and demanded the above documents for verification of facts. The Committee directed the department to produce the record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against responsible(s) for loss.

(DP.175)

2.4.10.8 Chief Engineer (North), Highways Department approved non-standardized rate for the item of work "Construction of New Jersey Barrier (N.J.B) complete as per design" in the rate analysis of said item. The rate analysis was not correctly prepared because depreciation charges of machine and incorrect rate of RCC 1:1½:3 were added which were not admissible. Further, incorrect input rate of labour and hire charges of machine were included in the rate analysis and rate of Rs 1,202 per rft was calculated instead of Rs 970.94 per rft as per input rates of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 3,784,543.

Audit pointed out overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that rate was correctly derived as a special curber machine used in execution of work which was specially imported. No hire charges rate was available in the input rate. Therefore, deprecation charges of the machinery were applied in the rate analysis. The Committee did not accept the contention of the department and directed to revisit its rate within 15 days and get the position verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery / verification of record.

(DP.135)

2.4.10.9 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi got approved rate for the item of Asphalting Wearing Course @ Rs 16,182 per cum and Asphalting Base Course @ Rs 14,807 per cum, which was inclusive rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 15,352 per cum and Rs 13,982 respectively as per relevant input rates and standardized rate analysis of Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 3,411,993.

Audit pointed out the overpayment in August 2013. The department replied that the provision of labour charges was made for the deployment of labour on asphalt plant and for laying of asphalt. Further, as per input rates of asphalt plant only heating of aggregate and stone dust were included. The reply of the department was not tenable as these items were not admissible.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous stance. The Committee directed the department for detailed verification on 12.12.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.396)

2.4.10.10 Project Manager, Sub Project Management Unit, Lahore for the work "Project to Resolve Traffic Problems at Kalma Chowk Intersection Ferozepur, Road, Lahore (Construction of Flyover at Kalma Chowk)" paid item of "Pre-stressing steel (Precast Pre-stressed Girders) grade 270 PSI, 1860 @ Rs 249,624 per ton against the admissible rate of Rs 237,048.20 per ton as per contract agreement.

Weak supervisory and financial controls resulted in overpayment of Rs 3,135,237.

Audit pointed out the overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that design of girder was revised by the consultant using re-stress cable of 6″ instead of 5″ and was got approved from the competent authority in revised PC-I/Technical Sanction Estimate. Audit demanded revised PC-I/Technical Sanction Estimate and analysis of rate of said item for verification. The Committee directed the department to produce the above record to Audit for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.9)

2.4.10.11 Executive Engineer, 3rd Provincial Building Division, Lahore got approved, measured and paid an item of work "Fabrication of mild steel for RCC work grade-60, complete in all respect as non-standardized item, @ Rs 8,878.46 per % kg against admissible rate of Rs 8,112 per % kg as per input rate of 4th quarter 2009 for district Lahore.

Weak supervisory and financial controls resulted in overpayment of Rs 3,028,851.

Audit pointed out the overpayment in October 2013. The department replied that the payment to the contractor was made according to the rate approved by the competent authority. The reply was not tenable because higher rate of the item was provided in technical sanction estimate/DNIT as compared to admissible rate.

The para was also discussed in the SDAC meeting held on 30.12.2013. The department explained that analysis of rate of the item of MS bar grade 60 would be recalculated and produced to Audit within 15 days. Para was kept pending by the Committee for verification of record/recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.509)

2.4.10.12 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved item Fabrication of mild steel Grade-60 @ Rs 62.70 per kg on the basis of input rates November, 2005 in technical sanction estimate against actual rate of Rs 60.40 kg on the basis of input material rates, for the same quarter.

Weak supervisory and financial controls resulted in overpayment of Rs 2,818,671.

Audit pointed out overpayment in September 2013. The department replied that the work was got executed and paid in accordance with provision of technically sanctioned estimate and agreement. The reply was not tenable as department derived higher rate by making incorrect calculation of rate analysis and resultantly payment was made to contractor on higher side.

The para was also discussed in the SDAC meeting held on 30.12.2013. The department explained that recovery of Rs 1,286,986 would be made from next bill of the contractor. As regards balance amount of recovery, the record / calculation of analysis of rates based on the Finance Department calculation of the respective item would be checked and recovery, if any, would be made accordingly. The Committee directed the department to effect recovery and get the record verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.567)

2.4.10.13 Executive Engineer, Provincial Machinery Maintenance Division, Lahore got approved and paid different non-standardized items for Rs 2.802 million for the work "Erection and Maintenance of 600 running feet, Steel Boat Bridge on River Chenab between Garh Maharaja Shorkot road in district Jhang in the Bridging season 2011-12" without preparation and approval of the rate analysis on the basis of input rates issued by the Finance Department/competitive market rates.

Weak supervisory and financial controls resulted in overpayment of Rs 2,801,651.

Audit pointed out overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that sanction of technical estimate was accorded by the Superintending Engineer, including the non MRS items. The Committee did not accept the contention of the department and directed to produce rate analysis duly approved by the competent authority within 15 days for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.169)

2.4.10.14 Chief Engineer, (South Zone), Punjab Building Department, Lahore approved a non-standardized item of work "P/L fair face bricks (Gutka) cladding size 9″ x 2-1/2″ x 2-1/2″ laid in 1:3 cement sand" @

Rs 93 per sft for work "Construction of Proto Type Gymnasium at Sadiqabad District R.Y Khan", @ Rs 97 per sft for work "Establishment of 300 bedded hospital at BWP G No. I & II" and @ Rs 98 per sft for work "Establishment of Food Testing Laboratory at Faisalabad" instead of Rs 68 per sft, Rs 77 per sft and Rs 85 per sft respectively as per relevant input rates.

Weak supervisory and financial controls resulted in overpayment due to approval of non-standardized item at higher rate of Rs 2,710,341.

Audit pointed out the overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the schemes were closed by client department. The Committee directed the department to finalize accounts of the closed schemes within a month besides obtaining revised approval of rate from competent authority. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery/regularization.

(DP.76)

2.4.10.15 Executive Engineer, Provincial Buildings Division, Lodhran measured and paid an item of work "P/L master porcelain tile 20″x20″x3/8″ light for flooring laid ¾″ thick cement plaster 1:2 complete in all respect'' @ Rs 145 per sft by taking excessive rate of labour, material and incorrect carriage and tile cutter charges against admissible rate of Rs 132 per sft as per relevant input rate.

Weak supervisory and financial controls resulted in loss of Rs 2,515,404.

Audit pointed out the loss in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that the rate was being revised and would be produced to audit after approval of the competent authority. The Committee directed the department to produce the approved rate besides

approved design to Audit within 15 days. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery besides fixation of responsibility.

(DP.495)

2.4.10.16 Executive Engineer, Provincial Building Construction Division, D.G.Khan measured and paid an item of work "Providing/ laying polyethylene pipe "PN" 160 mm 6 inch dia etc." for quantity of 1400 rft @ Rs 909.70 per rft as non-standardized rate, against the admissible rate of Rs 752.59 per rft as per input rates of 4th quarter 2011 for district D.G. Khan.

Weak supervisory and financial controls resulted in overpayment of Rs 2,199,540

Audit pointed out overpayment in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that recovery of Rs 877,800 would be made after applying rate of Rs 847 per rft. Wastage and advot was included as per template of Chief Engineer for GI pipe installation. The Committee directed the department to recover the overpaid amount within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officers concerned.

DP.47 (2012-13)

2.4.10.17 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved the rate analysis of item of the work "P/F wooden wardrobe 2" deep made of lamination vinboard best quality complete in all respect" @ Rs 550 per sft by taking 50 sft area i/c sawing charges but while converting area into sft the department applied 26 sft instead of 50 sft. No sawing charges were due as cost of carpenter was added in rate analysis. The department made payment @ Rs 550 per sft against admissible rate of Rs 281 per sft as per prevalent input rates.

Weak supervisory and financial controls resulted in overpayment of Rs 2,110,574.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with the detailed estimate technically sanctioned by the competent authority and agreement executed with the contractor. The reply was not tenable as department derived higher / incorrect rates by making incorrect calculation while preparing rate analysis of the item and paid to the contractor.

The para was also discussed in the SDAC held on 09.12.2013. The department admitted that total amount of rate analysis was incorrectly divided with figure of 26 sft instead of 50 sft. But actual rate was worked out to Rs 550 because other component of item was not provided in the original analysis of rate. Audit did not agree as mistakes in calculation were pointed out hence no additional component at this stage could be allowed / entertained on the plea of some component was missed in original approved non-MRS rate. The Committee directed the department to revisit its view point and recover the amount from the contractor within 15 days. No compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.452)

2.4.10.18 Superintending Engineer, Provincial Buildings Circle-II, Lahore got approved the non-standardized rate of item P/L face work by using Gutka 9″ x 2 ¼″ of approved quality in cement sand surki mortor in (1:3) making trapezoidal groov set" by taking cost of 726 Gutkas and scaffolding charges whereas the cost of 550 gutkas was due, keeping in view area of cement surki for fixing gutka in place. Moreover, no payment for scaffolding was due as per agreement and the Finance Department approved analysis of rates for brick work item in MRS.

Weak supervisory and financial controls resulted in overpayment of Rs 2,039,000.

Audit pointed out overpayment in February 2013. The department did not reply despite repeated correspondence.

The para was also discussed in the SDAC meeting held on 27.11.2013. The department explained that analysis of rate would be

revisited after calculation of Gutka's actual quantity and scaffolding etc. Rate would be revised accordingly with the approval of competent authority. The Committee directed the department to revise the analysis of rate and recover the amount if any and get it verified by Audit within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP.367)

2.4.10.19 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi got approved rate for the item of Asphalting Wearing Course @ Rs 18,213 per cum, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 17,075 per cum as per relevant input rates and standardized rate analysis of the Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 1,960,314.

Audit pointed out the overpayment in August 2013. The department replied that the provision of labour charges was made for the deployment of labour on asphalt plant and for laying of asphalt. Further, as per input rates of asphalt plant only heating of aggregate and stone dust was included. The reply of the department was not tenable as these items were not admissible.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous stance. The Committee directed the department for detailed verification on 12.12.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.413)

2.4.10.20 Chief Engineer (South Zone), Punjab Building Department, Lahore sanctioned the item of work "P/F shisham wood boarding or strip flooring 1″ thick swan to required touged and grooved or splayed rebated 1-1/2″ x 2″ placed at 12″ centre to centre including 2 coats of bitumen" @ Rs 250 per sft, @ Rs 343 per sft and @ Rs 296 per sft as non-standardized items in three different works instead of admissible rate of Rs 204 per sft, Rs 284 per sft and Rs 251 per sft respectively as per input rates of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 1,902,420.

Audit pointed out overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The Committee directed the department to issue corrigendum to revise technical sanction estimate and contract agreement and produce the documentary evidence to Audit within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against responsible.

(DP.78)

2.4.10.21 Executive Engineer, Provincial Road Construction Division, Lahore got approved non-MRS item "P/L N.J barrier of R.C.C 1:1:2 with horizontal shuttering" whereas the rate R.C.C 1:1:2 without horizontal shuttering as per MRS rate of 2nd quarter 2009 for district Sheikhupura was to be included for calculation of item rate because horizontal shuttering was not required at site or execution of New Jerrsy barrier.

Weak supervisory and financial controls resulted in approval of higher rate and loss of Rs 1,848,552.

Audit pointed out the loss in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that the rate was correctly paid to the contractor. Audit pointed out the horizontal shuttering was not involved in construction of NJB. Therefore, rate for RCC for without

horizontal shuttering was admissible. The Committee directed the department to recover the overpayment within fifteen days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.553)

2.4.10.22 Executive Engineer, Provincial Buildings Division,, Bahawalpur got approved and paid a non-standardized item of work "P/F fair face gutka cladding special size 9″x2½ x2¼″ complete in all respect for works "Construction of Gymnasium at Bahawalpur", "Establishment of Separate Emergency Block in D.H.Q Hospital Bahawalnagar" and "Construction of Prototype Gymnasium Khairpur Tamianwali District Bahawalpur" @ Rs 93, Rs 96.97 and Rs 93 per sft respectively by taking excessive bricks/Gutka, material, labour and carriage against the correct rate of Rs 66, Rs 67.29 and Rs 63 per sft respectively as per relevant input rates notified by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 1,659,996

Audit pointed out the overpayment in September 2013. The department replied that the rate analysis was got approved from the Superintending Engineer but the rates were worked out at higher side.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the rate approved in the technical sanction estimate/PC-I was allowed to the contractor. Audit pointed out that excessive quantity of gutka and other materials was included in the rate analysis. The department promised to revisit the rate analysis and recover the amount from the contractor. The Committee directed the department to come up with conclusive action within 15 days. No compliance of Committee's directive was reported by the department till the finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s).

(DP.460)

2.4.10.23 Executive Engineer, Provincial Building Construction Division, D.G.Khan measured and paid a non-standardized item of work "Providing and Laying structural pad made of selected granular material mixture of

65% sand and 35% gravel compaction up to 95%" @ Rs 3,000 per % cubic feet and @ Rs 2,900 (R.R) per % cubic feet against admissible rate of Rs 2,302.94 per % cft as per input rate of relevant quarter of MRS.

Weak supervisory and financial controls resulted in loss Rs 1,623,661.

Audit pointed out loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that rate for structural pad was approved by the competent authority. The Committee directed the department to produce approved rate along with revised technical sanction estimate. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility of loss.

DP.50 (2012-13)

2.4.10.24 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved item Fabrication of mild steel Grade 60 @ Rs 90.90 per kg on the basis of input rates 3rd quarter 2009 and paid accordingly for quantity 168995 kg instead of admissible rate of the item @ Rs 82.55 kg as per input material rates for said quarter of respective district.

Weak supervisory and financial controls resulted in overpayment of Rs 1,409,252.

Audit pointed out the overpayment in September 2013.The department replied that the work was got executed and paid in accordance with the detailed estimate technically sanctioned by the competent authority and agreement executed with the contractor. The reply was not tenable as department derived higher rate by making incorrect calculation while preparing rate analysis of the item M.S steel bar grade 60.

The para was also discussed in the SDAC held on 09.12.2013. The department explained to the committee that recovery would be made from next running bill of the contractor. The Committee directed the department to recover the overpayment and get it verified from Audit within 15 days.

No compliance of Committee's directives was reported by the department till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.451)

2.4.10.25 Executive Engineer, Provincial Building Construction Division, D.G.Khan provided two items of work "Providing / laying Porcelain tile Dado / Skirting 16″ x 16″ x 3/8″ @ Rs 139.58 and "P/L ceramic tiles Dado / Skirting size 12 x 18 x 3/8″ complete in all respect" @ Rs 132.29 per square feet on the basis of "non-schedule" rates prepared on 4th quarter 2011 for district D.G.Khan. Audit observed that higher rate was due to adding 2.5 Nos. instead of 1.04 Nos., skilled 4 Nos. instead of 1.70 Nos. unskilled coolies and Bahishty 0.50 Nos. instead of 0.22 Nos.

Weak supervisory and financial controls resulted in overpayment of Rs 1,404,194

Audit pointed out the overpayment in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the analysis of rate as per template of MRS item of tile skirting of the Finance Department template was adopted. Audit did not agree as item of work for dado skirting using18″ x 18″ and 12″ x 18″ size style was used whereas template depicted fixing of tile of 6″ x 6″. Therefore, labour should be less than the above template. The Committee directed the department to revisit its analysis of rate and produce to Audit for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery of loss and fixing responsibility against the officer(s) concerned.

DP.49 (2012-13)

2.4.10.26 Executive Engineer, Provincial Road Construction Division, Rawalpindi paid item of work "P/F plain cement concrete 1:2:4 of concrete face block @ Rs 131.53 per sft against admissible rate Rs 115 per sft by allowing excessive rate for the component of erection.

Weak supervisory and financial controls resulted in overpayment of Rs 1,345,360.

Audit pointed out the overpayment in August 2013.The department replied that rate was prepared on MRS rates. The reply was not tenable as incorrect extra rate for installation of concrete block was paid. In similar case rate of Rs 10 was sanctioned by Superintending Engineer, in T.S estimate.

The para was also discussed in the SDAC meeting held on 28.11. 2013. The department explained that rate was allowed as per approved / sanctioned estimate therefore no higher rate was paid. Audit pointed out that irrelevant MRS extra rate for execution of concrete block was added for Rs 37.75 each. The Committee directed the department to explain and justify the analysis of rate within 15 days. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery besides revision of rate.

(DP.340)

2.4.10.27 Executive Engineer, Provincial Buildings Division, Gujranwala got approved and paid an item of Fabrication of mild steel grade 60 for 135960 kg @ Rs 91.86 per kg on the basis of input rates of 3rd quarter 2008 instead of correct rate of Rs 78.48/kg as calculated on the basis of input material rates for said quarter.

Weak supervisory and financial controls resulted in overpayment of Rs 1,337,846.

Audit pointed out the overpayment in July 2013. The department replied that after detailed scrutiny of record recovery, if any, would be made.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that recovery would be made from next bill of the contractor. The Committee directed the department to recover the amount within 30. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.290)

2.4.10.28 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved the item of Fabrication of mild steel grade 60 @ Rs 90.90 per kg on the basis of input rates of 3rd quarter 2009 and paid for 141728 per kg instead of admissible rate of Rs 82.55 per kg as per input material rates for said quarter of same district.

Weak supervisory and financial controls resulted in overpayment of Rs 1,182,011.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with the detailed technically sanctioned estimate by the competent authority and agreement executed with the contractor. The reply was not tenable because department derived higher rate by making incorrect calculation while preparing rate analysis of the said item.

The para was also discussed in the SDAC meeting held on 09.12.2013. The department explained that recovery would be made from next running bill of the contractor. The Committee directed the department to recover the overpayment and get it verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixation of responsibility against the officer(s) concerned.

(DP.447)

2.4.10.29 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi got approved rate for the item of Asphalting Base Course @ Rs 16,686 per cm, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 15,547 per cum as per relevant input rates and standardized rate analysis of the Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 1,048,937

Audit pointed out the overpayment in August 2013. The department replied that the provision of labour charges was made for the deployment of labour on asphalt plant and for laying of asphalt. Further, as per input rates of asphalt plant only heating of aggregate and stone dust was included. The reply of the department was not tenable as these items were not admissible.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous stance. The Committee directed the department for detailed verification on 12.12.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixation of responsibility against the officers concerned.

(DP.412)

2.4.10.30 Executive Engineer, Provincial Building Construction Division, D.G. Khan, provided in the estimate of the work non-standardized item "P/L Porcelain 16″x16″x3/8″ light colour laid in white cement and matching pigment over ¾″ thick cement sand mortar 1:2 complete in all respect" @ Rs 146.88 per sft and for flooring @ Rs 139.58 per square feet respectively, against admissible rates of Rs 121.87 per square feet and Rs 138.54 per square feet as per input rate of relevant quarter of MRS.

Weak supervisory and financial controls resulted in loss of Rs 984,764.

Audit pointed loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The Department explained that the analysis of rate was as per template of the Finance Department. Audit did not agree as item of work for dado skirting using18″ x 18″ and 12″ x 18″ size style was used whereas template depicted fixing of tile of 6″ x 6″ therefore labour should be less than the above template. The Committee directed the department to revisit its analysis of rate and produce it to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery of loss besides fixing responsibility of the lapse.

(DP.53)

2.4.10.31 Executive Engineer, 6th Provincial Building Division, Lahore made payment for item of work "fair face bricks/gutka" @ Rs 91.66 per sft against admissible rate of Rs 82.86 per sft as per relevant input rate.

Weak supervisory and financial controls resulted in loss of Rs 958,153.

Audit pointed out the loss in 2011. The department did not reply.

The para was also discussed in the SDAC meeting held on 3.01.2012. The department stated that detailed analysis would be got approved by competent authority and produced to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

DP.153 (2011-12)

2.4.10.32 Executive Engineer, Provincial Buildings Division, Gujranwala got approved the rate of an item "P/F of Air Conditions split type" for Rs 67,100 each by adding income tax @ 6% and cost of refrigerant pipe in technical sanction estimate instead of due rate of Rs 59,272 because those components were not admissible as income tax was already included in contractor's overheads and cost of refrigerant pipe in unit price of Split Air Conditioner.

Weak supervisory and financial controls resulted in loss of Rs 767,144.

Audit pointed out the loss in July 2013. The department replied that the rate of said item was approved in the technical sanction estimate by the competent authority. The reply was not tenable as the rate was got approved with undue provisions of income tax @ 6% and cost of refrigerant pipe.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that item rate would be revised as

per the Finance Department's instructions and produced to Audit within 15 days. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.292)

2.4.10.33 Executive Engineer, 7th provincial Buildings Division, Lahore paid an item P/L face work by using gutka 9″x 2 ¼″ x 2 ¼″ of approved quality in cement sand surkhi mortar i/c making trapezoidal @ Rs 95 per sft against admissible rate of Rs 74.34 per sft as per input rate and standardized template.

Weak supervisory and financial controls resulted in overpayment of Rs 766,672.

Audit pointed out the overpayment in March 2013. The department replied that the item "P/F Gutka" was required to be carried out on exterior surface for three stories of the building which could not be carried out without scaffolding. The reply was not tenable because as per clause 15 of the contract agreement, it was the responsibility of contractor.

The para was also discussed in the SDAC meeting held on 27.11.2013. The department explained that analysis of rate would be revisited after calculation of Gutka's actual quantity and scaffolding etc. Rate would be revised accordingly with the approval of competent authority. The Committee directed the department to revise the analysis of rate and recover the amount, if any, and get it verified by Audit within 15 days. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery.

(DP.376)

2.4.10.34 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi got approved rate for the item of Asphalting Wearing Course @ Rs 18,213 per cm, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 17,075 per cum as per relevant input rates and standardized rate analysis of the Finance Department. Audit observed that higher rate was paid due to

inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 619,614

Audit pointed out the overpayment in August 2013. The department replied that the provision of labour charges was made for the deployment of labour on asphalt plant and for laying of asphalt. Further, as per input rates of asphalt plant only heating of aggregate and stone dust was included. The reply of the department was not tenable as these items were not admissible.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous stance. The Committee directed the department for detailed verification on 12.12.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(PDP 399)

2.4.10.35 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi got approved rate for the item of Asphalting Base Course @ Rs 16,686 per cm, which was inclusive of rate of bajri, stone dust with lead upto work site, preheating of bitumen and 12.5% labour charges on equipment cost, against the admissible rate of Rs 15,547 per cum as per relevant input rates and standardized rate analysis of Finance Department. Audit observed that higher rate was paid due to inclusion of irrelevant item of bajri, stone dust for base course, labour and preheating which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 612,086.

Audit pointed out the overpayment in August 2013. The department replied that the provision of labour charges was made for the deployment of labour on asphalt plant and for laying of asphalt. Further, as per input rates of asphalt plant only heating of aggregate and stone dust

was included. The reply of the department was not tenable as these items were not admissible.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous stance. The Committee directed the department for detail verification on 12.12.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officers concerned.

(PDP 403)

2.4.10.36 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved the rate of item of work "P/L Marble Plate 3.5 sft area ¾″ thick China Verona random i/c cost of rubbing polishing complete" for Rs 290 per sft and paid quantity 22308 sft, against the admissible rate of Rs 264 per sft as per input rate of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 606,108 due to application of higher rate.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with the detailed estimate technically sanctioned by the competent authority and agreement executed with the contractor. The reply was not tenable as department derived higher rates as compare to other work.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the rates were allowed as per technically sanctioned estimate/PC-I of the work. Audit pointed out that analysis of rate adopted by department included Rs 1,500 for gola which was not due as in similar case in Girls College Murree. Department promised for revisiting of the rate with actual site conditions of both works. The Committee kept the para pending for coming up with conclusive action within 15 days. No compliance of the Committee's directives was reported by the department till the finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.450)

2.4.10.37 Executive Engineer, Provincial Building Division, Sialkot made payment for the item of "Pacca brick work other than building ratio 1:5" for 225945 cft @ Rs 9,591.35 per % cft with quoted premium 4.48% above and "Pacca brick work 1:5 ground floor" for 11153 cft @ Rs 9,300 per % cft and 4928 cft @ Rs 9,591.55 per % cft and 1,478 cft @ Rs 9,611.75 per % cft whereas rate of brick work 1:5 upto 10 feet height was to be paid for additional height i.e. beyond the 10 feet with only extra charges @ Rs 316.80 per % cft for every 10 feet height as per MRS rates.

Weak supervisory and financial controls resulted in overpayment of Rs 576,129.

Audit pointed out the overpayment in July 2013. The department replied that recovery would be made from the contractor but it was not effected.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that recovery would be made from next bill of contractor. The Committee kept the para pending for recovery within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.272)

2.4.10.38 Executive Engineer, Provincial Building Construction Division, D.G. Khan in the execution of work "Establishment of Medical College D.G. Khan (Group-I) provided an item of work "Single layer of tiles 9″x 4 ½″x1½″ laid over 4″ earth and 1″ mud plaster grouted with cement 1:3 on top of reinforcement cement concrete roof slabs, including bitumen coating and supplying and laying polythene sheet 500 gauge first floor"@ Rs 6,002.47 per % sft, second floor @ Rs 6,439.09 per % sft, Rs 5,793.77 per % sft and in Group-II of work for second floor of roof @ Rs 6,493.09 per % sft, instead of admissible rate Rs 5,666.96 per % sft, Rs 5,793.77 per % sft and Rs 5,806.60 per % sft respectively as per input rates and standardized rate analysis of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 544,291.

Audit pointed the overpayment in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that correction in the technical sanction estimate/agreement would be made and any excess would be recovered from the next bill of the contractor. The Committee kept the para pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officer(s) concerned.

(DP.55)

2.4.10.39 Executive Engineer, Provincial Building Division, Lodhran measured and paid an item of work "P/L fair face gutka 9″ x 2 ¼" x 2 ¼″ complete in all respect" as non-standardized item in two cases by taking material component i.e. brick and cement at higher side whereas in labour component, scaffolding charges and carriage were not admissible, as per input rate and standardized rate analysis of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 532,779.

Audit pointed out the loss in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that rate of non-MRS items was being revised with the approval of competent authority. The Committee directed the department to produce approved rates besides approved design to Audit for verification and recover the overpayment within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.496)

2.4.10.40 Executive Engineer, Provincial Building Division, Bahawalpur measured and paid the item of work "Fabrication of mild steel grade 60 for RCC work, complete in all respect", as non-standardized item by allowing lump sum provision of carriage @ Rs 60 per kg in violation of template issued by the Finance Department.

Weak supervisory and financial controls resulted in loss of Rs 486,568.

Audit pointed out the loss in September 2013. The department replied that a meager amount of Rs 1 per kg was correctly incorporated in rate analysis for transportation of 55 kg steel from market to site of work and payment was made to contractor after approval of rate by the competent authority. The reply was not tenable as the addition of carriage in rate analysis was not permissible as per the Finance Department's template.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the rate was paid as per provision of technical sanction estimate and agreement. The Committee directed the department to recover the overpayment and para was kept pending for verification of recovery within 15 days. No compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.457)

2.4.10.41 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved rate analysis of item of the work "P/F Special Bricks cladding Gutka" for Rs 100 per sft by incorporating, inadmissible carriage from Lahore to Rawalpindi district, scaffolding, excess quantity of gutka 711 Nos. and paid for quantity of 15946 sft instead of admissible rate of Rs 71 per sft according to input rates of the Finance Department / actual use of material.

Weak supervisory and financial controls resulted in overpayment of Rs 462,434.

Audit pointed out the overpayment in September 2013.The department replied that the work was executed and paid in accordance with the detailed technically sanctioned estimate and as per agreement. The reply was not tenable as department derived higher/incorrect rate by making incorrect calculation while preparing rate analysis of the item.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that rate approved in the technical sanction estimate/PC-I was allowed to the contractor. Audit recommends its

previous version again. The department promised to revisit the rate and recover the amount, if any, due from the contractor. The Committee directed the department to come up with conclusive action within 15 days. No compliance of the Committee's directive was made by the department till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.455)

2.4.10.42 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved item "Fabrication of mild steel grade 60" @ Rs 93.58 per kg on the basis of input rates 3rd quarter 2009 against actual rate of Rs 92.56 per kg on the basis of input material rates for said quarter of respective district.

Weak supervisory and financial controls resulted in overpayment of Rs 455,163.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with technically sanctioned estimate. The reply was not tenable as department derived higher rate by making incorrect calculation of rate analysis of said item.

The para was also discussed in the SDAC meeting held on 30.12.2013. The department explained that record would be checked as per analysis of rates based on the Finance Department calculation of the respective item and recovery, if any, would be made accordingly within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.569)

2.4.10.43 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved item "Fabrication of mild steel grade 60" @ Rs 93.58 per kg on the basis of input rates 3rd quarter 2009 in technical sanction estimate whereas actual rate came to Rs 92.56 per kg on the basis of input material rates for said quarter of respective district.

Weak supervisory and financial controls resulted in overpayment of Rs 438,420.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with technically sanctioned estimate and agreement. The reply was not tenable as department derived higher rate by making incorrect calculation of rate analysis of said item.

The para was also discussed in the SDAC meeting held on 30.12.2013. The department explained that record would be checked as per analysis of rates based on the Finance Department calculation of the respective item and recovery, if any, would be made accordingly within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.568)

2.4.10.44 Executive Engineer, Provincial Building Construction Division, D.G.Khan provided an item of work "Providing and Laying pre-polished marble floor China Verona uniformed texture, size 24″x24″ laid in white cement and matching pigment over ¾″ thick cement sand mortar 1:2″@ Rs 303.16 per square feet as non-standardized rate in the estimate of the work instead of admissible rate of Rs 297 per square feet as per prevailing input rate.

Weak supervisory and financial controls resulted in overpayment of Rs 437,590.

Audit pointed out overpayment in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the analysis of rate as per template of MRS item of tile skirting of the Finance Department template was adopted. Audit did not agree as item of work for dado skirting using 18″x 18″ and 12″ x 18″ size style was used whereas template depicted fixing of tile of 6″ x 6″ therefore, labour should was less than the above template. The Committee directed the department to revisit its analysis of

rate and produce it to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.60)

2.4.10.45 Executive Engineer, Provincial Buildings Division, Rawalpindi got approved rate analysis of item of the work "P/F Special Bricks cladding Gutka" for Rs 96 per sft by incorporating inadmissible carriage from Lahore to Rawalpindi, scaffolding and excess quantity of Gutka for quantity of 16665 sft instead of actual payable rate Rs 71 per sft according to input rates of the Finance Department / actual use of material.

Weak supervisory and financial controls resulted in overpayment of Rs 416,625.

Audit pointed out the overpayment in September 2013. The department replied that the work was got executed and paid in accordance with the detailed estimate technically sanctioned by the competent and agreement. The reply was not tenable as department derived higher/ incorrect rate by making incorrect calculation while preparing rate analysis of the item.

The para was also discussed in the SDAC held on 09.12.2013. The department promised to revisit the rate and recovery of amount, if any from the contractor would be made. The Committee directed the department to come up with conclusive action within 15 days. No compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.453)

2.4.10.46 Chief Engineer (North Zone), Buildings Department approved the rate of an item of work "Providing & applying water proofing membrane 2 mm with products" @ Rs 67 per sft instead of admissible rate of Rs 61.05 per sft because the firm submitted its rate @ Rs 55 per sft and with addition of contractor's profit and overhead charges @ 11 % above the admissible rate worked out to Rs 61.05 per sft.

Weak supervisory and financial controls resulted in overpayment to government due to application of incorrect rate of Rs 376,095

Audit pointed out the overpayment to government in January 2013. The department replied that the rate of said item was provided @ Rs 65 per sft in the estimate technically sanctioned by the competent authority whereas M/s Imporient Chemicals (Pvt.) Ltd. quoted its rate @ Rs 68 per sft. The reply was not tenable because as per quotation submitted by the firm the rate was Rs 55 per sft and with addition of 11% the admissible rate worked out to Rs 61.05 per sft which was to be approved in the estimate.

The para was also discussed in the SDAC meeting held on 27.09.2013. The department explained that corrigendum would be issued and technical sanction estimate would be revised to rectify the error. The Committee kept the para pending for completion of formalities within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixing responsibility against the officer(s) concerned.

(DP.29)

2.4.10.47 Executive Engineer, Provincial Road Construction Division, Rawalpindi got approved non-standardized item "P/F plain cement concrete 1:2:4 of concrete face block @ Rs 131.53 per cft instead of correct rate of Rs 115 per cft due to application of excessive rate of erection component in rate analysis.

Weak supervisory and financial controls resulted in overpayment of Rs 345,600 due to approval of higher rates.

Audit pointed out the overpayment in August 2013.The department replied that rate of said item was prepared on relevant MRS rates. The reply was not tenable as incorrect extra rate for installation of concrete block was paid. In similar cases Rs 25 per cft for erection component were approved in rate analysis by Superintending Engineer.

The para was also discussed in the SDAC meeting held on 28.11. 2013. The department explained that rate was allowed as per approved / sanctioned estimate. Therefore, no higher rate was paid. The Committee did not accept the contention of the department and directed the

department to explain and justify the analysis of rate within 15 days. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery and revision of rate.

(DP.337)

2.4.10.48 Executive Engineer, Provincial Buildings Division, Multan got approved items of work "P/L tuff pavers 60 mm thick having 7000 PSI complete in all respect" in two works @ Rs 70 per sft and Rs 62.94 per sft as non-standardized items. Neither analysis of rates of said items were available in technical sanction estimate nor produced. However, the admissible rate to be paid was Rs 56 per sft as per input rates of 3rd quarter 2009 & 2nd quarter 2011 of district Multan.

Weak supervisory and financial controls resulted in overpayment of Rs 317,994.

Audit pointed out the overpayment in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that work was executed as per technical sanction estimate. Comparison of rates with MRS rates was produced during the meeting. The Committee directed the department to send this case to the Finance Department for advice within a month. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery.

(DP.356)

2.4.10.49 Executive Engineer, Provincial Highway Division, Sialkot made payment for the item of P/L crushed stone aggregate for base course @ Rs 5,300 per hundred cft instead of Rs 5,200 per hundred cft.

Weak supervisory and financial controls resulted in overpayment of Rs 315,000.

Audit pointed out overpayment in November 2010. The department did not reply.

The matter was discussed in the SDAC meeting held on 15.01.2011. The department admitted the recovery but did not produce any record to Audit for verification. The Committee directed the department to effect the recovery from the next running bill of the contractor and get it verified from Audit within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officers.

DP.239(2010-11)

2.4.10.50 Executive Engineer, Provincial Buildings Division, Multan got approved a non-standardized item of work "Providing and fixing false ceiling made of plaster of pairs fixed with G.I wire & screw etc complete in all respect" for quantity of 29000 sft @ Rs 60 per sft on the basis of 3rd quarter 2009 for district Multan by providing lump sum of Rs 800 in labour with carriage of Rs 100 instead of admissible rate of Rs 52 per sft as adopted in similar case in technical sanction estimate of work "Construction of Cardiology and Cardiac surgery Block in BV Hospital Bahawalpur Group-1" of Provincial Building Division, Bahawalpur. In this way excess rate of Rs 8 per sft was approved in technical sanctioned estimate.

Weak supervisory and financial controls resulted in overpayment of Rs 232,000.

Audit pointed out the overpayment in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that work was executed as per TS estimates. Comparison of rate with MRS rate was produced during the meeting. The Committee directed the department to send this case to the Finance Department for advice within a month. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery.

(DP.358)

2.4.10.51 Executive Engineer, Provincial Highway Division, Faisalabad made payment of two items "relaying of sub-base course of dismantled

road pavement" and "providing and laying asphaltic base course using 4% bitumen" at higher rates than contract rates / acceptance letter.

Weak supervisory and financial controls resulted in overpayment of Rs 425,928.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that recovery of Rs 204,452 would be made from next bill of the contractor and balance recovery of Rs 221,476 pointed out by Audit was not due from contractor as rate for relaying of sub-base course was correctly allowed as per technical sanction estimate. Position was verified by Audit. The Committee reduced the amount of para to Rs 204,452 and directed the department to recover and get it verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP.309)

2.4.10.52 Superintending Engineer, Provincial Buildings Circle-II, Lahore got approved a non-standardized rate of item P/L face work by using Gutka 9″ x 2 ¼″ x 2 ¼″of approved quality in cement sand surki mortor in (1:3) making trapezoidal groov set" by taking cost of 726 Gutkas and scaffolding charges against the due cost of 550 gutkas keeping in view area of cement surki for fixing gutka in place. Moreover, no payment for scaffolding was due as per agreement and the Finance Department approved analysis of rates for brick work items in MRS.

Weak supervisory and financial controls resulted in overpayment of Rs 194,905.

Audit pointed out the overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 27.11.2013. The department explained that analysis of rate would be revisited after calculation of Gutka's actual quantity and scaffolding etc. Rate would be revised accordingly with the approval of competent

authority. The Committee directed the department to revise the analysis of rate, recover the amount if any and get it verified by Audit within 15 days. No compliance of committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

DP.366 (2012-13)

2.4.10.53 Executive Engineer, Provincial Highway Division, Gujranwala made payment for item "Providing/laying Triple Surface Treatment to road by using 67 Lbs. bitumen complete in all respect" for quantity of 802642 sft @ Rs 3,300 % sft instead of admissible rate of Rs 3,279.38 % sft with carriage of 109 km from Sikhanwali to site of work.

Weak supervisory and financial controls resulted in overpayment of Rs 165,505.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department did not produce record in support of its contention. The Committee kept the para pending for verification/ recovery. Further, no SDAC was convened despite issuance of letters dated 19.06.2013 and 22.11.2013. No compliance was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officer(s) concerned.

DP.468(2012-13)

2.4.10.54 Executive Engineer, Provincial Buildings Division, D.G. Khan paid an item of work "Pacca brick work 1:4 cement sand mortar in ground floor" for quantity of 11269 cft at higher rates than approved in technical sanction estimate i.e. @ Rs 14,584.90 % cft with ratio 1:6.

Weak supervisory and financial controls resulted in overpayment of Rs 161,180.

Audit pointed out overpayment in September 2013. The department replied that due to the provision of RCC core walls in

punishment/segregation cells and condemned cells, the RCC walls were constructed with inside and outside support of 4.5″ thick masonry walls as approved in architectural drawing. This item was omitted in the original TS estimate and executed at site with the verbal permission of competent authority. The reply was not tenable because the item pacca brick work of 1:6 cement sand mortor as per provision in technical sanction estimate was due.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that the pacca brick work in 1:4 cement mortor was carried out to maintain pressure built during RCC pouring in core wall. The Committee directed the department to get technical opinion / advice from Director (P&D) Punjab Buildings Department (North Zone) Lahore regarding change of ratio of cement mortar from 1:6 to 1:4 on said ground within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early clarification / recovery.

(DP.628)

2.4.10.55 Executive Engineer, Provincial Buildings Division, Bahawalpur got approved and paid an item of work "P/L Booti Cena (Rabbit) ¾″ thick marble tile flooring size 12″x12″ complete in all respect" @ Rs 120 per sft whereas admissible rate of Rs 105 per sft by taking items of bagri and white cement in material component. Further, carriage charges were not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 154,804.

Audit pointed out the overpayment in September 2013. The department replied that the analysis of booticina (Rabbit) ¾″ thick was prepared for 100 sft on the input rate of 2nd quarter of 2008 by using all necessary material for execution of item along with carriage. The reply was not tenable as the material rates were of at site rates and carriage was not permissible.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the analysis of rate would be revisited and produced to Audit besides recovery of loss. The Committee directed the department to revisit rate analysis within 15 days besides recovery. No

compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.459)

2.4.10.56 Executive Engineer, Provincial Building Division, Multan got approved an item of work "P/L fair face gutka 9x4-1/2″ x 3″ complete in all respect" for quantity of 18380 sft @ Rs 97.00 per sft as non-standardized rate and made payment @ Rs 101.34 per sft by adding tendered premium of 4.45% above, against admissible rate of Rs 76.25 per sft. Audit observed that higher rate was due to taking higher rate of component of analysis.

Weak supervisory and financial controls resulted in overpayment of Rs 137,217.

Audit pointed out the overpayment in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that recovery of Rs 137,237 would be made and got verified. Audit demanded final bill, monthly account and revised rate to verify the facts. The Committee kept the para pending for verification of recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.362)

2.4.10.57 Executive Engineer, Provincial Highway Division, Sialkot made payment for the item of work "Cold milling 3-1/2 to 4-1/2′ thick asphaltic layer with cold milling machine complete in all respect i/c disposal of material with all leads & lift of existing scrape" for quantity of 2007500 sft and 501600 sft @ Rs 22.45 per sft as non-BOQ/non-MRS item. In the rate analysis incorrect labour rate of supervisor, surveyor and foremen was included @ Rs 50 per hour instead of Rs 40 per hour and Rs 31.25 per hour for foreman.

Weak supervisory and financial controls resulted in overpayment of Rs 120,000.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that rate was approved by the competent authority under clause-41 of agreement. Audit demanded approved rate along with input rates etc. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.228)

2.4.10.58 Executive Engineer, Provincial Building Division, Lodhran got approved an item of work "P/L Tuff Paver 60 mm thick having 7000 PSI crushing strength manufacture by Izhar (Pvt) Ltd or equal, 50% grey and 50% coloured complete in all respect" as non-standardized item at higher rate by taking material component on excessive side. Further, in rate analysis of item "supply/filling sand under floor" was also added whereas it was already included in original item.

Weak supervisory and financial controls resulted in overpayment of Rs 119,532.

Audit pointed out the overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that rate of non-MRS items was being revised with the approval of competent authority. The Committee directed the department to produce approved rates besides approved design to Audit for verification and recover the overpayment within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation and fixation of responsibility against the officer(s) concerned besides effecting recovery.

(DP.504)

2.4.11 Non-recovery of mobilization advance and interest - Rs 140.05 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 the 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).

2.4.11.1 Executive Engineer, Provincial Highway Division, Sialkot paid mobilization advance of Rs 110.38 million to the contractor. Advance was started to be recovered from the 2nd running bill of the contractor. After adjustment of mobilization advance, the 5th & final bill ran into minus amount of Rs 85,228,180 because the contractor was declared defaulter by the Chief Engineer (North) Punjab vide letter No. 91-P-II dated 17.01.2011 under clause 39 of the contract agreement due to non-fulfillment of the contractual obligations.

Weak supervisory and financial controls resulted in loss of Rs 85,228,180.

Audit pointed out loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department explained that recovery of Rs 28 million was made from contractor's running bill and placed in security deposit of the contractor. Remaining amount of Rs 57.228 million was being recovered. The Committee directed the department to recover the balance amount with 12.5% interest besides crediting total amount to revenue of the government and get it verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides disciplinary action against defaulters.

(DP.301)

2.4.11.2 Superintending Engineer, Provincial Highway Circle, Sargodha awarded Group-II of the work "Widening and Improvement of Lahore-Jaranwala-Jhang-Bhakkar-Darya Khan Road, District Bhakkar" in March 2008 with completion period upto 13.03.2009. Mobilization Advance for

Rs 36.505 million was granted to the contractor. Recovery for Rs 21.037 million was effected. Despite lapse of years outstanding mobilization advance for Rs15.468 million had not been recovered. The contract was rescinded and department failed to encash the Bank guarantee besides its forfeiture.

Weak supervisory and financial controls resulted in non-forfeiture of bank guarantee of mobilization advance for Rs 36,505,000.

Audit pointed out the lapse in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that mobilization advance of Rs 40.672 million was paid to the contractor. Adjustment of Rs 25.205 million was made from contractor's running bill leaving balance Rs 15.467 million. The matter was in court. Audit pointed out that bank guarantee of Rs 40.672 million had to be available and forfeited to government as per rules 4.36(b) of DFR. The disciplinary action against the officer(s) responsible including the DAO was required to be initiated to recover the government loss. The Committee directed the department to recover the bank guarantee amount besides disciplinary action against defaulter within two months. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends forfeiture of bank guarantee alongwith action against responsible.

(DP.187)

2.4.11.3 In work "Construction of underpass on old Narung road km No.1 Mureedkey", the contractor was granted the mobilization advance amounting to Rs14.153 million. The contract of the work was cancelled by the Chief Engineer Punjab Highway (North Zone) Lahore. The contractor had gone into court against cancellation of the contract. The Provincial Highway Circle Lahore being controlling office neither got recovered the mobilization advance from contractor worth Rs 14.153 million nor pursued the case in the court.

Weak administrative control resulted in non-recovery of mobilization advance Rs 14,153,000.

Audit pointed out non-recovery in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that recovery of Rs 2,658,000 was made vide Transfer Entry No.2 of September 2013. The work was cancelled by the Chief Engineer. The contractor had gone into the court against the recovery of mobilization advance. Balance amount would be recovered within a month. Audit pointed out that the work was awarded without availability of land violating instructions given in para 2.85 of B&R Code and the Finance Department instruction regarding first obtaining NOC from Utility Department (in this case Pakistan Railways). Therefore, this was a clear flaw / failure of planning on the part of the department which caused problems for public importance project at a later stage. The Committee directed the department to justify their action for award of work / execution of work without acquiring land through LAC within 15 days and non-recovery of mobilization advance. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation for fixing responsibility against the officer(s) concerned.

(DP.106)

2.4.12 Overpayment due to allowing price variation beyond extended period - Rs 96.71 million

According to clause 55(8) of contract agreement, no escalation shall be allowed to the contractor in respect of period extended for the completion of work due to his own fault.

2.4.12.1 Executive Engineer, Provincial Road Construction Division, Lahore awarded work "W/I of Shiekupura Sargodha road Group-I" for Rs 250.530 million on 04.11.2009 with a completion period of 12 months upto 30.09.2011. The contractor failed to complete the work. Chief Engineer (North Zone) granted extension in time vide letter No. 1061/P.3 dated 01.06.2011 w.e.f 01.03.2011 to 30.09.2011 with the condition that price variation of this period would be recovered in case of any further delay in completion of work. Extension of time limit beyond 30.09.2011 was again granted whereas already paid price variation for Rs 34,910,125 to contractor was not recovered as per order of the Chief Engineer dated 01.06.2011. No penal action against contractor under contract clauses 39,

60 & 61 was initiated to prevent government for further loss in the shape of price variation and delay in service delivery to public.

Weak supervisory and financial controls resulted in overpayment of Rs 34.910,000.

Audit pointed out overpayment in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that further extension in time limit was accorded by Chief Engineer, PHD, North. Clarification in this regard was sought and it was clarified that time extension was granted by competent authority vide letter dated 23.12.2013. The same authority had also technically sanctioned estimate with provision of price variation for that period. Audit pointed out that the condition of recovery of price variation for the period 01.03.2011 to 30.09.2011 had not been waived off with subsequent grant of time extension as rationale for further time extension was not recorded in the subsequent time extension approval as well as in the above clarification. The Committee directed the department to produce the record to Audit for verification i.e. T.S. Estimate, fund position and site condition. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation for fixation of responsibility against the officer(s) concerned besides effecting recovery.

(DP.554)

2.4.12.2 Superintending Engineer, Provincial Highway Circle, Faisalabad awarded work "Widening/improvement of Jhang-Gojra road, (Group-I) in November 2009, with completion period of twelve months. The contractor could not complete the work. As per Executive Engineer letter dated 24.3.2011, the contractor was responsible for the delay in completion of work. The department paid price variation on account of asphalt and labour for Rs 24,715,906 instead of recovery of compensation charge from the contractor.

Weak supervisory and financial control resulted in overpayment of Rs 24,716,906.

Audit pointed out overpayment in February 2013. The department replied that the Chief Engineer granted extensions in time limit up to

30.06.2012 hence, payment made was justified. The reply was not tenable because as per Executive Engineer letter dated 24.03.2011, the contractor was at fault hence, extension in time should had been with penalty.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department explained that full funds available were utilized during the period 2011-12 and contractor was not at fault. Audit demanded documentary evidence regarding release of funds etc. The Committee directed the department to produce the record for verification within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early production of record.

(DP.191)

2.4.12.3 Chief Engineer, Punjab Highway Department (South), Lahore paid price variation amounting to Rs 13,217,761 to the contractor who was declared defaulter by the Chief Engineer on 24.04.2012. The contract was revived through appeal to Chief Minister Punjab. Secretary C&W constituted a committee of five Chief Engineers for review. The Committee unanimously decided to give a final chance to contractor to complete the work in shortest time failing which the department would be at liberty to take action against the contractor. The contractor could not complete the work. The department instead of initiating action under clause 39, 60 & 61 of agreement paid price variation to the contractor.

Weak supervisory and financial controls resulted in inadmissible payment for Rs 13,217,761.

Audit pointed out inadmissible payment in February 2013. The department did not reply.

The SDAC meeting was held on 26.09.2013. The department did not submit the working papers for discussion in the meeting. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.129)

2.4.12.4 Executive Engineer, Provincial Buildings Division, Gujranwala awarded work "Construction of District Jail Hafizabad (G-2)'' in October, 2009 with completion period of 24 months but the contractor failed to complete the work in stipulated period. The department issued various notices on account of slow pace of work to the contractor but the contractor kept the work closed from 02.04.2012 to 24.04.2013. Later on the department extended the time period and paid price variation to the contractor instead of recovery of compensation charges.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 9,213,739.

Audit pointed out inadmissible payment in July 2013. The department replied that an amount of Rs 58.044 million was approved in the revised rough cost estimate on account of price variation. Delay happened due to short funding. The reply was not tenable because the work was delayed due to fault of the contractor. Hence, price variation was not admissible.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that extension in time/price variation was under process in the department. The Committee directed the department to complete the process within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.287)

2.4.12.5 Executive Engineer, Provincial Highway Division, Sialkot made payment of Rs 5.350 million on account of price variation on various items like Diesel, Labour and stone for base and sub-base to the contractor who was declared defaulter under clause 39 of the contract agreement by the Chief Engineer, North, Punjab Highway Department vide letter dated 17.01.2011.

Weak supervisory and financial controls resulted in overpayment of Rs 5,349,883.

Audit pointed out overpayment payment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held in 28.11.2013. The department explained that the Superintending Engineer, being first arbitrator had allowed the price variation payment. Audit pointed out that the price variation was not admissible as the contract had denied to execute triple surface treatment work, whereas it was included in their original contract, hence he was at fault. The Committee directed the department to justify their action / recover the amount involved within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery besides disciplinary action against defaulters.

(DP.303)

2.4.12.6 Superintending Engineer, Provincial Highway Circle, Lahore paid price variation amounting to Rs 3,266,644 in work "Construction of mettled road from Abdalian Pattan to Marh Bhangwan i/c New bridge on distributary canal in Sadiqpur District Sheikhupura" from June 2011 to March 2012. Whereas, the contractor was declared defaulter by Chief Engineer, Punjab Highway (South Zone), Lahore on 17.1.2009 under clause 39 of the contract agreement. The contract was revived by Chief Engineer Punjab Highway (South Zone) Lahore and paid price variation of previous work. The contractor did not execute any further work and was again declared defaulter by Chief Engineer Punjab Highway Department (South Zone) Lahore on 14.11.2012.

Weak supervisory and technical control resulted in overpayment of Rs 3,266,644

Audit pointed out overpayment in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that price variation upto extended period was allowed to contractor after revival of the contract by the competent authority. Audit was of the view that the contract was revived to pay price escalation to the contractor. The Committee directed the department to produce revival order of contract besides evidence to justify the price variation payment to Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.105)

2.4.12.7 Executive Engineer, Provincial Highway Division, Sialkot awarded work to the contractor. The contractor could not complete work within stipulated period. The Superintending Engineer granted extension in time limit vide letter dated 05.01.2013 with the condition that no price variation would be paid for the extended period. The department paid price variation for the period from 25.04.2008 to 31.05.2013 to the contractor.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 3,085,475.

Audit pointed out inadmissible payment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that price variation for the period w.e.f 18.03.2008 to 30.06.2008 was not paid to the contractor as per condition of time extension given by the competent authority. The department further explained that the same contractor was allowed to execute the work on old rates plus price variation as getting the work on new rates from another contractor was calculated on higher side. It was in the financial interest of the government to get the work done. The Committee directed the department to justify their action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation of the case and recovery of amount.

(DP.236)

2.4.12.8 Executive Engineer, Provincial Highway Division No.1, Sargodha made payment for price variation on bitumen consumed on the work executed beyond agreed period for completion of work. The contractor was required to be penalized due to slow progress in execution of work as per record of the department.

Weak supervisory and financial controls resulted in overpayment of Rs 2,813,173.

Audit pointed out overpayment in August 2013. The department replied that payment of escalation fell within currency of contract when the contractor was not declared defaulter. In this case the contractor was declared defaulter after the date of escalation. The reply was not tenable because as per record contractor did not complete the work despite repeated reminders.

The para was also discussed in the SDAC meeting held on 24.12.13. The department explained that extension in time upto 30.08.2009 was granted by the competent authority. Accordingly the price variation upto said date was paid to the contractor. The contractor later on was declared defaulter and his security was forfeited. Audit pointed out that the contractor was at fault as various notices were issued to him regarding his slow pace of work. The Committee directed the department to justify the action with documentary evidence within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.620)

2.4.12.9 Executive Engineer, Provincial Buildings Division, Mianwali made payment to the contractor after the lapse of 14 ½ months of issuance of acceptance letter. The department did not take action against the contractor for commencing the work after lapse of 14-1/2 month. The department also allowed price variation to contractor for Rs 135,665 on account of increase of price of cement, diesel and labour by making fictitious record entries in MB.

Weak supervisory and financial controls resulted in overpayment of Rs 135,665.

Audit pointed out overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.13. The department explained that the work could not be started due to the non- handing over of site by the client department and the scheme remained short funded. Audit pointed out that the relevant record besides action taken against the contractor for delay in start of the work was not produced for verification. Committee directed to produce the above record

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

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

(DP.639)

2.4.13 Non-recovery of liquidated damages for delay in completion of work - Rs 78.92 million

As per clause 39 of agreement, the contractor shall pay as compensation an amount equal to 1% of contract amount or such smaller amount as the engineer incharge may decide for each day of delay in completion of work subject to maximum of 10%.

Executive Engineer, Provincial Highway Division, Sialkot awarded work "W/I of Narowal Shakargrah road etc" to the contractor for Rs 789.222 million with the completion period of 24 months i.e. upto 19.06.2011. The contractor could not complete the work within stipulated period and abandoned the work. Superintending Engineer declared the contractor as defaulter and penalized for Rs 78.920 million under clause 39 of the agreement. The department did not forfeit the security and balance work was not allotted at risk and cost of original contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 78,920,000.

Audit pointed out non-recovery in July, 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department explained that the penalty imposed by the Chief Engineer on 02.01.2011 was withdrawn on 02.02.2011. The contractor was released from the execution of balance work by the competent authority. Audit pointed out that justification for withdrawal of already imposed penalty was not given in the CE's letter dated 02.02.2011. Moreover, the work was withdrawn from the contractor on the plea that he did not execute TST work as per policy but in the technical sanction estimate, there was provision of 1096366 sft of TST and work was awarded accordingly. The Committee directed the department to

justify their action within 15 days with documentary evidence. No compliance to the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides disciplinary action against defaulter.

(DP.302)

2.4.14 Loss to government due to adoption of incorrect rate - Rs 66.52 million

According to PC-I and Addendum & Corrigendum issued by the Finance Department vide No.RO(TECH)FD.18-47/2006 dated 26.04.2006, the quantity of crushed stone aggregate for payment of carriage are to be taken as per actual loose volume but not more than 120 cft for sub-base and 122 for base course.

2.4.14.1 Chairperson / Project Director, Lahore Ring Road Project, allowed the quantity of sub-base and base course as 125 cft in analysis of rate against 100 cft for carriage of stone. The quantity 125 cft of stone as loose volume against 100 cft was admissible for carriage only whereas the cost of stone was admissible for 100 cft instead of 125 cft. So the admissible rate for sub-base and WBM base course was less than allowed in different packages.

Weak supervisory and financial controls resulted in excess payment of Rs 62,590,423.

Audit pointed out excess payment in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 31.12.2013. The department explained that the 1971 specifications for Roads & Bridges was not applicable upon Lahore Ring Road Project and therefore improved specifications developed by the Consultant NESPAK were applied duly approved by the competent forum i.e. PDWP. The analysis of rates based on the Engineer's estimate prepared by M/s NESPAK and the provision was in line with the analysis of rates. The Chairperson settled the para. However, Audit did not agree with the contention of the department as works were being executed on Punjab Government standard specification for Roads and Bridges construction

1971 and it was specifically mentioned in summary approved by Chief Minister Punjab while giving relaxation for award of work on engineer's estimate instead of MRS rates. Therefore, provision of A&C dated 26.04.2006 was required to be observed.

Audit recommends recovery at the earliest.

(DP.674)

2.4.14.2 Chairperson/Project Director, Ring Road Authority, Lahore approved items of "Sub base" and "Base Course" at higher rates by calculating the quantity of carriage of stone with loose factor of 1.25 cft The correct factor 1.20 for sub-base and 1.22 for base course was admissible as per the Finance Department instruction for approval of said items rates.

Weak supervisory and financial controls resulted in loss of Rs 2,455,032.

Audit pointed out loss in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 31.12.2013. The department explained that the 1971 specifications for Roads & Bridges were not applicable upon Lahore Ring Road Project and therefore improved specifications developed by the Consultant NESPAK were applied duly approved by the competent forum i.e. PDWP. The analyses of rates based on the engineer's estimate prepared by M/s NESPAK and the provision was in line with the analysis of rates. The Chairperson settled the para. However, Audit did not agree with the contention of the department as works were being executed on Punjab Government standard specification for Roads and Bridges construction 1971 and it was specifically mentioned in summary approved by Chief Minister Punjab while giving relaxation for award of work on engineer's estimate instead of MRS rates. Therefore, provision of A&C dated 26.04.2006 was required to be observed.

Audit recommends recovery at the earliest.

(DP.661)

2.4.14.3 Executive Engineer, Provincial Highway Division, Gujranwala approved higher rate with a difference of Rs 48.80 per cum and Rs 81.34 per cum and made payment of items of work "Granular sub-base course"

for 3677.607 per cum @ Rs 2,869.13 cum and Water Bound Macadam (Base course)" for Rs 8,025.767 cum @ Rs 3,481.99 per cum with 13% above admissible premium by applying loose factor of 125 cft in both the cases instead of admissible loose factors 120 cft and 122 cft respectively instead of correct payable rate of Rs 2,785.47 and Rs 3,422.27 respectively.

Weak supervisory and financial controls resulted in overpayment of Rs 889,272.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that NHA template for preparation of item rate for base course and sub-base was adopted after approval given by the competent authority. Moreover, the scheme was approved at the forum of PDWP and estimate was technically sanctioned by the Chief Engineer Highway (North). Audit pointed out that the Finance Department had issued clear instructions for preparation of above item rate using loose factor for sub-base and base course as 120 cft and 122 cft material against 100 cft finished quantity. As per summary approved by the Chief Minister Punjab, the work was to be executed as per Punjab Government specifications. Therefore, clarification from the Finance Department was needed in this case. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.209)

2.4.14.4 Executive Engineer, Provincial Highway Division, Faisalabad got approved the rates of the items of "Granular sub-base course @ Rs 1,844.47 per cum and Water bound Macadam (Base course) @ Rs 2,501.30 per cum on the basis of Input Rates of 2nd bi-annual period August 2012 to January 2013 of district Faisalabad with addition of carriage of 125 cft of loose volume of crushed stone instead of 120 cft for sub-base and 122 cft for base course as approved by the Finance Department.

Weak supervisory and financial controls resulted in loss of Rs 451,198.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 2013. The department explained that recovery of Rs 122,368 was made by reduction in the rates in the contractor's payment voucher. Audit pointed out that more recovery was due according to the contract provision for Rs 451,198. The Committee directed the department to make recovery upto final bill. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.308)

2.4.14.5 Project Manager, Sub-Project Management Unit, Lahore awarded a work "Construction of Flyover along Ferozepur Road, at Canal/Wahdat Road Junction" and allowed loose factor for the item No.201 "Granular sub-base" as 1.25 instead of 1.20 per % cft as per instructions of the Finance Department.

Weak supervisory and financial controls resulted in overpayment due to allowing higher factor for carriage on granular sub-base of Rs 131,409.

Audit pointed out the matter in January 2013. The department did not reply.

The matter was discussed in the SDAC meeting held on 01.10.2013. The department explained that recovery would be made from next bill of the contractor. The Committee directed the department to effect the recovery within 15 days and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.5)

2.4.15 Undue purchase of bitumen - Rs 65.00 million

As per instructions of C&W Department, No. SOH(II) (C&W) (Circular)2-37(16) dated 17.01.1991, bitumen for use in the work will be arranged by the contractor and no material be issued by the department.

Executive Engineer, Provincial Machinery Maintenance Division, Lahore purchased 701 tons bitumen of grade 60/70 for Rs 65 million for carpeting of the work "Construction of Metalled road from Shahdra-Maqboolpura-Narang road length 43.32 km" in emergency on behalf of Executive Engineer, Provincial Road Construction Division, Lahore. Funds were available and original contractor was not executing the work as per contract provisions. As per contract provision and government instruction bitumen for use by contractor in work could not be issued by department or purchased on contractor's behalf.

Weak supervisory and financial controls resulted in undue purchase of bitumen for Rs 65,000,000.

Audit pointed out loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that funds were received from Road Construction Division, Lahore for supply of 701 ton bitumen. The total quantity was handed over to the respective division. Audit pointed out that bitumen was purchased through M.M. Division, Lahore to avoid lapse of funds in June 2012. Contractor concerned was not achieving the progress of work as per agreement. The Committee directed the XEN PRCD, Lahore to explain his position for purchase of bitumen for contractor use against departmental instruction and for non-obtaining of balance 300 ton bitumen from the XEN PMMD, Lahore within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the concerned.

(DP.163)

2.4.16 Loss on account of inadmissible component of pre-heating of bitumen - Rs 63.11 million

As per template circulated by the Finance Department vide No.RO(Tech)FD-2-9/2005 dated 04.08.2005, "no payment was due for preheating of bitumen including equipment & fuel charges and labour charges @ 12.5% of equipment charges".

2.4.16.1 Executive Engineer Provincial, Highway Division, Lahore executed items of works Asphaltic Base Course plant mix Class (A) and Asphaltic Wearing Course plant mix class (B). In the rate analysis Labour charges @ 12.5% of Equipment/machinery's rent charges were included in addition to sundries. Whereas, labour charges were already included in the rent charges of equipment/machinery and only 10% sundries charges on the total hire charges of machinery were to be included in the rate analysis.

Weak supervisory and financial controls resulted in loss of Rs 27,115,000.

Audit pointed out loss in October 2013. The department did not furnish reply.

The matter was discussed in the SDAC meeting held on 24.12.2013. The department explained that payment to contractor was made as per provision of PC-I/TS estimate and agreement. Audit pointed out that the rate of bituminous carpeting was got approved with labour charges of 12.5% on equipment in labour component rate of bajri for surface dressing and stone dust with carriage, which was not admissible. Further, relevant item, aggregate/crushed stone and dust was taken to arrive at correct rate. The Committee directed the department to get the position verified as per the Finance Department template from Audit within 15 days. Para was kept pending for recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officer(s) concerned.

(DP.596)

2.4.16.2 Executive Engineer, Provincial Highway Division, Muzaffargarh in the execution of work "Widening & Improvement of Ali Pur Road (Section Ali Pur to Sher Sultan)'' got approved the rate of item ''P/L plant premixed bitumen carpeting 1.5 inch thick at 4.5 % bitumen (AWC) and 3 inch thick with 4% bitumen (ABC) including cost of pre-heating of bitumen in bouser and plant besides fuel charges which was not due being included in hire charges of machinery and plant.

Weak technical and administrative controls resulted in loss of Rs 15,196,138.

Audit pointed out the loss in July 2013. The department replied that rates of all items were approved by competent authority and work was executed at site and paid accordingly. The reply was not tenable as pre-heating cost/labour charges were not admissible as these were included in hire charges of machinery and equipment.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that payment was made as per provision of PC-I/TS estimate and agreement. Audit pointed out that both items were inbuilt in the rate of hire charges of machinery for pre-heating of bitumen in bouzer/plant. Further, the department took the crush bajri/stone dust with 200 km lead for carriage whereas rate were at site. The Committee directed the department to refer the case to the Finance Department for its clarification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.465)

2.4.16.3 Executive Engineer, Provincial Highway Division, Gujranwala measured and paid items of works 'Asphaltic base course plant mix class (A) and Asphaltic wearing course plant mix class (B)' by allowing pre-heating component in rate analysis. It was not admissible because it was included in hire charges rates of plant / machinery.

Weak supervisory and financial controls resulted in loss of Rs 11,653,284.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that NHA template for preparation of item rate for base course and sub-base was adopted as per approval given by the competent authority. Moreover, the scheme was approved at the forum of PDWP and estimate was technically sanctioned by the Chief Engineer Highway (North). Audit pointed out that matter involved in this case regarding extra provision of pre-heating of bitumen from bouser as well as heating of premix plant had already been clarified by the Finance Department vide letter dated 30.07.2013. The Committee directed the

department to implement the Finance Department's instructions. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP.212)

2.4.16.4 Executive Engineer, Provincial Highway Division, Bahawalpur got approved the rates of Rs 8,885.41 and Rs 11,899.06 for the item "P/L plant premixed bitumen carpeting 1.5 inch thick at 4.5% bitumen (AWC) and 2.5 inch thick with 4% bitumen (ABC). Analysis of rate of said items included cost of preheating charges of bitumen, fuel charges and labour charges @ 12.5% of equipment charges. Cost of those components was not due as already included in hire charges of plant and machinery.

Weak supervisory and financial controls resulted in loss of Rs 8,609,558.

Audit pointed out loss in September, 2013. The department replied that payment was made on the basis of approved rate of engineer's estimate and subsequently approved in technical sanction estimate by the competent forum. The reply was not tenable as preheating cost/labour charges of equipment were not admissible as those were included in hire charges of plant and machinery.

The para was also discussed in the SDAC held on 09.12.2013. The department reiterated its previous reply. Audit pointed out that decision for no extra payment of pre-heating was received from the Finance Department. Further, the carriage for bajri and stone dust was not permissible. The department promised for re-checking/re-visiting of the rate analysis with documentary evidence. The Committee directed the department to come up with conclusive action within 15 days. No compliance of the Committee's directive was made by the department till the finalization of the report.

Audit recommends early recovery.

(DP.431)

2.4.16.5 Executive Engineer, Provincial Highway Division, Faisalabad got approved the rate for the item of work "Asphaltic Base Course plant mix Class (B) @ Rs 917,780.18 per cum on the basis of Input material / labour

/ equipment rate of 2nd bi-annual August 2012 to January 2013 for District Faisalabad. In the rate analysis, pre-heating charges of bitumen were added for Rs 64,549.76 which was not admissible and resulted in loss of Rs 530,990.

Weak supervisory and financial controls resulted in loss Rs 530,990.

Audit pointed out the loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that rates was correctly derived and paid to the contractor as per technical sanction estimate/approval of acceptance. Audit pointed out that matter involved in this case regarding extra provision of preheating of bitumen in bouser as well as heating of premix plant had already been clarified by the Finance Department. Recovery in this regards for Rs 530,990 was due from contractor. The Committee directed the department to revisit its rate in light of the Finance Department instructions and get the position verified from Audit besides recovery within 15 days. No compliance of committee's directives was reported till finalization of the report.

Audit recommends early recovery and disciplinary action against responsible.

(DP.306)

2.4.17 Overpayment due to non-deduction of area of crust - Rs 56.82 million

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

2.4.17.1 Executive Engineer, Provincial Highway Division, Okara measured and paid item of work "Earth work for making embankment" for quantity of 27989655 cft and deducted area of crust i.e. sub-base, base course, TST and road edging for 4538786 cft against required deduction of quantity of earth 18873713 cft. Hence, the department deducted less quantity of crust from the item "Earth work for making embankment" for 14334927 cft.

Weak financial and supervisory controls resulted in loss of Rs 56,314,474.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that quantity of 12.803 cft crust area was deducted and due balance recovery would be made from the contractor. The para was kept pending subject to verification of record / recovery by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against officer(s) concerned.

DP.413(2012-13)

2.4.17.2 Executive Engineer, Provincial Road Construction Division, Rawalpindi got executed item of work "Earth work excavation in open cutting in shingle gravel occasionally blasted" for quantity of 41128 cft but did not deduct it from item of work "Providing and laying Sub-Base Course".

Weak supervisory and financial controls resulted in overpayment of Rs 505,463.

Audit pointed out overpayment in August 2013. The department replied that the total available quantity obtained from cutting in shingle gravel was not fit for use as sub-base course material due to non-conforming to the specification as declared in laboratory report issued by Junior Research Officer Rawalpindi. The laboratory test report permitted use of material obtained from the reach RD 409+00 to RD 419+00 for 23812 feet. Accordingly, quantity 2156 cft was used in sub-base course and balance 21456 cft would be recovered accordingly. The reply was not tenable as no laboratory test reports issued by consultant / RRMTI was provided to Audit for verification.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department explained that due recovery of Rs 263,694 would be effected in next running bill of the contractor. Audit pointed out that excavated shingle/gravel should have been utilized in full quantity in

sub-base course. The Committee observed that matter required further verification with reference to technical specifications of the material and directed the department to produce record in support of their version for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.335)

2.4.18 Loss due to non-recovery of cost of defective work - Rs 54.41 million

As per Rule 7.28 of Departmental Financial Rules, full rate as per indent or other orders should be allowed only if the quality of work done or supplies made is upto the stipulated specification.

2.4.18.1 Executive Engineer, Provincial Buildings Division, Bahawalpur awarded a civil portion of contract for Rs 42.183 million in February 2009 against technical sanction estimate amount of Rs 43.103 million with time limit of 12 months i.e up to February 2010. The work was consisted of four component i.e (1) Civil work (2) Bed lift (3) HAVAC system (4) Generator. Only civil work of Rs 37.070 million was executed upto 9th running bill paid in January 2010. The department got revised PC-I/Administrative Approval for Rs 108.204 million against original PC-I/Administrative Approval of Rs 79.221 million by changing scope of civil work and provision of other three groups. The civil work executed for Rs 37.070 million gone wasted due to non-execution of other three component of work including HAVAC system. No action against the contractor under clause 39, 60 &61 was initiated to complete the work.

Weak supervisory and financial controls resulted in loss of Rs 37,070,000.

Audit pointed out loss in September 2013. The department replied that the contractor had successfully utilized all released funds whereas the scheme remained unfunded since 2010-11 and contractor was not at fault in completion of scheme so, the contractor could not be penalized. The reply was not tenable as the work was not executed as per provision of technical sanction estimate/agreement. Funds of Rs 46.289 million were allocated during 2008-09 and 2009-10 against the agreement cost of

Rs 46.289 million but department / contractor could not utilize the same and were lapsed.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that work was delayed due to non-production of complete drawing etc. for HAVAC system by the consultant and the scheme was got revised with the approval of PDWP. The Committee directed the department to take action with the coordination of the Health Department against the consultant for the extra expenditure within one month. Para was kept pending for recovery of loss. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.472)

2.4.18.2 Executive Engineer, Provincial Highway Division, Gujranwala measured and paid an item of work "Providing Triple Surface Treatment using 79 lbs bitumen" for 774960 sft in the work "Construction of road from Qadirabad to Pindi Bhattian" but as per test results conducted by the Junior Research Officer (JRO), actual quantity used at site for the item was 49.19 lbs per % sft which was much below than the specified limit of item. Further, as per remarks of consultant and JRO, the bitumen used at site did not meet the required grade which was violation of agreement.

Weak supervisory and financial controls resulted in loss of Rs 9,106,730.

Audit pointed out loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that consultant's test reports about tests taken at the time of execution of work would be produced to Audit. The Committee kept the para pending for verification of record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.222)

2.4.18.3 Executive Engineer, Provincial Highway Division, Sialkot made payment for defective work done at site and the Secretary C&W ordered for recovery of defective work for Rs 6.598 million and action against responsible officers but orders of the Secretary concerned were not implemented.

Weak supervisory and financial controls resulted in loss of Rs 6,598,000.

Audit pointed out loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that the Supreme Court had exonerated the officer concerned as regard the matter of recovery of defective work. The detailed record would be produced to Audit for verification of record. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation for fixing responsibility against the officer(s) concerned besides effecting recovery.

(DP.233)

2.4.18.4 Chief Engineer, Punjab Highway Department (South), Lahore failed to recover an amount of Rs 1.633 million from contractor on account of excess rate paid for item "asphalt concrete" more than the contract rate. The contractor was declared defaulter later on.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,633,000.

Audit pointed out the non-recovery in February 2013. The department replied that matter was reported to the Senior Member Board of Revenue by the Administrative Department on 04.03.2013. No recovery was made.

The SDAC meeting was held on 26.9.2013. The department did not submit the working paper for discussion in the meeting. The Committee kept the para pending for verification of record. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends early recovery and disciplinary action against the persons at fault.

(DP.124)

2.4.19 Overpayment due to adoption of rich specification for tack coat - Rs 43.85 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.

2.4.19.1 Chief Engineer, Punjab Highway Department (South), Lahore sanctioned an item of work "P/L bituminous tack coat using 10 lbs/ 15 lbs of bitumen in works which were executed/being executed in South Zone whereas in North Zone the same item was executed/being executed with 5 lbs per hundred sft bitumen with the approval of PDWD etc.

Weak supervisory and financial controls resulted in loss of Rs 36,343,655.

Audit pointed out loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.9.2013. The department explained that the work was executed with the application of 10 pound bitumen vide para 611-3.4 of standard specification for roads & bridges, 1971 as per technical sanction estimate by the competent authority. Audit pointed out that the item of work was being executed in the South and North Zones with different specification, use of bitumen, ranging from 5 to 10 lbs, hence matter should be taken up with P&D/F.D for standardization. The Committee directed the department to take up the matter with the P&D Department for removal of this discrimination in execution of said item/ approval at the forum of PDWP. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends clarification from the P&D Department for removal of anomaly in use of bitumen contents in item of tack coat.

(DP.121)

2.4.19.2 Secretary (C&W), approved item of work "P/L bituminous tack coat using 10 lbs bitumen for quantity of 3889648 square feet @ Rs 457.30 per % square feet on the basis of MRS 2nd quarter 2011 for District Bahawalnagar of South Zone and in 3rd quarter of 2011 for District Okara of North Zone. Same item was approved with 5 lbs bitumen in work "Dualization of Kasur Depal Pur Road Group # 02 District Okara.

Weak supervisory and financial controls resulted in loss Rs 7,507,021.

Audit pointed out loss in January 2013. The department replied that the item "P/L Bituminous tack coat using 10 lbs of bitumen was approved in 2nd amended approval of the work "W/I of road from Hasilpur to Bahawalnagar. The detailed estimate had also been technically sanctioned and work was got executed accordingly. The reply was not tenable because both Zones were under the administrative control of Secretary (C&W) Department and weather/environment conditions besides characteristics of material for both Zones of department were same.

The para was also discussed in the SDAC meeting held on 03.10.2013. The department explained that the work was executed with the application of 10 lbs bitumen vide para 611-3.4 of standard specification for roads & bridges, 1971 as per technical sanction estimate by the competent authority. Audit pointed out that the item of work was being executed in the South and North Zones with different specification, use of bitumen, ranging from 5 to 10 lbs, hence matter should be taken up with P&D / F.D for standardization. The Committee directed the department to take up the matter with the P&D Department for removal of this discrimination in execution of said item/ approval at the forum of PDWP. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery of loss besides taking up the matter with FD/P&D for removal of anomaly for items provision in PC-I/TSE.

(DP.18)

2.4.20 Loss due to non-recovery of risk and cost and non-forfeiture of securities - Rs 39.31 million

As per clause 60 & 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.

2.4.20.1 Executive Engineer, Provincial Buildings Division, Rawalpindi awarded the work "Improvement/Rehabilitation of Wide life Park Loi Beher, Rawalpindi" for Rs 91.958 million to the contractor. The department paid mobilization advance for Rs 9,195,799 to the contractor. The contractor abandoned the work and was declared as defaulter. The department neither recovered advances forfeited the security of defaulting contractor nor awarded the balance work at risk and cost of original contractor.

Weak supervisory and financial controls resulted in loss of Rs 15,632,859.

Audit pointed out the loss in March 2013. The department replied that security and performance security was not credited to government revenues because recovery of risk and cost amount was to be adjusted from it. The reply was not tenable because security deposit was to be forfeited in addition to recovery of advances and risk and cost amount.

The para was also discussed in the SDAC meeting held on 27.09.2013. The department explained that the contractor was declared defaulter under clause 61. The balance work was not allotted so far because the contractor had filed a suit in civil court and court had granted stay order. The Committee kept the para pending being court case. No progress was reported till finalization of the report.

Audit recommends pursuance of case in court of law.

(DP.43)

2.4.20.2 Superintending Engineer, Provincial Highways Circle, Rawalpindi called for the tender for repair of defective works at risk and cost of the original contractors without forfeiture of security and recovery of risk and cost amount from the defaulter contractors.

Weak supervisory and financial controls resulted in loss of Rs 13,699,000.

Audit pointed out lapse in March 2013. The department replied that in one case notices were issued to the contractor for rectification of defective work but no response was given. The work was got rectified at

risk and cost of the original contractor and payment to new contractor was made from the security of the original contractor. In other case, defective works were got rectified by the original contractor. The reply was not tenable because security and performance guarantee was to be forfeited under clause 60 & 61 of the agreement. In other case defective works were not got rectified from the original contractor as per record.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department reiterated its old stance. The Committee directed the department to produce the record to Audit for verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.158)

2.4.20.3 Superintendent Engineer, Provincial Building Circle, Faisalabad awarded a work to a contractor in May 2009 with 12 months completion period and expenditure of Rs 6.465 million was incurred on this account. The contract was rescinded in March 2011. The department neither forfeited security deposit amounting to Rs 4,465,000 nor got executed balance work at the risk and cost of the original contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 4,465,000.

Audit pointed out non-recovery in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that security deposit of Rs 543,478 was forfeited and got verified from Audit. The Committee directed the department to recover the amount of risk and cost and get it verified from Audit. No compliance of the Committee's directive was reported till the finalization of the report.

Audit recommends recovery at the earliest.

(DP.371)

2.4.20.4 Superintending Engineer, Provincial Highway Circle, Lahore declared a contractor as defaulter under clause 39 of contract agreement for delay in completion of work. The work was awarded to another contractor at risk and cost of original contractor besides forfeiture of security for Rs 838,764. Recovery of risk and cost was not made from the original contractor.

Weak supervisor and financial controls resulted in non-recovery of Rs 3,078,568.

Audit pointed out non-recovery in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that the work was completed at the risk and cost of the contractor. The Committee directed the department to produce final bill, order of rescinding the contract and other allied record within 15 days for verification of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officers concerned.

(DP.103)

2.4.20.5 Superintending Engineer, Provincial Highways Circle, Gujranwala awarded a work on 03.06.2009 with a time limit of 180 days. Work was to be completed upto 11.12.2009. The contractor could not complete the work. The contract was rescinded on 24.04.2012 and balance work was allotted to another contractor at risk and cost of original contractor for Rs 2,433,943. The department neither forfeited the security deposit nor recovered risk and cost from the defaulter contractor.

Weak supervisory and financial controls resulted in non-forfeiture of security deposit/non-recovery of risk and cost Rs 2,433,943.

Audit pointed out lapse in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that adjustment of risk & cost would be got verified from Audit. The Committee kept the para pending

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

Audit recommends recovery at the earliest.

(DP.178)

2.4.21 Overpayment due to calculation of price variation on excess value of work done than actual value - Rs 39.23 million

According to clause 55(10) of contract agreement , the increase or decrease in the contract price subsequent to any increase or decrease in the cost of high speed diesel shall be calculated from the increase or decrease in the base price of high speed diesel .

2.4.21.1 Examination of technically sanctioned estimate of the scheme "W/I of Shadrah Maqbool pura Marouf Road" in District Sheikhupura Group No.1 and Group No.2" revealed that the Superintending Engineer, Provincial Highway Circle, Lahore approved the price variation for Rs 35.176 million for the work executed/completed during extended period whereas extension in time limit was granted subject to non-payment of price variation as per Chief Engineer vide letter dated 13.06.2011.

Weak financial and supervisory controls resulted in overpayment of Rs 35,176,000.

Audit pointed out overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that no provision in technical sanction estimate/administrative approval was made in violation of Chief Engineer's order dated 13.06.2011 and accordingly no payment was allowed to the contractor. Audit demanded the evidence i.e. measurement book/technical sanction estimate to verify the facts. The Committee directed the department to produce the record within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility against the officer(s) concerned.

(DP.109)

2.4.21.2 Executive Engineer, Provincial Highway Division, Okara calculated and paid the price variation on Diesel and labour on excess value of work done as compared to actual value of work done recorded in measurement books pertaining to work "W/I of Depalpur Bunga Hayat road Group No. 1 & 2". Hence, the department made excess payment of price variation of Rs 1,597,600 and Rs 837,296 in group No.1 & 2 respectively to the contractor.

Weak financial and supervisory controls resulted in overpayment of Rs 2,434,896.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that net payable price variation for Rs 11,379,850 was payable to the contractor. The Committee directed the department to get the position verified from Audit besides production of copy of final bill. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

DP.408 (2012-13)

2.4.21.3 Executive Engineer, Provincial Building Division, Sialkot allowed price variation due to increase in the rates of diesel and labour on the value of work amounting to Rs 71,160,513 and Rs 42,486,073 instead of actual value of work done Rs 64,833,108 and Rs 32,322,210 respectively. Hence, the department made overpayment to the contractor.

Weak supervisory and financial controls resulted in overpayment of Rs 1,172,137.

Audit pointed out the overpayment in July 2013. The department replied that recovery would be made from the contractor but it was not effected.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that recovery would be made from next bill of contractor. The Committee kept the para pending for recovery

within a month and its verification by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.269)

2.4.21.4 Executive Engineer, Provincial Highway Division, Muzaffargarh paid price variation on diesel and labour in work 'Widening / Improvement of Layyah Garh Maraja Road Group No.2' by taking the value of work done as Rs 17,118,641 instead of actual work done of Rs 13,558,920 in 15th running bill.

Weak supervisory and financial controls resulted in overpayment of Rs 448,045.

Audit pointed out overpayment in July 2013. The department replied that value of work done was correctly calculated and accordingly price variation was paid. The reply was not tenable because department worked out an amount of 15th running bill including the amount of price variation which was not applicable for calculation of price variation on labour/diesel.

The para was also discussed in the SDAC meeting held on 06.11.2013. The department explained that measurement book regarding work done amount would be reverified and recovery if any would be made from contractor within 15 days. The Committee kept the para pending for recovery/record verification within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.243)

2.4.22 Loss due to non-utilization of dismantled material - Rs 30.54 million

As per C&W department letter No.SOH-I (C&W) 1-41/97 dated 28.9.1997, 90% stone metal and 100% brick edging was to be reused in work as relaying sub-base course. Further, as per para 9 of chapter 18.1 of specification of execution of work 1967, all dismantled material will be the property of the government and shall be disposed off as directed by the Engineer-In-Charge.

2.4.22.1 Executive Engineer, Provincial Highway Division, Gujranwala awarded the work "Construction of flyover in Gujranwala" to a contractor and recovered cost of dismantled material for Rs 9 million instead of full amount of Rs 20.695 million as provided in PC-I and technical sanction estimate.

Weak supervisory and financial controls resulted in loss of Rs 11,695,000.

Audit pointed out loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that recovery of Rs 11.714 million was made from the contractor as per actual material available duly verified by the consultant / department and approved in the revised technical estimate. Audit pointed out that recovery of Rs 20.695 million was provided in the acceptance letter/agreement. The Committee kept the para pending for further verification of balance recovery of Rs 8.981 million within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.213)

2.4.22.2 Executive Engineer, Road Construction Division, Lahore got executed dismantling of existing soling and dismantling of existing road crust. But the department reused dismantled brick soling and road crust as sub-base course 30% and 60% instead of 100% and 90% respectively. The department had allowed higher rates for laying sub-base course with new material.

Weak supervisory and financial controls resulted in loss of Rs 7,592,954.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department promised that adjustment on account of use of dismantled material in sub-base course would be made. The Committee

directed the department to adjust the dismantled material in the forthcoming bill and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery / adjustment.

DP.406(2012-13)

2.4.22.3 Executive Engineer, Provincial Highway Division, Okara measured and paid items of work "dismantling of existing brick soling / edging" and "dismantling of existing road pavement" for quantity of 70128 cft and 255525 cft respectively. The quantity of 70128 cft of brick soling / edging" was not reused as sub-base and the quantity of 99595 cft of road pavement was reused against the required quantity of 229973 cft as sub base.

Weak financial and supervisory controls resulted in loss of Rs 7,190,923.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. Th department explained that due adjustment of dismantled pavement / crust material would be made in the upcoming bills. The Committee kept the para pending for adjustment / recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

DP.414(2012-13)

2.4.22.4 Executive Engineer, Provincial Highway Division, Lahore did not deduct the cost of dismantled material from the contractor amounting to Rs 2,342,000. Further, an amount of Rs 773,248 was paid to the contractor for disposal of exiting road material which was actually used in embankment but its cost was not recovered from the contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,115,248.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department promised that the position regarding dismantled material useable / unuseable would be worked out. The Committee directed the department to calculate the actual serviceable material and get it verified from Audit besides effecting recovery, if any, within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification by Audit.

DP.208(2012-13)

2.4.22.5 Project Manager, Sub-Project Management Unit, Lahore in the work "Construction of Flyover along Ferozepur Road, at Canal/Wahdat Road Junction Lahore" paid items "Dismantling of RCC structure", "Dismantling of brick masonry" and item "Removal of kerb stone" for 65.744 cm, 712.200 cm and 2563.076 cm respectively but neither the material obtained through dismantling was re-used nor credited to the work.

Weak supervisory and financial controls resulted in non-recovery/adjustment of Rs 1,168,000.

Audit pointed out non-recovery in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that recovery of dismantled RCC structure and bricks would be made from contractor. Dismantled kerb stone was not admissible for reuse/recovery. The Committee directed the department to produce recovery documents besides technical sanction estimate for verification by Audit within 15 days. Para was kept pending. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.206)

2.4.22.6 Executive Engineer, Provincial Highway Division, Sialkot did not recover the cost of dismantled material as per provision of agreement / acceptance letter from the running payments made to the contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 884,722.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.10.2013. The department explained that recovery of Rs 38,928 was made and balance recovery would be made from next bill. The Committee kept the para pending for recovery of balance amount and its verification from Audit within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.231)

2.4.22.7 Executive Engineer, Provincial Road Construction Division, Rawalpindi awarded two works "Construction of Road from Kotli Sattian to Dhanda Group-I & II in June 2011. The department extracted stone from earth work in roadway excavation and used in work. Recovery of the cost thereof was not made from contractor as per provision in technical sanction estimate. No laboratory test reports of actual work done were produced to Audit to verify the facts.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,029,467.

Audit pointed out the non-recovery in August 2013. The department admitted the recovery. Laboratory test reports of actual work done of consultant / RR&MTI were again not produced.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department explained that recovery of Rs 469,050 was effected and verified by the Audit and balance recovery of Rs 560,414 would be effected through next running bills of the contractors. Para was reduced to Rs 560,414 for balance recovery within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.336)

2.4.22.8 Executive Engineer, Provincial Building Division, Lodhran, in two schemes / works did not make recovery of cost of dismantled material worth Rs 535,319 as per provision of revised technical sanctioned estimate.

Weak financial control resulted in non-recovery of Rs 535,319.

Audit pointed out non-recovery in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that due recovery would be made from contractors. The Committee directed department to recover the amount involved and produce it to Audit for verification. The Committee also directed the Superintending Engineer , Provincial Building Circle, Multan to probe the matter of non-recovery in due time in case of sub-para No.12 and initiate disciplinary action against all concerned within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery at the earliest.

(DP.499)

2.4.22.9 Executive Engineer, Provincial Highway Division, Jhang measured and paid the items "Dismantling of pacca brick work in cement sand mortar" & "Dismantling of RCC slab" for quantity of 1442 cft and 1778 cft respectively but did not make total recovery of cost of old material.

Weak technical and financial controls resulted in non-recovery of Rs 385,320.

Audit pointed out non-recovery in August 2013. The Department admitted the recovery and promised to make it from next bill. The department did not make recovery uptill 5th running bill and gave undue benefit to contractor.

The para was also discussed in the SDAC meeting held in December 2013. The department explained that recovery of Rs 344,296 was made against contract provision of Rs 852,100 which was verified by

Audit. The Committee directed the department to recover the balance amount of Rs 507,804 within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.383)

2.4.23 Non-recovery of secured advance and interest thereon - Rs 27.19 million

According to Para 2.98 (a) of B&R Department Code and C&W Department letter vide No. So-III (C&W) 2-14/97, dated 29.05.1997, recovery of secured advance so made shall 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.

2.4.23.1 Executive Engineer, Provincial Buildings Division, Lodhran, granted secured advance on supply of Granite tile porcelain size 16″ x 16″ 3/8″ (PNM-112) @ Rs 112.5 per sft for Rs 14.963 million in June, 2013 instead of admissible rate of Rs 56.25 per sft. @ 75% input rate of 1st annual, 2012. In this way secured advance was paid on double of the actual market rate.

Weak supervisory and financial controls resulted in undue financial benefit to contractor for Rs 7,818,000.

Audit pointed out undue financial benefit in October 2013. The department did not reply.

The para was also discussed in the SDAC held on 23.12.2013. The department explained that recovery would be made as per consumption of material. Audit pointed out that secured advance was due at Rs 56.25 per sft whereas @ Rs 112.50 per sft was allowed in this case and undue favour of Rs 6.949 million was given to the contractor. The recovery thereof should be made with interest @12.50% from the date of payment to the date of recovery besides disciplinary action against the SDO/XEN concerned required. The Committee kept the para pending for recovery / disciplinary action within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and disciplinary action against concerned.

(DP.508)

2.4.23.2 Executive Engineer, Provincial Building Division, Multan did not recover the amount of secured advance in three cases. In one case, the contractor was declared defaulter by Chief Engineer Punjab Building Department South Zone, Lahore under clause 60 of contract agreement in June 2013 and in other two cases the recovery of secured advances was not made despite after lapse of 04 and 03 years respectively and expiry of stipulated date of completion of work.

Weak supervisory and financial controls resulted in non- recovery of Rs 3,927,000.

Audit pointed out non-recovery in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that para consisted of three sub paras 3, 5 & 30A. In para 5 & 30A total amount of secured advance was recovered and got verified from Audit. In para 3 the contractor was declared defaulter and recovery would be made on finalization of the contractor's account. The Committee directed the department to recover the secured advance amount for Rs 3,490,918 alongwith interest as per clause 7 of indenture bond and get the position verified as to recovery of secured advance viz-a-viz consumption of secured advance in each contractor's payment voucher from Audit to prove its contention as no official was at fault for the non-recovery from defaulter contractor. No compliance of Committee's directive was reported till the finalization of the report.

Audit recommends early recovery.

(DP.351)

2.4.23.3 Executive Engineer, 3rd Provincial Buildings Division, Lahore allowed secured advance amounting to Rs 13.006 million for the material i.e. glazed tiles, aluminum doors etc on 25.04.2010. But despite lapse of period of more than one year and paying upto 20th running bill, the secured advance was not recovered.

Weak supervisory and financial controls resulted in non-recovery of Rs 14,632,000.

Audit pointed out the non-recovery in August 2011. The department replied that the building upto 5th story was completed and the work was held up due to conversion of PGMI to PIMS by Chief Minister on 04.03.2010. So the secured advance could not be recovered. The reply was not tenable because the secured advance was allowed after visit of the Chief Minister. More than three bills were paid after secured advance and period of more than three months was also lapsed.

The para was also discussed in the SDAC meeting held on 03.01.2012. The department explained that the secured advance could not be recovered / recouped as the work was held up on account of revision ordered by the Chief Minister during his visit and required revised Administrative Approval. The approval of the revised scheme was yet under process. The secured advance would be adjusted at the earliest on restart of the work. The Committee directed the department to adjust the secured advance amount at the earliest and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery / adjustment of secured advance besides disciplinary action against the responsible officer(s).

DP.177 (2011-12)

2.4.23.4 Executive Engineer, Provincial Building Division, Bahawalpur failed to recover the amount of secured advance in two cases. In one case, the contractor was granted secured advance of Rs 682,600 for item of work supply of vertical line turbine in 1st running bill on 15.06.2012 and upto 6th running bill dated 26.08.2013. Neither this supply was installed at site nor the secured advance was recovered. In 2nd case, the recovery of Rs 130,560 secured advance was not made despite lapse of more than 03 years and expiry of stipulated date of completion of work.

Weak supervisory and financial controls resulted in non- recovery of Rs 813,160.

Audit pointed out loss in September, 2013. The department replied in 1st case that the turbine was fixed at site by the contractor but it was

non-operative due to non-energization of WAPDA connection. The reply was not tenable as the secured advance for turbine was granted in June 2012 but it was neither adjusted nor recovered despite the lapse of period of more than one year. In 2nd case, the department had given incomplete reply.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that recovery of secured advance was made in one case for Rs 682,600 and in 2nd case Rs 96,000 given on Tuff Tile was recoverable. Audit pointed out in 2nd case, the funds of Rs 8.0 million were lapsed but no action against the contractor was taken to execute the work at risk & cost. The Committee directed the Superintending Engineer, concerned to probe the matter within 15 days and amount of para was reduced to Rs 130,560 subject to accountal of recovery of 1st case of Rs 682,600. No compliance of the Committee's directive was reported by the department till the finalization of the report.

Audit recommends investigation for fixing responsibility besides effecting recovery.

(DP.456)

2.4.24 Loss due to non-recovery of restoration cost of below specification - Rs 26.15 million

According to condition No. 11 of Administrative Approval of work "Rehabilitation of Gujranwala-Hafizabad Road, for stretch from 6.20 to 10.20 km, the department was required to fix responsibility, for the failure of the stretch within two years of it completion and recover its cost from the responsible.

Executive Engineer, Provincial Highway Division, Gujranwala awarded work on stretch related to road Gujranwala to Hafizaabad. An amount of Rs 26,151,360 was paid on account of item "P/L Premix carpeting 3.5″ thick. The department got executed the work on stretch but neither fixed the responsibility nor recovered cost from the officials / contractor at fault.

Weak supervisory and financial controls resulted in loss of Rs 26,151,360.

Audit pointed out loss in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 05.11.2013. The department explained that the matter was under inquiry. The Committee kept the para pending for completion of inquiry within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and disciplinary action against concerned.

(DP.218)

2.4.25 Overpayment on account of price variation of bajri used in carpeting - Rs 22.81 million

According to letter issued by P&D Department vide No.1 (10)RO (TECH) P&D/2012 dated 12.04.2012, no price variation was admissible for crush stone bajri used for carpeting.

2.4.25.1 Chairperson / Project Director, Lahore Ring Road Project, allowed price variation to contractors on bajri used in items of bituminous carpeting in different packages of the project for Rs 7,545,227, which was not permissible.

Weak supervisory and financial controls resulted in overpayment of Rs 7,545,227.

Audit pointed out overpayment in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 31.12.2013. The department explained that the para had already been taken up with the Finance Department. The Committee deferred the para till decision of the Finance Department. No progress was reported till finalization of the report.

Audit recommends active pursuance of issue with the Finance Department.

(DP.676)

2.4.25.2 Secretary (C&W) approved price variation Rs 4,952,979 on bajri/crush which was used in carpeting in revised PC-I / Administrative

Approval relating to various works of improvement / widening of different roads at Sargodha and Rahim Yar Khan which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 4,952,979.

Audit pointed out the overpayment in January 2013. The department replied in first case that the Finance Department allowed price variation on bajri to be used in carpeting and TST w.e.f 11.01.2007 and it was disallowed w.e.f 12.04.2012 by the P&D Department. Hence, the question of recovery does not arise. The reply was not tenable because P&D Department has issued clarification regarding issue which was already banned by the Finance Department. In other case the Department replied that the contractor had filed writ petition against this issue in Lahore High Court, Lahore. The case was under trial and recovery would be made as per decision of the court.

The para was also discussed in the SDAC meeting held on 03.10.2013. The department submitted that C&W Department had already taken initiative to impose the P&D Department instructions dated 12.04.2012 in the administrative approvals for implementation at DDO levels. Audit pointed out that PC-I of work was approved and administrative approval was issued with undue provision for price variation on crush bajri. The payments of price variation on bajri at DDO level could not be ruled out. Therefore, corrigendum to the PC-I / technical sanction estimate was required to implement the P&D instructions dated 12.04.2012. The Committee directed the department to implement the P&D instructions within a month. No compliance of the Committee's directive was reported till finalization of the report.

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

(DP.17)

2.4.25.3 Chairperson/Project Director, Lahore Ring Road Project allowed price variation amounting to Rs 4,214,073 on bajri used in items of bitumen carpeting in violation of standing instructions of P&D Department.

Weak supervisory and financial controls resulted in overpayment of Rs 4,214,073.

Audit pointed out overpayment in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 31.12.2013. The department explained that the para was already taken up with the Finance Department and action would be taken accordingly. The Committee deferred the para till decision of the Finance Department. No progress was reported till finalization of the report.

Audit recommends active pursuance of the case.

(DP.671)

2.4.25.4 Chief Engineer, Punjab Highway Department (S), Lahore approved price variation Rs 2,348,613 on bajri/crush which was used in carpeting of different works. No price variation on bajri was admissible as per P&D Department instruction.

Weak supervisory and financial controls resulted in overpayment of Rs 2,348,613.

Audit pointed out overpayment in February 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department explained that the para consisted upon 7 works pertaining to different divisions. Further, added that as per revised estimate provision of price variation on bajri, was only for PCC work for Rs 205,389. No payment on account of bajri used in carpeting was made to the contractor. As regard portion of para pertaining to R.Y Khan due recovery of Rs 615,907 was recovered from the contractor. Audit had verified the record. As regard portion of para pertaining to Provincial Highway Division Muzaffargarh, no record was produced for Rs 1,195,316. As regard to para pertaining to Provincial Highway Division Jahng provision of price variation was for TST and not for carpeting. The Committee reduced the para to Rs 1,195,316 pertaining to Muzaffargarh and directed the department to recover the balance amount and get it verified from Audit within one month. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.120)

2.4.25.5 Executive Engineer, Provincial Highway Division, Faisalabad allowed price variation due to increase in the rate of bajri used in items of Asphaltic Base/Wearing course whereas price variation on bajri used in the carpeting was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 1,433,565.

Audit pointed out overpayment in July 2013. The department did not furnish reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The Department intimated that recovery would be made from next bill of the contractor. The Committee kept the para pending for recovery. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery besides action against the responsible.

(DP.315)

2.4.25.6 Executive Engineer, Provincial Highway Division, Okara made payment of price variation to contractors on bajri used in items of bituminous carpeting "Stone aggregate (Bajri)" in violation of clarification issued by the P&D Department.

Weak financial and supervisory controls resulted in overpayment of Rs 1,272,290.

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

The para was also discussed in the SDAC meeting held on 04.01.2013. The department explained that work was transferred to Provincial Highway Division, Lahore. The recovery would be made by the Executive Engineer concerned. The para was kept pending for recovery and its verification by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixation of responsibility.

DP.416(2012-13)

2.4.25.7 Executive Engineer, Provincial Highway Division, Sialkot made payment of price variation for Rs 51,574,535 due to increase in the rate of Bitumen, Labour, Cement, Bricks, crush/bajri, Stone for sub-base, base course and steel. Whereas price variation on crush/bajri used in carpeting was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 1,196,873.

Audit pointed out overpayment in October 2012. The department replied that recovery of Rs 1,151,979 would be made from the next bill of the contractor. No progress towards recovery was reported.

The para was also discussed in the SDAC meeting held on 04.01.2013. The department admitted the recovery. The Committee directed department to recover the amount involved and get verified from the Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides fixing responsibility against the officer(s) responsible.

DP.520(2012-13)

2.4.25.8 Executive Engineer, Provincial Highway Division, Lahore allowed price variation due to increase in the rate of crushed bajri used in carpeting. The price variation on crushed bajri was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 601,238.

Audit pointed out overpayment in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 24.12.2013. The department explained that recovery would be made from the next bill of the contractor. The Committee directed the department to recover the amount involved within 15 days and get it verified from Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.595)

2.4.25.9 Executive Engineer, Provincial Highway Division, Faisalabad allowed price variation due to increase in the rate of bajri used in carpeting which was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 401,010.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held in 26.11.2013. The department explained that recovery would be made from next bill of the contractor. The Committee directed the department to recover the whole amount and get it verified by Audit. No compliance of Committee's directive was made till finalization of the report.

Audit recommends recovery besides action against the responsible(s).

(DP.310)

2.4.26 Overpayment due to double measurement - Rs 21.99 million

As per rule 7.17(b) of DFR, all the payment for work are based on the quantities recorded in the measurement book and it is incumbent upon the person looking the measurement to record the quantities clearly accurately.

2.4.26.1 Chief Engineer, Punjab Highway Department (South), Lahore failed to recover an amount of Rs 17.557 million from contractor as payment of work done was more than work actually executed at site of work. No action against the official responsible was initiated.

Weak financial and administrative controls resulted in overpayment of Rs 17,557,000.

Audit pointed out overpayment in February 2013. The department replied that matter was reported to the Senior Member of Board of Revenue by Administrative Department. The reply was not tenable because payment was to be as per actual work done.

The SDAC meeting was held on 26.09.2013 pertaining to paras of Chief Engineer PHD (South). The department did not submit the working

paper for discussion in the meeting. The Committee kept the para pending for verification of record / recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and disciplinary action against the persons at fault.

(DP.122)

2.4.26.2 Executive Engineer, Provincial Highway Division, Sialkot recorded measurement for the item "Providing and laying Plant Premixed bituminous carpeting as 2 inches using 4% ratio of bitumen for quantity of 363375 sft @ Rs 6,104.65 % sft which was overwritten as 2.5 inches. No attestation for the overwriting existed. Further, the consultants verified measurement sheets besides laboratory test reports showing actual thickness with reference to design were not present on record. Therefore, payment made for half of an inch without said documents was unjustified.

Weak technical and financial controls resulted in overpayment of Rs 4,437,000.

Audit pointed out overpayment in July 2013. The department did not furnish reply to Audit.

The para was also discussed in the SDAC meeting held on 28.11.2013. The department explained that the work was carried out as per design requirement approved in TS estimate. Audit pointed out that original record entry of carpeting item was 2 inches which was over written as 2.5 inches. Audit further stated that core test results produced during the meeting revealed that depth of ABC was ranging from 1.79 inches to 2.44 inches. No additional payment for the maintenance of level in AWC due to contractor. The Committee directed the department to produce check request of the contractor duly verified by the consultant for verification pertaining to item ABC and AWC within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation of matter and recovery.

(DP.300)

2.4.27 Non-recovery due to imbalance rates - Rs 15.48 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 revised sanctioned estimate as was at the time of approval of the tender, so as to pre-empt excess payment.

2.4.27.1 Executive Engineer, Provincial Highway Division, Faisalabad awarded the work "Dualization of Faisalabad Samundri Road (Section Faisalabad Bye-pass to Samundri) Group-I" with two types of medians to a contractor. The department made payment for the item of construction of median 4 feet wide" for 35745 rft. @ Rs 250 per rft against the estimated provision of 197 running feet against which higher rate was quoted by the contractor and item carrying low rate was not executed at site.

Weak administrative and financial controls resulted in non-recovery of Rs 8,887,000.

Audit pointed out non-recovery in August 2012. The department replied that item was executed according to the site requirements. The reply was not acceptable because excess quantity was executed without prior approval of the competent authority and recovery of imbalance rates was also not made from the contractor.

The para was also discussed in the SDAC meeting held on 07.01.2013. The department explained that revised technical sanction estimate for change in the scope of work was obtained. Audit pointed out that quantities of higher rates items were increased. Therefore, the financial statement as per the Finance Department's instructions regarding maintenance of same percentage on final bill was to be prepared. The Committee directed the department to get the financial statement verified from Audit besides effecting recovery if any, within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

DP.228(2012-13)

2.4.27.2 Executive Engineer, Provincial Highway Division, Gujranwala awarded work to the contractors @ 4.28% and 2.90% above the estimated

amount of the work but made payment @ 6.74% and 4.723% respectively above the estimated amount.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,618,633.

Audit pointed out overpayment in July 2011. The department replied that if the imbalance rates were arrived at the time of finalization of contract the recovery would he effected. Reply was not tenable because higher imbalance rates were paid in contractor running bills in violation of contract clause 47-A.

The para was also discussed in the SDAC meeting held on 28.12.2011. The Committee directed the department to recover the amount involved in within 15 days. No compliance was reported till finalization of the report.

Audit recommends early recovery.

DP.115 (2011-12)

2.4.27.3 Executive Engineer, 2nd Provincial Buildings Division, Lahore executed various items of work against which the contractor quoted higher rates than provided in technically sanctioned estimate and failed to maintain the percentage of acceptance of tenders which was 1.95% above and made payment for items of work at full rates.

Weak supervisory and financial controls resulted in overpayment of Rs 2,228,955 due to non-maintenance of agreed percentage and irregular payment of Rs 2,973,321 due to imbalance rates.

Audit pointed out overpayment in September 2013. The department replied payment was made as actual quantities carried out at site and revised estimate was under process. The reply was not tenable as agreed percentage was required to be maintained while making the payments.

The para was also discussed in the SDAC meeting held on 30.12.2013. The department explained that recovery of imbalance rate would be made and got verified from Audit. Audit pointed out that undue benefit to contractor was given in the running payment to the contractor

therefore, the case may be moved to the DG Accounts (Works) for action against the concerned Divisional Accounts Officer. The Committee kept the para pending for verification of financial statement and recovery of imbalance rate, if any besides taking disciplinary action against the Divisional Accounts Officer. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery and disciplinary action against defaulters.

(DP.510)

2.4.28 Overpayment due to application of incorrect rates - Rs 13.69 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.

Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi awarded the work "Construction of Underpass and Flyover at Pirwadahi Chowk, Rawalpindi". Highly privileged package by relaxing codal rules was offered to the contractor i.e. wavier off income tax, performance security, retention money at lesser rate, mobilization advance without any bank guarantee and favourable changes in Clause 55 of the agreement. Besides this the department had also made extra payment on account of for night shift.

Weak supervisory and financial controls resulted in irregular payment of Rs 13,688,857.

Audit pointed out unjustified payment in August 2013. The department replied that the execution of work was assigned to contractor after approval of the Chief Minister Punjab. It was further pointed out that the payment of night shift was a part of PC-I and technical sanction estimate and was accordingly paid after approval of competent authority. The reply was not tenable as the provision of night shift was not covered by any rule or any clause of the standard contract agreement. Input rates for Murree area were incorporated in rate analysis. Therefore, no extra

compensation was due to the contractor for working in hard/hilly areas around the clock for road/bridges.

The para was also discussed in the SDAC meeting held on 10.12.2013. Both Audit and department reiterated their above stances. Para was kept pending without any decision.

Audit recommends appropriate decision / action.

(DP.404)

2.4.29 Irregular provision of procurement of plant and machinery items involving loss - Rs 12.64 million

As per section 23 of the Punjab Procurement Regulatory Authority Act 2009 (Act-VIII of 2009), an open and transparent tendering procedure shall be adopted by the department to achieve the most economical and competitive rates in respect of its works, supplies, services and purchases.

2.4.29.1 Superintending Engineer, Provincial Building Circle-2, Lahore sanctioned an estimate of the passenger Lifts for Rs 9,500,000 on the basis of single quotation dated 04.04.2011 obtained from a supplier without showing breakup of the rate analysis. Later on the work of installation of same passenger lift was awarded to the same firm. Neither technical estimate was sanctioned by obtaining competitive rates nor the work could be awarded on transparent manner.

Weak supervisory and financial controls resulted in irregular sanction of estimate for Rs 9,500,000.

Audit pointed out irregularity in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 27.11.2013. The department explained that only single supplier of lift could be available after wide publicity for prequalification etc. The lift was installed duly imported by the contractor from foreign country besides inspection at factory site. Imported lift was installed at site. Audit demanded document for verification i.e. custom duty payment document / LC and inspection reports. The Committee directed the department to produce the documents within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery / verification of record.

(DP.370)

2.4.29.2 Executive Engineer, Provincial Buildings Division, Mianwali made payment to suppliers for supplies of various non-standardized items like generator, air conditioners, electric items etc. under grant-25 annual repair and maintenance by allowing contractor profit @ 20% which was not admissible as per instructions of the Finance Department.

Weak supervisory and financial controls resulted in irregular payment of Rs 2,200,553.

Audit pointed out overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that record would be produced for detailed verification. The Committee directed the department to produce the record within 15 days for verification. No compliance of the Committee's directive was reported till finalization of the report.

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

(DP.640)

2.4.29.3 Chief Engineer, Provincial Buildings Department (South Zone), Lahore sanctioned the items vertical turbines, centrifugal slug pump KSB by allowing 20% & 11% contractor's profit and overheads through civil works contractor instead of separate procurement of these plant and machinery items as per procedure prescribed in Purchase Manual.

Weak financial and supervisory controls resulted in irregular procurement of material for Rs 378,587.

Audit pointed out irregularity in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The Department explained that this para consisted of three

components i.e. Prototype Gymnasium at Chak Jhumra, Establishment of New Degree College at Sarwar Shaheed Chowk and Establishment of Degree College Sama Sata. The item was not executed and the department promised to make payment at correct rate at the time of payment. In third scheme of Sama Sata, department had allowed 11% contractor profit and overhead instead of 20%. Audit pointed out it was a clear violation of the Finance Department instructions and taking lenient view only 5% service charges could be allowed to contractor otherwise it needed condonation from the Finance Department. The Committee directed the department to issue corrigendum and get the complete verification by Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation for fixing responsibility against the officers concerned.

(DP.77)

2.4.29.4 Executive Engineer, Provincial Buildings Division,, Multan got sanctioned the items vertical turbines to be installed by allowing 20% contractor's profit and overheads through civil work's contractor instead of procurement of those items as per procedure prescribed in Purchase Manual as per instructions of the Finance Department dated 08.08.2005.

Weak supervisory and financial controls resulted in irregular of procurement of Rs 345,304.

Audit pointed out irregularity in August 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.11.2013. The department explained that recovery of Rs 110,650 was made and got verified from Audit. The analysis of rate would be revised with application of 5% service charges on supplies of turbine etc and got verified from Audit besides effecting recovery of balance amount due from contractor. The Committee directed the department to get the record showing recovery verified from Audit within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery

(DP.352)

2.4.29.5 Superintending Engineer, Provincial Buildings Circle, Multan sanctioned the items vertical turbines, centrifugal slug pump KSB by allowing 20% contractor's profit and overheads through civil works contractor, instead of separate procurement of these plant and machinery items as per procedure prescribed in Purchase Manual.

Weak financial and supervisory controls resulted in irregular procurement of Rs 217,926.

Audit pointed out the loss in March 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 30.09.2013. The department explained that the rate would be revised as per the Finance Department's instruction and excess if any would be recovered next running bill. The Committee kept the para pending for verification of recovery / record. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and fixing responsibility against the officer(s) concerned.

(DP.72)

2.4.30 Overpayment due to payment for extra shuttering of RCC work - Rs 11.12 million

According to clarification issued by the Finance Department vide No.RO (Tech) FD-II-47/2004 dated 24.2.2005 composite rate of item of RCC work includes the rate of RCC in any shape and design.

2.4.30.1 Executive Engineer, Provincial Buildings Division, Rawalpindi allowed "Extra cost for shuttering for making architectural features, arches and corbelling etc" for quantity of 214629 sft @ Rs 40 per sft which was not admissible as per clarification issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 8,577,960.

Audit pointed out overpayment in September 2013.The department replied that the work was got executed and paid in accordance with the detailed technically sanctioned estimate by the competent authority and

acceptance / agreement executed with the contractor. The reply was not tenable as extra cost for shuttering was not possible.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that analysis of rate for extra shuttering rate would be produced to Audit to verify the deduction of shuttering included in original rate within 15 days. No compliance of the directives was made by the department till the finalization of the report.

Audit recommends recovery and its verification.

(DP.448)

2.4.30.2 Executive Engineer, Provincial Buildings Division, Faisalabad paid rate of item of works "Extra labour for shuttering and finishing of wafers slabs as per architectural drawings" @ Rs 156.70 per rft, Rs 2,089.60 each, Rs 318.66 per rft and Rs 33.46 per sft to the contractor accordingly which was not admissible as per above clarification by the Finance department. Hence, the department made overpayment due to sanction of extra rate of shuttering and finishing of slabs, as non-standardized / non-standardized item.

Weak supervisory and financial controls resulted in loss of Rs 1,458,651.

Audit pointed out loss in October 2010. The department replied that the provision of the said item was made in the approved technical estimate and payment was made to the contractors according to work done as per approved drawing/design of the P&D Directorate of the department. The reply was not tenable because extra payment for shuttering allowed in the rate analysis was not admissible.

The matter was reported to the Principal Accounting Officer in December 2010 and January 2013 but neither compliance was made till finalization of the report nor SDAC was arranged/conducted.

Audit recommends recovery and fixing responsibility against the concerned officers.

(DP.118(2010-11)

2.4.30.3 Executive Engineer, Provincial Building Division, Sialkot made payment for work "Extra labour cost of shuttering and labour involved for

fixing 12″ long of reinforcement cement concrete ornamental columns pedestal & cap complete in all respect' as approved by the Engineer-In-Charge for 152 Nos @ Rs 3,000 each to the contractor as non MRS item which was not admissible as per clarification issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 456,000.

Audit pointed out overpayment and overpayment in July 2013. The department replied that the reinforcement cement concrete column was of special architectural and ornamental roman type feature required special mould type shuttering for finishing of these columns. The reply was not tenable extra cost for shuttering was not admissible.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department retreated its previous stance. The Committee directed the department to produce analysis of rate with comparison of adopted design shuttering in item and shuttering including in MRS item to prove that only extra shuttering rate was allowed within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP.265)

2.4.30.4 Executive Engineer, Provincial Building Division, Sialkot made payment for item "Extra cost of finishing cornices", "Extra cost of 12 inch dia reinforcement cement concrete column" and "Extra cost of 18 inch dia reinforcement cement concrete column" to the contractor as non-MRS items which were not admissible as per clarification issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 380,814.

Audit pointed out overpayment in July 2013. The department replied that the RCC column was of special architectural and ornamental roman type feature required special mould type shuttering for finishing of these columns. The reply was not tenable extra cost for shuttering was not admissible.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that provision of extra non-standardized items existed in administrative/technical sanction estimate/ agreement and was accordingly paid to the contractor. The Committee directed the department to produce analysis of rates with comparison of adopted designs shuttering in items and shuttering included in MRS items to prove that only extra shuttering rate was allowed within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.264)

2.4.30.5 Superintending Engineer, Provincial Building Circle, Rawalpindi approved the rate analysis of non-standardized items "Extra cost of shuttering for architectural circular columns upto 11-1/2 feet length" and "Extra cost of labour & shuttering for roof cornice as shown in drawing" which was not admissible as per clarification issued by the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 243,665.

Audit pointed out overpayment in March 2013. The department replied that the item of RCC 1:2:4 did not cover the cost of extra shuttering for architectural work. The reply was not tenable because after clarification by the Finance Department, no extra labour for shuttering was admissible.

The para was also discussed in the SDAC meeting held on 27.09.2013. The Department promised to produce drawing showing special features / architectural features. Audit did not agree with the contention of the department as the Finance Department instructions were for P/L RCC provided in MRS rate for all required shapes / design. No deduction from the extra rate was made for the component of shuttering cost of original item of RCC. Matter may be referred to the Finance Department for obtaining clarification.

The Committee directed that clarification of MRS standardized item of RCC be obtained from the Finance Department and further action

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

Audit recommends obtaining early clarification from the Finance Department.

(DP.44)

2.4.31 Overpayment due to allowing excess lead - Rs 10.82 million

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

2.4.31.1 Executive Engineer, Provincial Highway Division No.II, Sargodha got sanctioned the lead for carriage of stone for sub-base and base course for 45 km instead of actual lead of 31 km in the revised PC-I / technical sanction estimate of the work "W/I of Noor Pur Thall to Main road Quaid-abad, km 27.5 to 56 km Group II & III.

Weak supervisory and financial controls resulted in overpayment of Rs 6,376,483.

Audit pointed out the overpayment in January 2013. The department replied that correct lead was taken for estimate purpose. The reply was not tenable because total length of road was 56 km. Group I of the work was already allotted to contractor which off took from Noor Pur City km No. 0 to 19 and a stretch of road 8.5 km was executed by sister department i.e. Project Engineering Cell Lahore. Balance portion of road pertaining to Group–II & III came to 28.5 km. The lead from Fateh Pur Quarry to site of work came to 31 km, which was to be included in the revised estimate of the work.

The para was also discussed in the SDAC meeting held on 03.10.2013. The department explained that similar PDP No. 445 was discussed in the SDAC meeting on 03.01.2013 and was settled by the Committee. Audit pointed out that the department paid the whole reach instead of individual lead for each Group. The Committee directed the department to calculate group wise lead for respective item rates and come up with conclusive evidence/recovery due within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides disciplinary action against the responsible.

(DP.15)

2.4.31.2 Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi awarded work "Construction of Flyover Covering Junction of Rawal Road and Chandni Chowk, Rawalpindi" in October 2012. Rates of Concrete and Asphalt Premix was approved by the competent authority in technical sanction estimate with lead 50 km from Margalla Hills to site of work Rawalpindi instead of actual carriage of 35 km using route of Margalla Hills, Coca Cola Factory, IJP road , Stadium Chowk, Chandni Chowk.

Weak supervisory and financial controls resulted in overpayment of Rs 2,416,000.

Audit pointed out the loss in August 2013. The department replied that the lead of 50 km from Margalla Hills (Quarry) was correctly approved for time limit / fast track project. The payment was made as per PC-I and technically sanctioned estimate approved by the competent forum. The reply was not tenable because department adopted incorrect route and measured excessive lead.

The para was also discussed in the SDAC held on 10.12.2013. The department reiterated its previous stance. The Committee directed the Superintending Engineer concerned to get measured actual lead on ground and report to the forum in the next meeting. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends revision of rate and incorporating correct input rate of crush stone / dust besides effecting recovery of the loss.

(DP.391)

2.4.31.3 Chief Engineer (North), Highways Department approved the item of work "Providing laying sub-base course" with carriage of stone from Sikhanwali Quarry to site of work with 181 km lead for the work "Dualization of Gujranwala-Sialkot road (Section km 0.00 to 4.23 km. City Portion)" falling in District Gujranwala" for Rs 1,206.17 million instead of from Dina Quarry which was only 132 km away from the site of work.

Weak supervisory and financial controls resulted in overpayment of Rs 1,621,118.

Audit pointed out the overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that payment to contractor was made as per provision of technical sanction estimate/administrative approval keeping in view availability of less sub-base material at Dina Quarry. Audit did not agree because Dina Quarry material was used in Highway Division Gujranwala for other works. The Committee directed the department to justify the position with reference to laboratory test reports as using material of Sikhan Wali Quarry instead of Dina Quarry within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends verification of record / recovery.

(DP.142)

2.4.31.4 Chief Engineer (North), Highways Department approved the items of work "Providing laying sub-base course, base course and triple surface treatment" with carriage of stone from source/quarry to site of work with addition of whole length of road i.e. 10 km for the work "Construction of road from Dhokri to Bijjar via Ghatti including Bridge on Mohajar Canal Length 8.92 km in District Khushab" instead of addition of average lead of 5 kms.

Weak supervisory and financial controls resulted in overpayment Rs 405,612.

Audit pointed out the overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that rate was correctly applied as per technical sanction estimate. The Committee directed the department to produce record to Audit for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and action against responsible.

(DP.137)

2.4.32 Irregular payment due to excessive measurements - Rs 6.59 million

As per Para 2.7, 2.12, 2.86 of B&R Code read with the Finance Department's letter No.FD (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 who accorded administrative approval and technical sanction estimate.

2.4.32.1 Executive Engineer, Provincial Building Division, Bahawalpur made measurement of height of brick masonry 1:6 upto DPC level and raised the height of wall upto 6 ½ feet height against the designed height upto 5 ½ feet for staff room, Deputy Director Office of the Zoo and paid accordingly.

Weak supervisory and financial controls resulted in irregular payment of Rs 5,139,486.

Audit pointed out irregularity in October 2013. The department replied that variation in design was due to site requirement and its adjustment with high level of road. However, scheme was completed without enhancement. The reply was not tenable because Executive Engineer was not competent to deviate the foundation design approved by the PDWP/Chief Engineer. Variation was not got approved from the competent authority.

The para was also discussed in the SDAC meeting held on 23.12.2013. The department explained that 1 foot DPC level was raised keeping in view the level raised during construction of road adjacent to the building. Actual amount for the 1 foot brick masonry was worked out to Rs 1,099,807 whereas Audit had pointed out as Rs 3,176,975 in sub-para No. 13. As regard, point raised in para No. 18 (A) Rs 2,294,641 for payment of 1.5 feet for the item of brick more than the design. The detailed justification would be given. The Committee directed the department that the payment of extra expenditure with evidences be produced to Audit within 15 days. Para was kept pending. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery/regularization.

(DP.536)

2.4.32.2 Executive Engineer, Provincial Building Division, Sahiwal in two works paid excessive quantities against the provision of standardized / non-standardized items than provided in the approved administrative approvals / technical sanction estimates without obtaining its prior approvals from the competent authority that accorded administrative approvals / technical sanction estimates.

Weak supervisory and financial controls resulted in irregular payment of Rs 5,875,436.

Audit pointed out irregular in July 2013. The department replied that clause-42 of contract agreement empowered the Executive Engineer, to execute necessary additional work of any kind. The reply was not tenable as standardized / non-standardized items were paid in excess than the provisions of administrative approval/estimate without obtaining any approval.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that the para consisted upon two sub paras i.e. 4 & 12. In para 12, the quantity of items of work paid within the provision of original TS estimate which was got verified from Audit. As regard to para 4 of Rs 755,418, scheme was revised and was in process for approval of TS estimate. The Committee reduced the amount of para to the extent of para 4 for Rs 755,418 for verification of record/recovery within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery besides penal action against the person(s) at fault.

(DP.283)

2.4.32.3 Executive Engineer, 1st Provincial Building Division, Lahore executed item of cement concrete brick or stone ballast in foundation and plinth 1:4:8 (Basement) as per provision of technical sanction estimate and made payment at the contract rate of Rs 3,164.43 per % cft upto 15th running bill dated 16.07.2008. But in 16th running bill nomenclature of

item was changed as cement concrete plain using crushed stone 1:4:8 on 18.10.2008 and paid @ Rs 8,840.05 per % cft.

Weak supervisory and financial controls resulted in irregular payment of Rs 697,000.

Audit pointed out overpayment in August 2010. The department replied that item of cement concrete 1:4:8 was got executed at site as per design/structural drawing issued by the P&D Directorate and was paid to the contractor accordingly. Provision of the said item was incorporated in the revised estimate submitted to the Client Department. The reply was not tenable because up to 15th running bill payment was made for cement concrete brick ballast @ Rs 3,164.43 per % cft but in the abstract of cost of 16th running bill, the rate was changed and paid @ Rs 8,840.05 per % cft. The record entries of the said item recorded in various MBs were manipulated as plain cement concrete 1:4:8. Neither approved design/structural design nor approval of authority for change of specification of the item alongwith revised technically sanctioned estimate was produced to Audit for verification.

The para was also discussed in the SDAC meeting held on 21.12.2010. The department explained that measurement of work done was recorded as 1:4:8 using crush stone ¾″ thick as per drawings provided by the P&D Directorate, Buildings Department, North Zone, Lahore. The Audit informed the Committee that the drawings were provided by the P&D Directorate on 15.08.2005 whereas technical sanction estimate was issued on 13.12.2006 on the basis of cement concrete brick ballast at the ratio of 1:4:8. Therefore the action of the department was not justified and in record entries the nomenclature of item as PCC 1:4:8 using crush stone ¾″ were overwritten in one bill. The department argued that the revised estimate was submitted to the client department for obtaining approval. The Committee directed the department to get verified the record entries in M.B. within one month. The para was reported in MFDAC report issued on 01.01.2013 but no compliance of Committee's directive was reported till finalization of the report.

Audit recommends investigation alongwith fixation of responsibility against the officers concerned besides recovery / regularization.

DP.14(2010-11)

2.4.33 Unjustified payment to the consultant for the period beyond completion of Project - Rs 6.50 million

As per letter No. 60706 Fly over/LHR/186 dated 02.05.2012 of Project Manager NLC, Kalma Chowk Flyover Project, the work was completed on 14.08.2011.

Project Manager, Sub-Project Management Unit, Lahore for the work "Project to Resolve Traffic Problems at Kalma Chowk Intersection Ferozepur Road, Lahore (Construction of Flyover at Kalma Chowk)" made payment of Rs 6.504 million to the consultant for the period beyond the completion of project i.e. September 2011 to December 2011 and January to April 2012 which was unjustified.

Weak supervisory and financial controls resulted in unjustified payment of Rs 6,504,301.

Audit pointed out unjustified payment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 01.10.2013. The department explained that Consultant remained on site for construction of allied activities i.e. drains / road etc after inauguration of bridge. The Committee directed the department to produce documents showing details of work done by consultant after inauguration of bridge to justify the fee paid within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends production of record / recovery.

(DP.204)

2.4.34 Overpayment due to adoption of rich specification - Rs 5.69 million

As per recommendations under para 6.1 (c) of Building Research Station report issued vide No. SAC/SLT/2476 dated 19.05.2012 structural pad made of 65% sand and 35% gravel shall be filled in foundation of building concerned.

2.4.34.1 Chief Engineer (North), Buildings Department in two group of works, incorrect rate for the mixture of 35% sand 65% gravel with

carriage of 138 km @ Rs 7,087.51 per % cft and @ Rs 4,436 per % cft respectively instead of Rs 3,481.23 per % cft calculated for 65% sand and 35% gravel as recommended by the Building Research Station.

Weak administrative and financial controls resulted in loss of Rs 5,144,962.

Audit pointed out loss in January 2013. The department replied that the site for the construction of Medical College Sialkot consisted of two adjacent sites. The nature / soil condition of each site was different. In case of Group-I, water table was raised from 5 feet below to 2 feet below due to which the item was approved in the rough cost estimate/ technically sanctioned estimate. Rate for Group-II was adopted as per recommendation of Building Research Station Report. However, recovery of difference in Rs 7,087.51 % cft and Rs 6,279.86 % cft was made from group-I. The reply was not tenable because the contents of mixture were changed without any cogent reasons / test report. Rate of mixture was to be approved on the basis of contents of the mixture i.e. 65% sand and 35% gravel with 138 km from quarry to site of work.

The para was also discussed in the SDAC meeting held on 27.09.2013. The Department explained that due recovery would be made from next running bill of the contractor. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation besides fixing responsibility for preparation and approval of incorrect rates.

(DP.23)

2.4.34.2 Executive Engineer, Provincial Building Division, Sialkot made payment for the item of 'P/laying structural pad of granular fill material mixture of 65% sand and 35% gravel compacted to 95% maximum modified "AASHO" dry density i/c carriage of all materials at site complete in all respect' as approved by the engineer in-charge" for quantity of 39765 cft @ Rs 55.374 cft calculated on the basis of MRS 1st quarter 2011 for Narowal District instead of Rs 41.62 cft as prepared for the mixture of 65% sand and 35% gravel as per relevant input rates of the Finance Department.

Weak supervisory and financial controls resulted in overpayment of Rs 546,928.

Audit pointed out the overpayment in July 2013. The department replied that the item provision laying of structural pad 35% sand & 65% gravel was executed due to site requirement on the basis of approved rate analysis. The reply was not tenable because mixture having 65% sand and 35% gravel was to be used at site and payment was also to be made as per rate analysis prepared with the same ratio of sand and gravel.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that recovery would be made from next bill of contractor. The Committee kept the para pending for recovery within a month and its verification by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.267)

2.4.35 Overpayment of price variation due to application of incorrect base rate - Rs 5.01 million

According to clause 55(3) of contract agreement, the base price for the purpose of calculation of the price variation shall be the price prevalent in the month during which last day of submission of tender falls.

2.4.35.1 Executive Engineer, Provincial Road Construction Division, Lahore awarded a contract in February 2009 and the escalation of diesel and bitumen in packed and bulk was paid by applying incorrect base rates of Rs 57.14 per liter (diesel), Rs 54,100 and Rs 49,800 per ton instead of Rs 64.23 per liter, Rs 58,800 and Rs 54,900 respectively. Further, during execution of work in April to May 2010, the incorrect current market rate was also applied for bitumen in packed and bulk for Rs 72,828 and Rs 69,181 per ton instead of actual rate of Rs 69,050 and Rs 54,900 respectively.

Weak financial and supervisory controls resulted in overpayment of Rs 2,330,782.

Audit pointed out overpayment in September 2010. The department did not reply.

The matter was also discussed in the SDAC meeting held on 15.01.2011. The department explained that the tender was accepted on an

undertaking for application of rates of 1st quarter 2009. Therefore, the price variation was not recoverable. The Audit did not agree because the base rate was required to be applied at the time of opening of tender in November 2008. The Committee directed to get clarification from the Finance Department as to whether the price variation should be calculated on the base rates on tender date under clause 55(3) of agreement or on the base rates prevalent on the date of undertaking. The para was reported in MFDAC report issued on 01.01.2013. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

DP.211 (2010-11)

2.4.35.2 Superintending Engineer, Provincial Highway Circle, Lahore while revision of technically sanctioned estimate of scheme "Dualization of Barki Gawandi road (Phase-I) from Mehfoozpura Cantt to Kalas Mari Town" approved the price variation statement by taking incorrect rate of Rs 90,570 per ton for bitumen for the month of July 2011 instead of notified rate of Rs 87,015 per ton displayed on the Finance Department website.

Weak supervisory and financial controls resulted in overpayment of Rs 1,548,879.

Audit pointed out overpayment in January 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 02.10.2013. The department explained that price variation on bitumen for item of triple surface treatment using packed bitumen rate was paid as per provision of MRS rate analysis. Audit demanded evidence in support of departmental contention. The Committee directed the department to produce the record in support of their reply within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends verification of record otherwise effecting recovery of amount involved.

(**DP.111**)

2.4.35.3 Executive Engineer, Provincial Highway Division, Sargodha No.1 made payment of price variation for Rs 9,049,145 due to increase in

the rates of sub-base, base course, diesel, labour, steel, bricks, bitumen and diesel on the basis of base rates on 28.02.2011. At the time of tender base rate of Bitumen (packed) was Rs 63.63 per kilogram and during the period of execution i.e. August and September, 2011, the current rate was Rs 78.24 & Rs 75.39 per Kilogram which was to be adopted for calculation of price variation whereas current rate was adopted at higher side.

Weak supervisory and financial controls resulted in overpayment of Rs 722,637.

Audit pointed out overpayment in September 2012. The department admitted the recovery.

The para was also discussed in the SDAC meeting held on 03.01.2013. The Committee directed the department to make recovery within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

DP.288(2012-13)

2.4.35.4 Executive Engineer, Provincial Highway Division, Sialkot made payment of price variation due to increase in the rate of different items/materials for Rs 1,810,133 in which an amount of Rs 390,946 was also paid for difference in the rate of labour whereas there was no difference in it. Price variation was not due for the period of execution i.e. October 2011 to April 2012 for calculation of brick edging.

Weak supervisory and financial controls resulted in overpayment of Rs 410,465.

Audit pointed out overpayment in October 2012. The department replied that recovery would be made from the next bill of the contractor.

The para was also discussed in the SDAC meeting held on 04.01.2013. The department admitted the recovery. The Committee directed the department to recover the amount involved and get it verified from the Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

DP.519(2012-13)

2.4.36 Overpayment without execution of allied items - Rs 3.74 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, Provincial Highway Division, Gujranwala allowed payment for item of work "Tripple Surface Treatment (TST) using 79 lbs bitumen" for quantity of 64032 sft for work "Construction of road from Qadirabad to Pindi Bhattian" (Section I&II) without execution of allied item i.e. 'P/L base course' as required in original scope of work. Further, in section II, the department measured and paid item of work TST for quantity of 11400 sft for RD 38+70 to 48+20 and the same was re-measured.

Weak technical, supervisory and financial controls resulted in overpayment of Rs 3,735,681.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that a Committee was constituted to physically verify and measure the quantities of sub-base course, base course and TST. The report of the Committee would be submitted within 15 days. Audit pointed out that responsibility for the remeasurement/payment needed to be fixed against the officers responsible. The Committee directed the department to come up with facts of the case besides fixing the responsibility within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and disciplinary action against defaulters.

(DP.210)

2.4.37 Overpayment due to taking input rates as base rates - Rs 3.73 million

As per Secretary (C&W) department letter No. SOH-II(C&W)/ 3-27/2011 dated 12.10.2011 read with the Finance Department letter dated 11.01.2007, the price variation, in case of M/s NLC, shall be worked out if there is at least 1% and above increase or decrease in the rates of item mentioned under clause 55(2) of contract agreement take between the date of award of work and the period of execution. Further, input rates placed on website of the Finance Department would be the basis for the purpose for calculation of price variation.

Executive Engineer, Provincial Machinery Maintenance Division, Rawalpindi paid price variation by taking input rates of 1st bi-annual 2012 as base rate and prevailing rate from the Finance Department monthly price variation notification. Whereas, price variation was to be paid in consideration of base as well as prevailing rates from input rates of MRS biannual. Accordingly price variation for Rs 3,731,694 was not admissible.

Weak supervisory and financial controls resulted in overpayment of Rs 3,731,694.

Audit pointed out overpayment in August 2013. The department replied that the price variation for the subject work was worked out as per amended clause-55 of contract agreement on the basis of input rates of the items notified by the Finance Department for the 4th quarter 2011. The reply was not tenable because as per C&W letter dated 12.10.2011, the base as well as prevailing rate at the time of execution of items were to be input rate of MRS.

The para was also discussed in the SDAC meeting held on 26.12.2013. The department explained that vide Communication & Works Department letter dated 12.10.2011, para 2(iv) was regarding base rate for calculation of price variation adjustment. It was inadvertently written as basis of escalation instead of base rate. Chair himself being Author of the summary endorsed the explanation of the department. Para was settled by the chairman. Audit and representative of the Finance department did not agree with above decision of chairman as contract clause was very much clear for payment of price variation on the basis of input rates. Recovery of overpayment was due from contractor.

Audit recommends recovery and its verification.

(DP.565)

2.4.38 Loss due to use of rich specification in tack coat - Rs 3.34 million

As per the Finance Department letter No.RO(Tech) FD/01-2/ 2007(P) dated 21.10.2009 "tack coat in carpeting may be used with 10 Lbs bitumen".

2.4.38.1 Executive Engineer, Provincial Highway Division, Faisalabad awarded three works to two different contractors in 2007 and 2009. During execution of work an item P/L bituminous tack coat was measured and paid by using bitumen at inadmissible quantity of 12 lbs % sft.

Weak supervisory and financial controls resulted in loss of Rs 2,215,863.

Audit pointed out excess payment in February 2012. The department replied that matter was under consideration with special Committee of P&D. The reply was not tenable because provision of specification was not allowed to execution of work.

The para was also discussed in the SDAC meeting held on 05.09.2012. The department had made recovery Rs 949,920 from final bill but was not paid. Para was kept pending for recovery /verification of final bill. The department had made recovery of Rs 546,346 through transfer entry from pre-mature security deposit. The Committee directed the department to recover the overpayment from running bill of contractor and get it verified from Audit within one month. Further, the department apprised the Committee that the paid item of Tack Coat using 12 lbs bitumen was as per contract agreement/technical sanction estimate. Audit apprised the committee that technical sanction estimate described items of work with 12 Lbs bitumen but the MRS rate for 15 Lbs bitumen was applied and accordingly work awarded to the contractor. The Committee kept the para pending for further examination/recovery within one month. No compliance of the Committee's directive was reported till finalization of the report.

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

DP.01 (2012-13)

2.4.38.2 Executive Engineer, Provincial Highway Division, Bahawalpur got approved, executed, measured & paid the item of work, P/L tack coat using 12 lbs bitumen instead of 10 lbs bitumen, in violation of instructions referred above.

Weak supervisory and financial controls resulted in loss of Rs 1,259,928.

Audit pointed out loss in September 2013. The department replied that recovery would be made from next running bill. But no recovery was made.

The para was also discussed in the SDAC held on 09.12.2013. The department explained that the actual recovery of Rs 617,328 was made and got verified from Audit. Audit pointed out that actual recovery was worked out to Rs 1.260 million. Department promised that recovery of balance amount would be made after verification of analysis of rate and calculations of Audit. The Committee directed the department to recover the balance amount of Rs 642,600 within 15 days. No compliance of the Committee's directives was reported till the finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officer(s) concerned.

(DP.427)

2.4.38.3 Superintending Engineer, Provincial Highway Circle, Multan sanctioned an item of work "P/L tack coat using 10 Lbs bitumen" @ Rs 364.75 per % square feet and Rs 328.96 per % square feet on the basis of 3rd quarter 2008 and 2009 for District Vehari respectively instead of admissible rate of Rs 318.48 and 293.50 per % square feet.

Weak financial and supervisory controls resulted in loss of Rs 485,410.

Audit pointed out loss in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.09.2013. The department explained that MRS rate of Rs 240 per 100 sft was paid to contractor. Audit explained that higher rates were approved in technical sanction estimate and corrigendum for the correction of rate in TSE and acceptance letter would be issued and the same alongwith final

bill be produced to Audit. The Committee kept the para pending for production of final bill showing recovery of loss to Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

(DP.89)

2.4.39 Loss due to acceptance of tender at high percentage - Rs 2.87 million

As per delegation of Financial Power Rules 2006, the quoted rates or amounts tendered shall not exceed more than 4.5% of technical sanction estimate of the project / work.

Executive Engineer, Provincial Highway Division, Sialkot / Chief Engineer (North) on the under taking of contractor dated 10.06.2011 regarding deduction of rebate by 1.46%, approved tender on 11.06.2011 for Rs 193.522 million which was 4.45% above technically sanctioned estimate. Whereas, the Chief Engineer conveyed his approval for Rs 196.445 million i.e. 5.99 % above the technical sanction estimate instead of 4.45 %.

Weak supervisory and financial controls resulted in loss of Rs 2,868,111.

Audit pointed out loss in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 05.11.2013. The department explained that actual recovery would be made from contractor. The Committee kept the para pending for recovery within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation for recovery of loss.

(DP.235)

2.4.40 Overpayment of price variation due to decrease in rates of material - Rs 1.92 million

According to clause 55(1) of contract agreement, where any increase or decrease to the extent of 5% or more take place, during execution, it would be recovered/adjusted.

2.4.40.1 Scrutiny of record of Executive Engineer, Provincial Highway Division, Faisalabad revealed that rates of packed bitumen and bulk bitumen were decreased from Rs 58,800 per ton and Rs 51,140 per ton to Rs 51,400 and Rs 45,540 per ton respectively during the execution of work. The decrease in rates was more than 5% but the department did not recover price de-escalation from the contractor.

Weak supervisory and financial controls resulted in overpayment of Rs 1,249,581.

Audit pointed out lapse in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 26.11.2013. The department explained that recovery would be made from next bill of the contractor. The Committee kept the para pending for recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.314)

2.4.40.2 Executive Engineer, Provincial Building Division, Sialkot made payment of price variation due to increase in the rate of steel grade-40 for the months of July 2011 to March 2012 for 130.715 ton for Rs 381,911. Whereas, the difference in the rate of steel was less than 5% and no price variation was admissible for the said quantities.

Weak supervisory and financial controls resulted in overpayment of Rs 381,911.

Audit pointed out overpayment in October 2012. The department replied that the price variation would be recalculated and adjusted in the next bill of the contractor.

The para was also discussed in the SDAC meeting held on 08.01.2013. The department explained that recovery would be made from the contractor. The Committee directed the department to recover the overpayment within 30 days and get it verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery and its verification.

DP.298 (12-13)

2.4.40.3 Executive Engineer, Provincial Building Division, D.G. Khan awarded three contracts in June 2009 after calling tenders on 4.6.2009. During execution the base rate of cement was decreased by Rs 331 per bag to Rs 244 per bag. The department did not recover de-escalation in cement.

Weak supervisory and financial controls resulted in overpayment of Rs 1,446,278.

Audit pointed out overpayment in February 2011. The department replied that price variation would be adjusted to actual variation in the cost of item concerned. The reply was not tenable because the department knowingly deferred the recovery on account of de-escalation and extended financial benefit to the contractor against the public interest.

The para was also discussed in the SDAC meeting held on 17.10.2011. It was apprised that against the pointed out recovery of Rs 1,446,278, the recovery of Rs 1,159,024 was effected and verified by Audit. The Committee directed the department to recover balance amount of Rs 287,254 within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

DP.64 (2011-12)

2.4.41 Overpayment on account of non-deduction of surplus earth - Rs 1.68 million

According to section 411-11-3 of Standard Specification for Road and Bridge Construction 1971, surplus earth from structural excavation shall be full compensation for use of surplus earth from roadway excavation used in formation of embankment for road, in the unit rate for earth work for making embankment.

Executive Engineer, Provincial Highway Division, Mianwali made payment for the item of earthwork for making embankment with all lead and lift including compaction upto 95% to 100 % maximum modified AASHO dry density at higher rates instead of utilization of available earth

i.e. 700000 cft in case of Group-I of the work "W/I of road from Harnoli to Wan Bhachran to Musa Khel".

Weak supervisory and financial controls resulted in overpayment of Rs 1,680,700.

Audit pointed out the overpayment in July 2012. The department replied that earth was excavated in area. The filling of earth was required in area/RD beyond 50 feet. The reply was not tenable because the item of earth work for making embankment was paid with all lead and lift. Hence, available quantity of earth was required to be used in work.

The para was also discussed in the SDAC meeting held on 03.01.2013. The Committee directed the department to recover the amount involved besides reconciliation if any with Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

DP.171(2012-13)

2.4.42 Inadmissible payment of price variation - Rs 1.60 million

As per clause 55(5) of contract agreement, no price variation would be admissible on item / material if it was not notified in the monthly notification of the Finance Department.

Executive Engineer, Provincial Highway Division, Sialkot made payment for price variation on the item of pit run/bed run gravel used as sub-base, whereas the item was not available in the Finance Department notification. Further, the consultant of the scheme had also directed the department to effect the recovery of overpayment.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,601,405.

Audit pointed out inadmissible payment in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 01.10.2013. The department explained that actual recovery would be made

from contractor's next running bill. The Committee kept the para pending for recovery within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.229)

2.4.43 Overpayment due to adoption of expensive option - Rs 1.49 million

As per rule 2.10(a) of PFR read with remarks against item No.5 of chapter 9 (Roofing) of MRS, 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 requires that government servant should always adopt cheaper and economical measures in the performance of his duty.

2.4.43.1 Executive Engineer, Provincial Building Division, Faisalabad made payment for items "Single layer of tiles with polythene sheet of 500 gauge for 1st to 6th floor" @ Rs 3,495.35 per % sft with additional charges in composite rate @ Rs 4,199.50, Rs 4,871.60, Rs 4,553, Rs 5,000, Rs 5,000 and Rs 6,000 % sft instead of addition of 13%, 32% and 51% in the labour charges of Rs 825 per % sft as provided in the remarks column against the item concerned of MRS rates for 1st Quarter 2009 for District Faisalabad. The department made overpayment due to exercising expensive option.

Weak supervisory and financial controls resulted in overpayment of Rs 809,433.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held in December 2013. The department explained that recovery of Rs 394,627 was made and balance amount of Rs 414,406 was correctly paid to the contractor. Audit demanded evidence for recovery and the balance amount. The Committee directed the department to get the position verified from Audit within 15 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery and its verification.

(DP.324)

2.4.43.2 Chief Engineer (North), Buildings Department approved the item of work "Single layer of tiles for 2nd to 5th floors @ Rs 5,360.90 % sft with additional charges in composite rate @ 6%, 15% & 23% for execution of work on 2nd to 3rd floor. The department exercised expensive option for the grant of additional charge instead of grant of additional charges @ 13%, 32% and 51% in the labour charges as per 1st economical option provided in the remarks column of the item No. 5 chapter 9 of MRS rates for 1st bi-annual period (February to July 2012).

Weak supervisory and financial controls resulted in loss of Rs 271,755.

Audit pointed out loss in January 2013. The department replied that rate for single layer of tile was derived on the basis of MRS by adding 6%, 15% & 23% on composite rate for the subsequent floor as per MRS Chapter No.9 Item No.5. The reply was not tenable because the department adopted expensive option instead of economical / cheaper option as per provision of MRS.

The para was also discussed in the SDAC meeting held on 27.09.2013. The department explained that option given in the remarks column of relevant item was used to arrive at the rate as per MRS. Audit pointed out that clarification from the Finance Department should be obtained. The Committee directed the department to refer the case to the Finance Department for clarification/removal of anomaly within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends getting removal of anomaly in rate from the Finance Department and recovery of resultant loss.

(DP.25)

2.4.43.3 Chief Engineer (North), Buildings Department approved the item of work "Single layer of tiles for 2nd, 3rd, 4th and 5th floors @ Rs 5,360.90 % sft with additional charges in composite rate @ 6%, 15% & 23% instead of calculation of additional charges @ 13%, 32% and 51% in the labour charges as per 1st economical option provided in the remarks

column of the item No. 5 chapter 9 of MRS rates for 1st bi-annual February to July 2012.

Weak supervisory and financial controls resulted in loss of Rs 260,381.

Audit pointed out the loss in January 2013. The department replied that rate for single layer of tile was on the basis of MRS by adding 6% 15% & 23% on composite rate for the subsequent floors as per MRS Chapter No.9 Item No.5. The reply was not tenable because as per provision of MRS, additional rate on the component of labour was economical and beneficial to the Government, hence, it should have been worked out accordingly.

The para was also discussed in the SDAC meeting held on 27.09.2013. The department explained that option given in the remarks column of relevant item was used to arrive at the rate as per MRS. Audit pointed out that clarification from the Finance Department should be obtained. The Committee directed the department to refer the case to the Finance Department for clarification/removal of anomaly within one month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends clarification from the Finance Department besides effecting recovery of loss.

(DP.22)

2.4.43.4 Executive Engineer, Provincial Buildings Division, Gujranwala got approved rate in technical sanction estimate from the Chief Engineer concerned for the item of work "single layer of tiles 9″x4 ½″ x1 ½″ in 2nd and 3rd floor by adding 6% and 15% on composite rate instead of addition of 13% and 51% on the labour charges being economical and first option given in remarks column of item No.5 chapter 9 (Roofing) of MRS.

Weak supervisory and financial controls resulted in overpayment of Rs 151,376.

Audit pointed out overpayment in July 2013. The department replied that rates for 2nd & 3rd floor were approved in the detailed estimate technically sanctioned by the competent authority. The reply was

not tenable as department should had adopted the first method to add extra 13%, 32% and 51% on labour rate only to arrive at economical rates instead of using second option of excessive rates.

The para was also discussed in the SDAC meeting held on 07.11.2013. The Committee directed the department to refer the case to the Finance Department for obtaining clarification within a month. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends clarification from the Finance Department besides effecting recovery of loss.

(DP.288)

2.4.44 Overpayment due to non-deduction of shrinkage - Rs 1.27 million

According to para 2 of chapter-3 Earth Work (Excavation and Embankment of MRS), shrinkage @ 10% was to be deducted from loose earth work quantity.

Executive Engineer, Provincial Building Division, Sialkot made payment for an item of work 'Borrow pit excavation undressed lead up to 3 mile' for 3309440 cft at reduced rate of Rs 3,700 per ‰ cft without deduction of shrinkage allowance as per note given in the chapter of MRS.

Weak supervisory and financial controls resulted in overpayment of Rs 1,274,452.

Audit pointed out the overpayment in July 2013. The department replied that shrinkage factor was applied before the release of payment but documentary evidence was not produced to Audit.

The para was also discussed in the SDAC meeting held on 07.11.2013. The department explained that record would be produced to Audit for verification. The Committee kept the para pending for verification. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.270)

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 Authority and Public Health Engineering Department. The Secretary HUD & PHE Department is the Principal Accounting Officer. The functions of HUD & PHE Department are controlled under the Rules of Business 1974 and the Punjab Development of Cities Act 1976.

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

3.2 Comments on Budget & Accounts (Variance Analysis)

Housing and Urban Development

The developments authorities are the autonomous bodies. For financial viability, these bodies rely on their own sources and government grants-in-aid. The budgetary breakup of Housing and Urban Development component is tabulated as under:

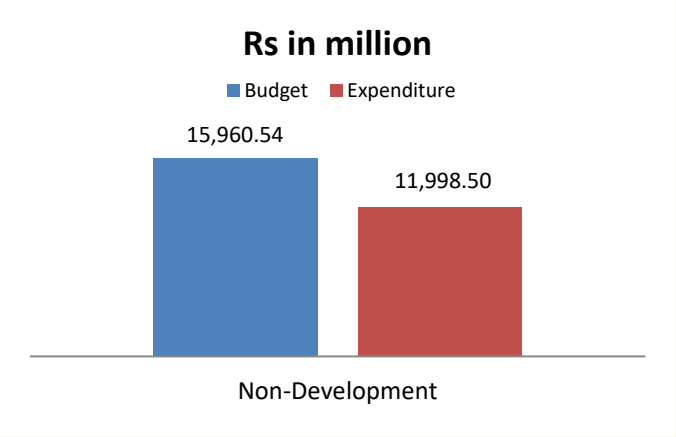
(Rs in million)

Nature of Budgetary Allocation	Original Budget	Actual Expenditure	Variation Excess/(Saving)	Variation in %
Non-Development	15,960.54	11,998.50	(3,962.04)	(24.82)
Development	41,541.48	40,214.76	(1,326.71)	(3.19)
Total	**57,502.02**	**52,213.27**	**(5,288.76)**	**(9.20)**

Source: Budget Handout and Financial Statements (FY-2012-13) of LDA, MDA, GDA, FDA, RDA

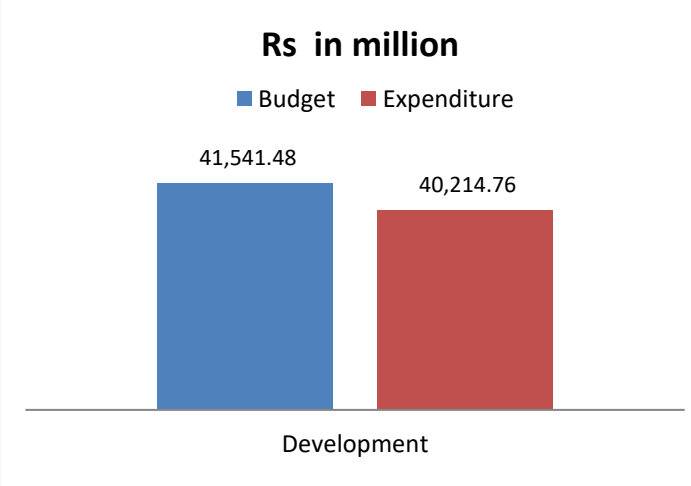
Non-Development

The budget was not fully utilized. The non-development expenditure incurred was Rs 11,998.50 million against the budget of Rs 15,960.54 million. Thus there was a saving of Rs 3,962.04 million (4.82%).



Development

The development budget was not fully utilized. The expenditure incurred was Rs 40,214.76 million against the budget of Rs 41,541.48 million. Thus there was a saving of Rs 1,326.71 million (3.19%).



PHE Department

The non-development grant PC-21017 includes funds for repair & maintenance works including salary. The funds for development schemes are allocated under the budgetary grant PC-22036.

(Rs in million)

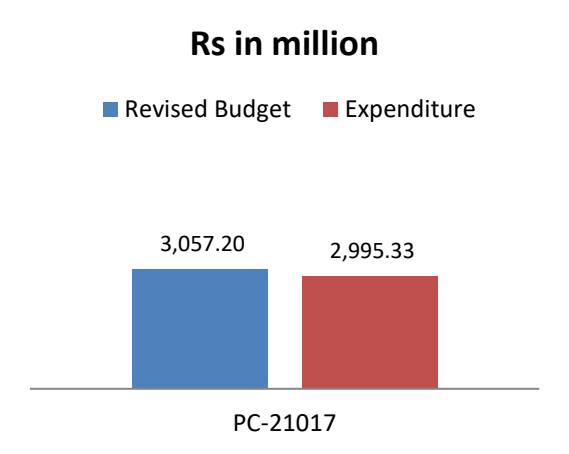
Grant No & Nature	Original Budget	Supplementary, Re-appropriation (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC21017	2,886.18	171.03	3,057.20	2,995.33	(61.87)	(2.02)
Development Grant						
PC22036	28,927.56	5,288.07	34,215.63	33,478.28	(737.34)	(2.16)
Grand Total	**31,813.73**	**5,459.10**	**37,272.83**	**36,473.62**	**(799.21)**	**(2.14)**

Source: SAP R/3 (CODE: YPIFMISPN)

Non-Development Grant

Grant No PC-21017

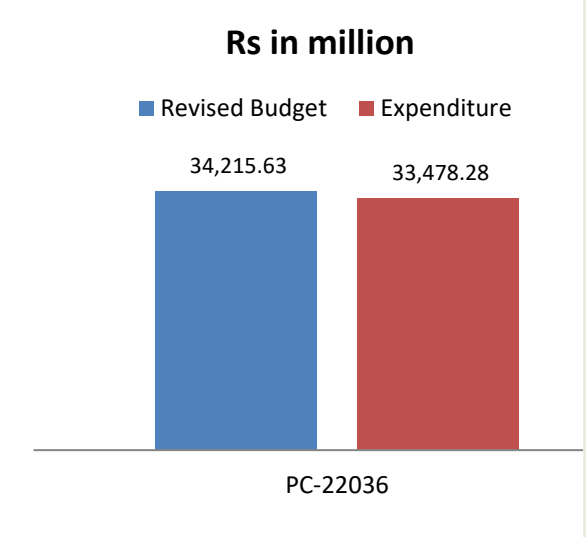
In the non-development grant PC-21017, budget was not fully utilized. The expenditure incurred was Rs 2,995.33 million against the revised budget of Rs 3,057.20 million. Thus there was a saving of Rs 61.87 million (2.02%).



Development Grant

Grant No PC-22036

In case of development grant PC-22036, the expenditure incurred was Rs 33,478.28 million against the revised budget of Rs 34,215.63 million. Thus there was a saving of Rs 737.34 million (2.16%).



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 799.21 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 Paras	Compliance Received	Compliance not Received	Percentage of Compliance
PHE					
1	1960-61	01	-	01	-
2	1965-66	05	-	05	-
3	1966-67	01	-	01	-
4	1668-69	04	-	04	-
5	1970-71	07	-	07	-
6	1971-72	06	-	06	-
7	1972-73	05	-	05	-
8	1973-74	01	-	01	-
9	1974-75	02	-	02	-
10	1975-76	03	01	02	33.33
11	1978-79	03	-	03	-
12	1981-82	15	-	15	-
13	1982-83	13	01	12	7.69
14	1983-84	18	-	18	-
15	1984-85	09	-	09	-
16	1985-86	08	-	08	-
17	1986-87	09	-	09	-
18	1987-88	05	01	04	20.00
19	1988-89	05		05	
20	1989-90	08	01	07	12.50
21	1990-91	19	01	18	5.26
22	1991-92	17	01	16	5.88
23	1992-93	50	03	47	6.00
24	1993-94	46	-	46	-
25	1994-95	19	01	18	5.26
26	1995-96	65	03	62	4.62
27	1996-97	48	-	48	-
28	1997-98	106	01	105	0.94
29	1998-99	46	-	46	-
30	1999-00	13	-	13	-
31	2000-01	16	01	15	6.25
32	2001-02	16	-	16	-
33	2009-10	11	-	11	-
Total		**600**	**15**	**585**	**2.50**
LDA					
34	1982-83	30	-	30	-
35	1983-84	06	-	06	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
36	1984-85	06	-	06	-
37	1985-86	23	-	23	-
38	1986-87	27	-	27	-
39	1987-88	02	-	02	-
40	1988-89	06	-	06	-
41	1989-90	04	-	04	-
42	1990-91	15	-	15	-
43	1991-92	13	-	13	-
44	1992-93	13	-	13	-
45	1993-94	25	-	25	-
46	1994-95	16	-	16	-
47	1995-96	12	-	12	-
48	1996-97	01	-	01	-
49	1997-98	56	01	55	1.79
50	1998-99	02	-	02	-
51	1999-00	12	-	12	-
52	2000-01	05	-	05	-
53	2001-02	03	-	03	-
54	2003-04	04	-	04	
55	2006-07	15	04	11	26.67
56	2009-10	13		13	
Total		**309**	05	**304**	1.62
FDA					
57	1982-83	02	-	02	-
58	1983-84	01	-	01	-
59	1984-85	17	-	17	-
60	1985-86	18	-	18	-
61	1986-87	05	-	05	-
62	1987-88	05	-	05	-
63	1988-89	01	-	01	-
64	1989-90	03	-	03	-
65	1990-91	04	-	04	-
66	1991-92	04	-	04	-
67	1992-93	15	01	14	6.67
68	1993-94	11	-	11	-
69	1994-95	01	-	01	-
70	1995-96	04	-	04	-
71	1996-97	02	-	02	-
72	1997-98	40	-	40	-
73	1998-99	11	-	11	-
74	1999-00	19	-	19	-
75	2000-01	03	-	03	-
76	2001-02	05	-	05	-
77	2003-04	02	-	02	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
78	2006-07	03	02	01	66.67
79	2009-10	08	01	07	12.50
Total		**184**	**04**	**180**	**2.17**
MDA					
80	1982-83	02	-	02	-
81	1983-84	02	-	02	-
82	1985-86	03	-	03	-
83	1986-87	05	-	05	-
84	1988-89	02	-	02	-
85	1989-90	01	-	01	-
86	1990-91	06	-	06	-
87	1991-92	06	-	06	-
88	1992-93	05	-	05	-
89	1993-94	11	-	11	-
90	1995-96	03	-	03	-
91	1996-97	01	-	01	-
92	1997-98	05	-	05	-
93	1999-2000	05	-	05	-
94	2000-01	04	-	04	-
95	2001-02	01	-	01	-
96	2003-04	02	-	02	-
97	2006-07	01	-	01	-
Total		**65**	-	**65**	-
GDA					
98	1995-96	10	-	10	-
99	2000-01	01	-	01	-
100	2006-07	02	-	02	
101	1997-98	01	01	-	100.00
Total		**14**	**01**	**13**	**7.14**
RDA					
102	2006-07	01	01	-	100.00
SAR No 33					
103	2000-01	19	-	19	-
PHATA					
104	1968-69	01	-	01	-
105	1972-73	04	-	04	-
106	1978-79	01	-	01	-
107	1981-82	12	-	12	-
108	1982-83	10	-	10	-
109	1983-84	22	-	22	-
110	1984-85	07	-	07	-
111	1985-86	08	-	08	-
112	1986-87	02	-	02	-
113	1988-89	03	-	03	-
114	1989-90	02	-	02	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
115	1990-91	02	-	02	-
116	1991-92	04	-	04	-
117	1992-93	10	-	10	-
118	1993-94	11	-	11	-
119	1995-96	10	-	10	-
120	1996-97	04	-	04	-
121	1997-98	44	-	44	-
122	1998-99	05	-	05	-
123	1999-2000	03	-	03	-
124	2000-2001	01	-	01	-
125	2001-2002	09	-	09	-
126	2009-2010	04	-	04	-
Total		**179**	**-**	**179**	**-**

Source: PAC Digest and PAC Compliance Cell data base

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

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

3.4 AUDIT PARAS

3.4.1 Loss due to theft of machinery / vehicles / cables etc. - Rs 1.44 million

As per rule 2.35(2) of Punjab Financial Rules volume-I, the losses are to be reported to Audit and head of the department immediately after occurrence. When the matter has been fully inquired into, 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.

3.4.1.1 The Director Administration, WASA, FDA, Faisalabad allotted vehicle Suzuki Bolan 800 CC No. FDJ-62 model 2012 to Assistant Director. The vehicle was stolen on 23.05.2013 under his deployment. The Agency neither conducted any enquiry nor fixed responsibility of the loss from the responsible officer.

Weak administrative and financial controls resulted in loss to the Agency for Rs 640,000.

Audit pointed out the loss in July 2013. The Agency replied that the vehicle was stolen by some unknown persons and inquiry was held but no further progress was intimated to Audit.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that the enquiry report was still awaited from the inquiry officer. The Committee took it seriously and directed the department to complete the process within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery of loss.

(DP. 96)

3.4.1.2 Scrutiny of record of the Deputy Director, PHATA, Sub-Region Rawalpindi revealed that the vehicle No. RIG-1050 Suzuki Bolan Model 2008 was stolen. Custodian of the vehicle lodged FIR with the Police. Later on, after a short enquiry the agency penalized equally 2-Nos. officers/officials with cash penalty of Rs 400,000 without obtaining the assessment of the vehicle and findings of FIR from Police. Further, the recovery was also not effected.

Weak financial and supervisory controls resulted in loss to Government for Rs 400,000.

Audit pointed out the loss in April 2013. The Agency replied that 2-Nos employees were responsible for theft of vehicle No. RIG-1050 and notices were issued to the concerned to deposit the amount. On the realization of the amount from the concerned progress of recovery would be intimated.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency produced the final notice dated 13.11.2013 which was served by the Authority to the defaulters for depositing the loss of Rs 400,000 within 30 days failing which it would be recovered from their salaries. The Committee deferred the para for strict compliance. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest besides appropriate disciplinary action against delinquents.

(DP. 67)

3.4.1.3 Scrutiny of record of Directorate Admn & Finance, WASA, MDA, Multan revealed that cable (copper wire) was stolen, from Water Supply Division during 2012-13. The Agency neither conducted any enquiry, recovered loss from the responsible(s) nor got registered any FIR with police.

Weak Supervisory control resulted in loss to Government for Rs 199,664.

Audit pointed out the loss in July 2013. The Agency replied that departmental inquiry regarding theft of cable was under process. The reply was not tenable as neither enquiry was finalized nor FIR was registered despite lapse of eight months.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Agency replied that the enquiry against concerned was under process. The Committee did not agree with the viewpoint of the department and directed to intimate the stage of inquiry, registration of FIR and fixing responsibility for delaying for lodging of FIR within a

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

Audit recommends to probe the matter for taking action against the responsible besides effecting recovery of loss.

(DP. 163)

3.4.1.4 Scrutiny of record of Director Administration, WASA, FDA, Faisalabad for the financial year, 2012-13 revealed that one transformer and one engine 16 HP were stolen from Gulfishan Colony and Ghosia abad Faisalabad on 01.03.2013 and 26.03.2013 respectively. The Agency neither registered FIR nor conducted enquiry / fixed responsibility and recovered the loss from the official(s) at fault.

Weak administrative and security control resulted in loss to the Agency Rs 100,000.

Audit pointed out the loss in July 2013. The Agency replied that the inquiry under PEEDA Act 2006 was under process but no further progress was intimated to Audit.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that both enquiry reports were received which were under process for further action. The Committee did not agree with the viewpoint of the Agency and directed to effect the recovery from the defaulters within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery of loss.

(DP. 95)

3.4.1.5 Scrutiny of record of Director Operation and Maintenance Ravi Town WASA, Lahore Development Authority Lahore, revealed that electric cable was stolen from Begum Bagh tubwell on 01.01.2013. The Agency held inquiry in 2011 but it was not finalized.

Weak supervisory and financial controls resulted in loss of Rs 94,600.

Audit pointed out the loss in August 2013. The Agency replied that legal action was taken by SDO Shahdara as he has applied for registration

of FIR. The inquiry of the case was initiated on the report of the SDO. The reply of the Agency was not tenable because inquiry was neither finalized nor its proceeding was produced to Audit.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that as per enquiry report of theft, no one was found at fault. Hence, recovery could not be effected. The Committee did not accept the contention of the Agency as neither FIR was lodged nor proper inquiry was conducted. The Committee directed the Agency to lodge FIR, conduct proper inquiry and recover the loss from the responsible officer. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to investigate the matter besides effecting recovery of loss.

(DP. 432)

3.4.2 Irregular calling of tender without approval of technical sanction estimate - Rs 506.87 million

According to the Finance Department letter No. F.D. (FR)-II-2/89 dated 24.06.1996, technical sanctioned estimate be issued before inviting tenders and the particulars of technical sanction estimate i.e. amount, No. and date of orders of technical sanction estimate also be mentioned in tender inviting notice.

3.4.2.1 The Director Engineering, MDA, UD Wing, Multan invited tender of work "Construction of Southern By-Pass (Dual Carriage Way) from Vehari Road to Bahawalpur Chowk (P-II)" on 28.04.2009 whereas technical sanction estimate was approved on 13.05.2009.

Weak supervisory and financial controls resulted in irregular calling of tender Rs 382,017,469.

Audit pointed out the irregularity in September 2013. The Agency replied that the scheme of Southern by-pass was approved by ECNEC in its meeting held on 30.03.2009. Accordingly the process for inviting tenders from the pre-qualified firms was started on 31.03.2009. The formal letter for according administrative approval was issued by HUD & PHE Department on 18.04.2009. The reply was not tenable because

government instructions were violated and condonation from the Finance Department was not obtained.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that tender were called to meet with emergency for execution of work and allotment letter was issued after sanction of estimate. Audit did not agree as it was violation of rules. Considering all things, the Committee directed to probe the matter by DG FDA and to get the irregularity condoned from the Finance Department within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to probe the matter besides obtaining condonation from the Finance Department.

(DP. 323)

3.4.2.2 The Director Works, WASA, MDA, Multan invited tender of two works "Dewatering & Sewer Cleaning Machinery WASA Multan" and "Construction of Inner Bypass Road Pumping Station" on 13.12.2011 and 11.12.2011 whereas technical sanction estimates were approved on 09.01.2012 and 24.12.2011 respectively.

Weak supervisory and financial controls resulted in irregular calling of tender for Rs 124,853,367.

Audit pointed out the irregularity in July 2013. The Authority replied that the tenders were invited from the pre qualified contractors on 18.01.2012 through notice at their available addresses, whereas the estimates were technically sanctioned well before issuance / receiving dates of the tenders. The reply was not acceptable because government instructions were violated and condonation from the Finance Department was not obtained.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Agency explained that irregular tendering was not proved against work "Dewatering and sewer cleaning machinery WASA, Multan". In this work, the tender was done on 05.01.2012 and technical sanction estimate was sanctioned on 09.01.2012. The agency could not substantiate its reply with documentary evidence. Committee took it seriously and deferred the para for its condonation from the Finance

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

Audit recommends to investigate the matter to fix responsibility against persons at fault besides condonation from the Finance Department.

(DP. 185)

3.4.3 Non-auction of plots in respect of Housing Schemes at Sargodha - Rs 393.16 million

As per Rules 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 of the Government/Treasury.

3.4.3.1 The Deputy Director, PHATA Sub-Region Sargodha did not auction commercial and residential plots / flats available in various housing schemes at different locations since long as forthcoming from the record.

Weak supervisory and financial controls resulted in non-auction of plots for Rs 230,586,000.

Audit pointed out non-auction in March 2013. The department replied that as and when the development work of scheme was completed the department put the case for assessment of price of auctionable plot before the assessment committee.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that only 30 plots were auctioned and Rs 22.290 million were received through different challans. The Committee reduced the para to Rs 208.296 million subject to production of cash book and bank scroll within 30 days. The Committee further directed the Authority to auction remaining plots at the earliest. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early auction under rules.

(DP. 61)

3.4.3.2 The Deputy Director, PHATA Sub-Region Gujranwala did not auction Commercial and Commercial Cum residential plots available with

the Agency in ADS-I&II Hafizabad & ADS-I (Peoples Colony) Gujranwala as forthcoming from the return available position of plots / disposal of remaining plots dated 09.06.2012.

Weak supervisory and financial controls resulted in non-auction / allotment of plots and non-realization of government revenue amounting to Rs 184,859,924.

Audit pointed out the lapse in February 2013. The department replied that efforts were being made to auction the remaining plots. The reply of the department was not tenable as the plots were lying with the Agency since long but no concrete effort to dispose off the plots was made.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that efforts were being made to auction the plots. The Committee directed the Agency to auction the plots in a transparent manner. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early auction under rules.

(DP. 57)

3.4.4 Non-recovery of penalty due to non-completion of development works - Rs 313.89 million

According to para-34 (a) & (b) of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010 vide Housing Urban Development & PHE Department's Notification No SO(H-II)2-22/2009 dated 29.03.2010 "a developer would within a period of five years after sanction of the scheme, develop a scheme in conformity with these rules and undertake development works after issuance of approval of design and specifications by the concerned agencies. Further, as per Section 34-A of Lahore Development Authority (Amendment) Ordinance 2013, if a sponsor fails to complete the development works within given time owing to reasons beyond his control, the Authority may after recording reasons once extend the period for completion of the development work upto two years on payment of penalty of ten thousand rupees per kanal per year or part of it of the total area of the scheme.

The Director Metropolitan-I&II, LDA, Lahore sanctioned seven (7) private housing schemes on various dates. The developers of the

schemes could not complete the development work of those schemes. The Authority neither imposed and recovered penalty of Rs 313.890 million nor auctioned the mortgaged plots despite the developers were declared as defaulters vide press advertisement dated 24.02.2012.

Weak supervisory and financial controls resulted in non-recovery of Rs 313,890,000.

Audit pointed out the non-recovery in November 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that all the housing schemes mentioned in Audit para were approved years ago whereas LDA (Amendments Ordinance), 2013 was enforced years after. The housing schemes could not be completed due to the reasons i.e. litigation, request for withdrawal of approval by the developer and illegal procession by the land grabbers. Further, each case was under vigorous pursuance. In view of above, the Committee directed to expedite the required action. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery of penalty and completion of development works of Private Housing Schemes at the earliest.

(DP. 256)

3.4.5 Non-recovery of secured advance - Rs 195.11 million

As per para 2.98 (a) of Buildings & Roads Department Code read with C&W Department 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 was completed. Under normal circumstances, the secured advance was to be recovered within three months.

3.4.5.1 The Director Finance WASA, Lahore Development Authority, Lahore in the execution of different works allowed/paid secured advance to the different contractors on account of different materials i.e. RCC pipe, machinery, pumps, HDPE pipe etc. but recovery was not made from the contractors.

Weak supervisory and technical controls resulted in non-recovery of Rs 171,481,066.

Audit pointed out non-recovery in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that an amount of Rs 50.551 million out of Rs 197.752 million had been adjusted / recovered. Facts were verified by Audit and para was reduced to Rs 147.201 million. The Committee directed to effect the balance recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to effect recovery at the earliest.

(DP. 425)

3.4.5.2 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Extended Electrification work in Fatima Jinnah Town Phase-II, Vehari Road, Multan" paid secured advance for Rs 61.017 million on different material etc. The contractor neither used the material for which secured advance was granted nor recovery of secured advance was effected.

Weak supervisory and financial controls resulted in non-recovery of Rs 61,017,416.

Audit pointed out the overpayment in September 2013. The Authority replied that the secured advance of Rs 61.017 million was being properly watched and adjustment was made from the running bills of the contractor. Upto 17th running bill Rs 32.50 million was adjusted and remaining Rs 28.51 million would be adjusted in the next running bills. The reply was not tenable as no record in support of reply was produced.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the secured advance amounting to Rs 35.303 million had been adjusted and upto 18th running bill it was outstanding for Rs 25.114 million. It was verified by Audit. The Committee directed the Authority to adjust / recover balance outstanding secured advance within 90 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to effect recovery at the earliest and its verification.

(DP. 326)

3.4.5.3 The Executive Engineer, Public Health Engineering Division, Chiniot in the execution of work "Extension / Rehabilitation of Sewerage Scheme Chiniot City" allowed/ paid secured advance to the contractor on account of different material i.e. Crush, M.S. pipe, steel, power cable, diesel generator and pumps etc. but recovery was not made from the contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 18,341,676.

Audit pointed out non-recovery in November 2012. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Department effected recovery of Rs 1.126 million on account of secured advance through 11th running bill out of total Rs 18.342 million which was verified by Audit. The Committee reduced the para to Rs 17.216 million for effecting recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to effect recovery at the earliest.

(DP. 374)

3.4.5.4 The Executive Engineer, Public Health Engineering Division, Gujrat in the execution of work "Construction of Water Supply System Gujrat (Group III)" paid secured advance in December 2011 to the contractor on account of supply of PVC 8″ internal dia pipe B Class for Rs 3,905,825 which was outstanding upto June 2013.

Weak supervisory and financial controls resulted in non-recovery of outstanding secured advance from the contractor for Rs 3,905,825.

Audit pointed out non-recovery in September 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that the remaining pipe could not

be laid due to non-clearance of site. Hence, the Committee directed to effect the recovery of secured advance at the earliest. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to effect recovery from the concerned besides fixing responsibility.

(DP. 365)

3.4.5.5 The Executive Engineer, PHE Division, Lodhran granted the secured advance of Rs 1,209,277 for the work "Rural Water Supply Scheme, Mouza Wahi Ghusal Mulik & Galley Wall, Mouza Sagwan, Tehsil & District, Lodhran" to the contractor through 1st and running bill vide Vr No. 03 dated 01.10.2011. Since the grant of secured advance, no payment for execution of work found on record. This indicated that contractor did not start the work at site. But no action was taken towards recovery of secured advance from the contractor.

Weak supervisory and financial controls resulted in non-recovery of secured advance of Rs 1,209,000.

Audit pointed out the non-recovery in February 2013. The department replied that due recovery of outstanding secured advance would be made after taking action according to contract agreement & other codal rules as pointed out by Audit.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The department effected the partial recovery of secured advance amounting to Rs 282,959 but did not produce original MB for proper verification. The Committee directed the department to effect the full recovery within 30 days and get the detailed verification from Audit. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to effect recovery of secured advance at the earliest.

(DP. 31)

3.4.5.6 The Director Construction-II, WASA, FDA, Faisalabad paid secured advance for Rs 1,621,815 to the contractor for supplying of PVC Pipe of BSS 3″ and 4″ dia and supply of vertical turbine pumping Units" in 1st running bill on 13.08.11. Out of which, an amount of Rs 1,157,715

was adjusted in 3rd running bill on 15.03.13. Despite lapse of two years, neither the material for value of Rs 464,100 was consumed nor recovery of secured advance effected from the contractor. Thus, the Authority did not recover secured advance from the contractor.

Weak supervisory and financial controls resulted in non-recovery of secured advance Rs 464,100.

Audit pointed out non-recovery in August 2012. The Authority replied that the secured advance was adjusted in the final bill. The reply was not tenable as the work was neither finalized nor recovery of secured advance effected.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that the secured advance given against the machinery was not consumed due to some site problems. The Committee did not agree with the viewpoint of the Authority and directed to effect recovery of the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery besides fixing responsibility for premature grant of secured advance.

(DP. 113)

3.4.6 Irregular / Overpayment in violation of JMF - Rs 178.15 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 would 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.

3.4.6.1 The Director Traffic Engineering, TEPA, Lahore paid an item of work "Asphaltic base course, plant premixed using 4% bitumen for a quantity of 6269.56 cum @ Rs 16,316 per cum amounting to Rs 102,294,141 and another item "Providing and Laying asphaltic wearing course plant premixed using 4.5% bitumen" for a quantity of 3786.27 cum @ Rs 17,457 per cum amounting to Rs 66,096,741 without obtaining the job mix formula" and test report from Road Research and Material Testing Institute.

Weak financial and technical controls resulted in irregular payment amounting to Rs 168,391,000.

Audit pointed out the overpayment in October 2013. The Authority replied that the job mix formulas were available for verification. The reply was not tenable because the department did not produce the Job Mix Formulas and laboratory test report for verification.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency provided JMF but failed to provide bitumen extraction test reports. The Committee directed to produce record within one week to arrive at actual recovery of overpayment. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends production of laboratory test reports and resultant recovery at the earliest.

(DP. 439)

3.4.6.2 The Director Construction Engineering, TEPA, Lahore in execution of works "Improvement / carpeting of adjoining link road around Jain Mandir / Lake Road and vicinity" and "Metro Bus System for Lahore (Carpeting of alternative route Fazal Elahi Road)" paid item of work "asphaltic base course using 4.5% bitumen" without obtaining job mix formula and test report from Road Research and Material Testing Institute.

Weak technical and supervisory controls resulted in irregular payment of Rs 3,724,322.

Audit pointed out the irregularity in October 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency failed to provide JMF and bitumen extraction test. The Committee directed to produce the same and get it verified from Audit within two days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends production of record relating to Job Mix Formula, laboratory test reports and resultant recovery at the earliest.

(DP. 446)

3.4.6.3 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Construction of Northern Bypass from LMQ Road to Bosan Road (Dual Carriage Way) with service road Phase-I" sanctioned an item "Providing /laying asphaltic wearing course″ with 4.5 % ratio of bitumen. The Authority executed the item for the quantity of 6300.967 cm and paid accordingly, whereas as per job mix formula and test reports from Road Research and Material Testing Institute, the bitumen was used with the ratio 4.1% instead 4.5%. Hence, the Authority made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 3,123,643.

Audit pointed out the overpayment in September 2013. The Authority replied that the payment to the contractor was made on quoted rates of the contractor (i.e. 4.5%). The reply was not tenable because as per JMF and Laboratory test report, the bitumen was used with the ratio 4.10% instead of 4.5%. The contract rate was not adjusted as per FD letter dated 02.08.2004.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that bitumen 4.5% was used in compliance of JMF prepared by the consultant. Audit disagreed with this view point as extraction test report showed that 4.1 % bitumen was used instead of 4.5%. The Committee directed the Authority to effect recovery within 30 days and get the record verified from Audit. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 315)

3.4.6.4 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Construction of Northern Bypass from LMQ Road (Dual Carriage Way) with service road Phase-I" sanctioned an item "Providing /laying asphaltic base course″ with 4 % ratio of bitumen. The Authority executed the item for the quantity of 2044 cum and paid accordingly, whereas as per job mix formula and test reports from Road Research and Material Testing Institute, the bitumen was used with the ratio 3.5% instead 4%. Hence, the Authority made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 1,266,529.

Audit pointed out the overpayment in September 2013. The Authority replied that payment to the contractor was made on quoted / approved rates of the contractor. The reply was not tenable because as per JMF and Laboratory test reports the bitumen was used with the ratio 3.5% instead of 4.0%. Contract rate was not adjusted/revised as per FD letter dated 02.08.2004.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that bitumen with 4% ratio was used in compliance of JMF prepared by the consultant. Audit disagreed with this view point as extraction test reports showed that 3.5 % bitumen was used in said item instead of 4%. The Committee directed to get the record re-verified within three days from Audit and to effect actual recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends production of record for verification of facts/recovery.

(DP. 321)

3.4.6.5 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Construction of Southern Bypass (Dual Carriage Way) from Vehari road to Bahawalpur chowk P-II" sanctioned an item "Providing /laying asphaltic wearing course″ with 4.5 % ratio of bitumen. The Authority executed the item for the quantity of 1927.173 cum and paid accordingly, whereas as per job mix formula and laboratory test reports from Road Research and Material Testing Institute, the bitumen was used with the ratio 4.1% instead 4.5%. Hence, the Authority made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 992,996.

Audit pointed out the overpayment in September 2013. The Authority replied that the payment to the contractor was made on quoted / approved rates of the contractor. The reply was not tenable because as per JMF and Laboratory test reports, the bitumen was to be used with the ratio

4.05% instead of 4.5%. Contract rate was not adjusted/revised as per FD letter dated 02.08.2004.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that bitumen 4.5% was used in compliance of JMF prepared by the consultant. Audit disagreed with this view point as extraction test reports showed that 4.05 % bitumen was used instead of 4.5%. The Committee directed to get the record reverified within one week from Audit and to effect actual recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends production of record for verification of facts/recovery.

(DP. 317)

3.4.6.6 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Construction of Southern Bypass (Dual Carriage Way) from Vehari Road to Bahawalpur Chowk P-II" sanctioned an item "Providing /laying asphaltic base course" with 4 % ratio of bitumen. The Authority executed the item for the quantity of 1136.022 cum and paid accordingly, whereas as per job mix formula and laboratory test reports from Road Research and Material Testing Institute, the bitumen was used with the ratio 3.5% instead 4%. Hence, the Authority made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 650,382.

Audit pointed out the overpayment in September 2013. The Authority replied that the payment to the contractor was made on quoted / approved rates of the contractor. The reply of the Authority was not tenable because as per JMF and Laboratory test report the bitumen was used with the ratio 3.5% instead of 4.0%. Contract rate was not adjusted/revised as per FD letter dated 02.08.2004.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that bitumen with 4% ratio was used in compliance of JMF prepared by the consultant. Audit disagreed with this view point as extraction test reports showed that 3.5 % bitumen was used instead of 4% in said item. The Committee directed to get the record reverified within one week from Audit and to effect actual recovery. No

compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to probe the matter for fixing responsibility against the officer(s) concerned for negligence besides effecting recovery of overpayment.

(DP. 322)

3.4.7 Irregular award of works in violation of PPRA's Rules - Rs 98.51 million

As per rule 12(2) and 13 of Punjab Procurement Regulatory Authority's (PPRA) Rules 2009 "all procurement opportunities over two million rupees would be advertised on the PPRA's 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".

3.4.7.1 The Director, Waste Water Management, WASA, FDA, Faisalabad advertised various works above two million rupees in National News papers and awarded works to different contractors but the Agency did not advertise the works on PPRA's website for wide publicity. Further, the Agency gave response time to the bidders for 06 to 13 days only instead of 15 days in contravention of PPRA's Rules.

Weak administrative and financial controls resulted in irregular award of works for Rs 63,322,300.

Audit pointed out irregularity in September 2013. The Agency replied that the para was sent to P&D Directorate, WASA for reply. The reply was not tenable as works were awarded in violation of instructions of PPRA's Rule 2009.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that the works were advertised in National Press and were awarded to the lowest bidders, in a very transparent manners. However, these could not be given / placed at website of PPRA. The Committee did not accept the contention of the Agency as the response time given was less than required in PPRA Rule. The Committee directed the Agency to get condonation from the Finance

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

Audit recommends to probe the matter for fixing responsibility besides obtaining condonation of irregularity from the Finance Department.

(DP. 272)

3.4.7.2 The Director Construction-II, WASA, FDA, Faisalabad advertised various works above two million rupees in National Newspapers and awarded works to different contractors but the Agency did not advertise the works on PPRA's website for wide publicity and gave response time to the bidders only of 06 to 09 days instead of 15 days in contravention of PPRA's Rules.

Weak administrative and financial controls resulted in irregular award of works for Rs 17,090,866.

Audit pointed out irregularity in August 2013. The Agency replied that the works were allotted to different contractors after completing codal formalities. The reply was not tenable because the works were awarded in violation of PPRA's Rules ibid.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency reiterated on its 1st reply. The Committee did not accept the contention of the Agency and directed for obtaining condonation of violation of PPRA's Rules from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain condonation of irregularity from the Finance Department.

(DP. 106)

3.4.7.3 The Director O&M (West), WASA, FDA, Faisalabad advertised various works above two million rupees in National Newspapers and awarded works to different contractors but the Agency did not advertise the works on PPRA's website for wide publicity. Further, the Agency gave response time to the bidders of 07 to 13 days only instead of 15 days in contravention of PPRA's Rules.

Weak administrative and financial controls resulted in irregular award of works for Rs 12,422,529.

Audit pointed out irregularity in September 2013. The Agency replied that the para was sent to P&D Directorate, WASA for reply. The reply was not tenable as works were awarded in violation of instructions of PPRA's Rule 2009.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that the works were advertised in National Press and were awarded to the lowest bidders, in transparent manners. However, these could not be given / placed at website of PPRA. The Committee did not accept the contention of the Agency as the response time given was less than required in PPRA Rules. The Committee directed the Agency to get condonation from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to probe the matter for fixing responsibility besides obtaining condonation of irregularity from the Finance Department.

(DP. 266)

3.4.7.4 The Director O&M (East), WASA, FDA, Faisalabad advertised various works above two million rupees in National Newspapers and awarded works to different contractors but the Agency did not advertise the works on PPRA's website for wide publicity. Further, the Agency gave response time to the bidders of 07 to 13 days only instead of 15 days in contravention of PPRA's Rules.

Weak administrative and financial control resulted in irregular award of works for Rs 5,677,085.

Audit pointed out irregularity in August 2013. The Agency replied that the para had been sent to P&D Directorate WASA. The reply was not tenable as works were awarded in violation of PPRA's Rule 2009.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that the works were advertised in National Press and were awarded to the lowest bidders, in transparent manners. However, these could not be given / placed at website of PPRA.

The Committee did not accept the contention of the Agency as the response time given was less than required in PPRA Rule. The Committee directed the Agency to get condonation from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to probe the matter for fixing responsibility besides obtaining condonation of irregularity from the Finance Department.

(DP. 262)

3.4.8 Non-recovery of commercialization fee - Rs 68.71 million

According to Rule 55(a) of Land Use Rules 2009, the conversion fee for the conversion of residential, industrial, pre-urban area or intercity service area to commercial use shall be 20% of the value of the commercial land as per valuation table or 20% of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table was not available.

3.4.8.1 The Director, Commercialization LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the owners of 08 commercial plots in Gulshan-e-Ravi Scheme, Lahore for the year 2012-13. The Authority approved / allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less / part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 22,258,330.

Audit pointed out the non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 239)

3.4.8.2 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the 06 owners of commercial plots in Samanabad Scheme Multan Road, Lahore for the year 2012-13. The Authority approved/ allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 20,104,455.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 241)

3.4.8.3 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the owners of 04 commercial plots in M.A Johar Town Scheme, Lahore for the year 2012-13. The Authority approved/ allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 5,924,056.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 240)

3.4.8.4 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the owners of 04 commercial plots of Quaid-e-Azam Town Scheme of LDA, Lahore for the year 2012-13. The Authority approved/ allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owner either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 4,462,622.

Audit pointed out the non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 237)

3.4.8.5 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from owners of 03 commercial plots in Mauza Chandroy & Dahu Kalan, Ferozpur Road, Lahore for the year 2012-13. The Authority approved / allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less / part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 4,330,330.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 238)

3.4.8.6 The Director Commercialization, LDA, UD Wing, Lahore did not recover the annual commercialization fees of Rs 3,589,441 from 09 owners of commercial plots for the year 2012-2013. The Authority issued demand notices but despite expiry of due dates no recovery was received. The Authority neither cancelled the permission for temporary commercialization / banned commercial activities nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,589,441.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends effecting early recovery alongwith fixing responsibility against the officer(s) concerned.

(DP. 242)

3.4.8.7 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the 02 owners of commercial plots in Tajpura Housing Scheme, Lahore for the year

2012-13. The Authority approved/ allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 2,403,637.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 245)

3.4.8.8 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fees from the owners of 03 commercial plots in Gulshan-e-Ravi and Quaid-e-Azam Town Lahore schemes. The Authority approved/ allowed permanent commercialization to the owners of the plots and issued demand notices for deposit of fees. The owners either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,981,390.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 244)

3.4.8.9 The Director Commercialization, LDA UD-Wing, Lahore did not recover permanent commercialization fees from the owner of Property No 34 Block-D PIA Housing Society, Lahore for the year 2012-13. The Authority approved/ allowed permanent commercialization to the owner of the plot and issued demand notices for deposit of fees. The owner either deposited less/ part payment or did not deposit the same. The Authority neither cancelled the sanctions nor recovered the outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,980,000.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 243)

3.4.8.10 The Director Commercialization, LDA, UD-Wing, Lahore did not recover permanent commercialization fee from the owner of property No. 2 Gulshan-e-Iqbal. The Authority approved / allowed permanent commercialization to the owner of the plot and issued demand notices for deposit of fee. The owners either deposited less / part payment or did not deposit the same. The Authority neither cancelled the sanction nor recovered the balance outstanding dues.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,675,350.

Audit pointed out non-recovery in August 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The authority neither submitted working papers nor attended

meeting. The Committee took serious notice and directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery and its verification.

(DP. 246)

3.4.9 Non-recovery of lease rent - Rs 57.04 million

According to condition No. 2, 3 and 4 of lease agreement of plot No 90 Block-C-II Gulberg-III Lahore entered on 21.06.2010 between Lahore Development Authority and M/s Attock Petroleum Ltd. Islamabad, the lessee, within 60 days after completion of every 3 years, would pay rent amount alongwith 10% increase for the next three years in advance. Further, as per demand notice issued by the LDA vide No. DEM/LDA/ADR/787 dated 31.07.2013 the lessee was required to pay rent amounting to Rs 57,041,622 for the period from 16.06.2013 to 15.06.2016 in advance within 6 weeks from the issuance of demand notice. In case of default the lessee would pay the surcharge @ 17.50% per month.

The Director Estate Management-I, LDA, UD-Wing, Lahore leased out plot No. 90, Block-C-II, Gulberg-III Lahore to M/s Attock Petroleum Ltd Islamabad on 21.06.2010. The lessee did not pay rent for the period 16.06.2013 to 15.06.2016. The Authority neither cancelled the lease agreement nor recovered rent along with surcharge from the lessee.

Weak supervisory and financial controls resulted in non-recovery of Rs 57,041,622.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notice / reminder was issued to the lessee for recovery. The Committee directed to effect admitted recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends effecting recovery alongwith surcharge besides fixing responsibility for non-initiation of timely action.

(DP. 252)

3.4.10 Irregular grant and non-adjustment of advances - Rs 48.49 million

As per Rule 2.10 (b) (5) and 2.20 of Punjab Financial Rules (Volume-I), it is not permissible to draw advance from fund for the execution of work in future and every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

3.4.10.1 The Director Finance, WASA, Lahore Development Authority, Lahore granted advances of Rs 29.190 million to his officers during the financial year 2012-13 for the execution of works. Despite lapse of considerable period, the advances were not adjusted.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 29,190,532.

Audit pointed out the irregular expenditure in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that most of concerned employees had submitted adjustments which were under verification / pre audit from Resident Director Audit. Hence, an amount of Rs 10.188 million had been adjusted and was verified by Audit. The amount of para reduced to Rs 19.002 million by the Committee with the direction to effect the balance recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to regularize the matter.

(DP. 423)

3.4.10.2 The Director Finance & Administration, PHA, Multan granted advances of Rs 10.779 million during the year 2012-13, but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 10,779,000.

Audit pointed out the irregularity in August 2013. The Authority replied that the matter for adjustment of amount in question was under

process. The reply was not tenable because grant of advances and its non-adjustment was against the rules.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Authority could not produce the record about adjustment of advance. The Committee took it seriously and directed the Authority to produce the vouched account to Audit within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 187)

3.4.10.3 The Director Finance & Administration, PHA, Multan granted advances of Rs 9.485 million during the year 2012-13 but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 9,485,000.

Audit pointed out the irregularity in August 2013. The Authority replied that the matter for adjustment of amount in question was under process. The reply was not tenable because grant and non-adjustment of advances were against the rules.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Authority could not produce the record about adjustment of advance. The Committee took it seriously and directed the Authority to produce the vouched account to Audit within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 186)

3.4.10.4 The Director Finance & Administration, MDA, UD Wing, Multan granted advances of Rs 6.717 million during the year 2011-13 but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 6,716,852.

Audit pointed out the irregularity in September 2013. The Authority replied that the matter for adjustment of amount in questions was under process. The reply was not tenable because grant and non-adjustment of advances were against the rules.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that adjustment of advances was under process. Audit found that the grant of advances to employees for execution of work was irregular. The Committee took it seriously and directed to adjust the advance within 90 days and to produce the adjusted account to Audit for verification / examination. The Committee further directed the Authority to get the irregularity condoned from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 307)

3.4.10.5 The Director Finance & Administration, MDA, UD Wing, Multan granted advances of Rs 1.649 million during the year 2012-13, but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 1,649,160.

Audit pointed out the irregularity in September 2013. The Authority replied that the advance at Sr. No. 1 to 4 amounting to Rs 339,340 pertained to Admn Branch of MDA for different purpose mentioned against each item, the adjustment of item was awaited. The advance at Sr. No. 5 to 7 amounting to Rs 1,309,910 was released by MDA to PHA, Multan for payment of salaries of PHA employees on loan basis with the approval of Director General, MDA, the adjustment of item was awaited. The reply was not tenable because grant and non-adjustment of advances were against the rules.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that advances were not adjusted. The Committee took it seriously and directed to adjust the advances within 30

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

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 305)

3.4.10.6 The Director Finance & Administration, MDA, UD Wing, Multan granted advances of Rs 0.746 million during the year 2012-13 but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 746,250.

Audit pointed out the irregularity in September 2013. The Authority replied that the matter for adjustment of amount in questions was under process. The reply was not tenable because grant and non-adjustment of advances were against the rules.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the advances were unadjusted. The Committee directed to adjust the advances within 90 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 304)

3.4.10.7 The Director Finance & Administration, MDA, UD Wing, Multan granted advances of Rs 0.115 million during the year 2012-13 but no advance was adjusted by obtaining vouched account.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 115,077.

Audit pointed out the irregularity in September 2013. The Authority replied that the advances at Sr. No. 1 to 3 were drawn in the year 2012. Legal Branch had written different letters to the conducting counsel of MDA to provide vouched accounts but uptill now no vouched account was provided by the concerned advocate. The advances at Sr. No. 4, 5, 6 & 9 were drawn in the year 2013 and Legal Branch had collected

vouched accounts from concerned and adjustment would be made within fortnight, accordingly. The reply was not tenable because grant and non-adjustment of advances were against the rules.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that adjustment of advances was under process. The audit rebutted that the grant of advances to employees for execution of work was irregular. The Committee took it seriously and directed to adjust the advance within 90 days and to produce the adjusted account to Audit for verification / examination. The Committee further directed the Authority to get the irregularity condoned from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends adjustment of advances and condonation of irregularity from the Finance Department.

(DP. 308)

3.4.11 Undue financial benefit to contractors - Rs 38.27 million

As per clause 47-A of contract agreement, if a contractor quoted such disproportionate rates in his tender which deviate from the rates provided in the technical sanction estimate, payment for the items whose rates were higher would be made at the rates depicted in technical sanction estimate. On the execution of such items, the balance payment would be withheld till the completion of the work of items for which low rates were quoted.

3.4.11.1 The Director Works, WASA, MDA, Multan awarded work "Construction of Sewerage Disposal Station Sewerage Scheme for New Shah Shams Colony under Prime Minister's Development Package for Sewerage & Water Supply, Multan (Part-I)" in May 2010 for Rs 447.214 million against the estimated cost of Rs 430.319 million to be completed within 550 days i.e upto 31.12.2011. The Authority made payment for items carrying higher rates at quoted rates instead of estimated rates till the completion of items carrying lower rates.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor of Rs 36,383,000.

Audit pointed out undue financial benefit in July 2013. The Agency replied that the quantities paid in 7th running bill were as per

estimated cost of Rs 217.644 million. Whereas, contractor was paid for Rs 206.034 million which was 11.53% less than the technical sanction estimate cost. The reply was not tenable because the payment was made to the contractor at quoted rates against admissible rates of technical sanction estimate.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Agency could not justify payment. The Committee directed the Agency to pay the technical sanction estimate rates under clause 47-A of the contract agreement and adjustment be done in next running bill within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends implementation of clause 47 (a), its verification and condonation of irregularity from competent authority.

(DP. 172)

3.4.11.2 The Director Engineering, MDA, UD Wing, Multan awarded work "Providing & Laying of Sui Gas Facility to Fatima Jinnah Town Phase-II, Vehari Road, Multan" in April 2011 for Rs 44.466 million against the estimated cost of Rs 42.572 million to be completed within 18 months i.e upto 02.10.2012. The Authority made payment for items carrying higher rates at quoted rates instead of estimated rates till the completion of items carrying lower rates.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 1,891,000.

Audit pointed out undue financial benefit in September 2013. The Authority replied that as per practice in vogue, after the completion of work, a comparative statement between quoted rates and estimated rates of executed items would be prepared. The recovery if due would be effected from the final bill of the contractor. The reply was not tenable because as per notification issued by the Finance Department/agreement clause, the balance payment was to be withheld till the completion of items of work carrying lower rates.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority argued that the contractor had completed almost 80% work and items carrying lesser rates were also being executed but could not produce record in support of reply. The Committee directed

the Authority to get the record verified within 07 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery alongwith initiating disciplinary action against the officer(s) concerned.

(DP. 319)

3.4.12 Inadmissible payment of price variation for the default period - Rs 34.95 million

As per Clause-39 read with Clasue-55(8) of the contract agreement, the contractor would complete the work within stipulated period and in case of failure he would be liable for penalty. Further, no escalation shall be allowed to the contractor in respect of the period extended for the completion of the work due to his own fault.

3.4.12.1 The Executive Engineer, Public Health Engineering Division, Nankana Sahib in the execution of work "Urban Water Supply Scheme Shah Kot G-II", made payment for price variation for 13th running bill measured / paid after expiry of stipulated period. The department awarded work for Rs 70.480 million with the stipulated period for completion 12 months i.e. from 18.06.2008 to 17.06.2009. The contractor failed to complete the work. The contractor abandoned the work without any reason despite repeated reminders / notices. The contractor did not resume the work. The department instead of imposing penalty and recovery of liquidated charges allowed the contractor price variation for Rs 28.481 million for the default period.

Weak supervisory and financial controls resulted in unjustified payment on account of price variation of Rs 28,481,260.

Audit pointed out unjustified payment in September 2013. The department replied that Clause 55 (8) was to be imposed in case of contractor at fault. In absence of full funds, penalty could not be imposed on contractor. Therefore, price escalation paid was fully justified and allowed by the competent authority. The reply was not tenable as a lot of correspondence was made with the contractor explaining progress of work, giving him notices to resume the abandoned work and with the threat to award work at risk and cost. This proved that the contractor was at fault. Hence, price variation was not admissible to the contractor.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Department reiterated on its previous reply. The Committee did not agree with the view point of the Department and directed to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP. 223)

3.4.12.2 The Executive Engineer, Public Health Engineering Division, Narowal in the execution of work "Rural Drainage Scheme Dhudo Chak, Kholian, Sood Gujran, Ladial Mayowan Dey Kothey, Group-II" made payment for price variation for 17th running bill, measured / paid after expiry of stipulated period. The stipulated period for completion of work was 12 months i.e. from 31.12.2009 to 30.12.2010. The department issued notice to the contractor to accelerate pace of work which proved that the contractor was at fault. Thus price variation paid for Rs 2.560 million was totally unjustified.

Weak supervisory and financial controls resulted in unjustified payment of price variation of Rs 2,560,001.

Audit pointed out unjustified payment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Department explained that clause-55(8) was not applicable as contractor was not at fault. The time extension was granted by the competent authority without any penalization. The Committee did not agree with the view point of the department because the contractor was served several notices about slow pace of work by the department. Hence, the Committee directed the department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP. 353)

3.4.12.3 The Executive Engineer, Public Health Engineering Division, Sargodha in the execution of work "Urban water supply scheme, Bhalwal Colonies (G-III)" made payment for price variation for 16th to 26th running

bill, measured / paid after expiry of stipulated period without extension in time limit. The department issued notice to the contractor to accelerate pace of work but failed which proved the contractor's fault.

Weak supervisory and financial controls resulted in unjustified payment on account of price variation of Rs 2,145,651.

Audit pointed out unjustified payment in August 2013. The department replied that during monitoring the progress notices were issued to the contractor to improve the progress of the work. The time limit mentioned in the acceptance letter was only if full funds would be provided by the Government. The reply was not tenable because the department issued notices to contractor continuously from December 2012 to June 2013 about his slow progress, suspension of work and warnings to take action under relevant clause of agreement. Funding and expenditure position showed that the contractor failed to utilize funds during 2009-10 and 2010-11.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated its previous stand. The Committee did not agree with the viewpoint of the department and directed the department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 158)

3.4.12.4 The Executive Engineer, Public Health Engineering Division, Khushab in the execution of work "Rural Water Supply Scheme Rukhla Mandi (Group-II)" made payment for price variation for 4th running bill, measured / paid after expiry of stipulated period. The stipulated period for completion of work was 6 months i.e. from 09.02.2010 to 08.08.2010. The contractor did not start execution of work within the agreement period and first measurement was recorded on 26.04.2012 which was almost eight months after expiry of agreement period. Thus price variation paid for Rs 1,303,150 was totally unjustified.

Weak supervisory and financial controls resulted in unjustified payment on account of price variation of Rs 1,303,150.

Audit pointed out unjustified payment in August 2013. The department replied that the scheme was approved for Rs 15.086 million which comprises upon two groups i.e. 1st group for developing source (spring) and 2nd group main force and distribution work. Work on both groups was awarded during February 2010. Due to paucity of funds the work could not be got executed. The reply was not tenable because as per rule tenders could not be invited without availability of funds. Hence, non-starting of the work in the agreement period and payment of price variation for the period beyond agreement was unjustified.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department reiterated its previous reply. The Committee upheld the contention of Audit and directed the department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 212)

3.4.12.5 The Executive Engineer, Public Health Engineering Division, Narowal in the execution of work "Rural Drainage Scheme in villages Bachnana Kot, Lagiyan, Hariyal, Pakhral and Fatui Chak" made payment for price variation for 4th bill measured / paid after expiry of stipulated period i.e. 08.02.2011 to 07.08.2011. The contractor did not start execution of work till 20.04.2011 despite issuance of notice. Resultantly, the contractor could not complete the work within stipulated period. Hence, paying price variation for Rs 460,762 beyond the agreement period was inadmissible.

Weak supervisory and financial controls resulted in unjustified payment of price variation for Rs 460,762.

Audit pointed out unjustified payment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Department explained that clause-55(8) was not applicable as contractor was not at fault. The time extension was granted by the competent authority without any penalization. The Committee did not agree with the view point of the department because the contractor was served several notices about slow pace of work by the department. Hence,

the Committee directed the department to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 349)

3.4.13 Undue financial benefit to the contractor due to non-obtaining of performance security - Rs 33.54 million

As per Finance Department's Notification No. RO (TECH)FD-1-2/ 83(VI)(P) dated 06.04.2005, performance security in the shape of bank guarantee is to be obtained at the rate of 5% of contract sum from the contractor if the cost of work exceeds Rs 50 million. Further, if the amount to make up the full security is not furnished within the specified period, the tender already accepted shall be considered cancelled and tender security will be confiscated according to clause 7 of the contract agreement.

3.4.13.1 The Executive Engineer, Public Health Engineering Division, Gujranwala awarded work "Urban Sewerage Drainage Scheme Kamoke", to a contractor at an agreement cost of Rs 274,924,182 in April 2009. The department did not obtain performance security equal to 5% of the agreement amount / tendered cost in the shape of bank guarantee or in cash from the contractor.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor for Rs 13,746,210.

Audit pointed out the irregularity in July 2013. The department replied that the contractor was repeatedly directed to furnish the performance security / bank guarantee of Rs 13,746,210. Since the contractor failed to respond so a sum of Rs 1,769,880 was deducted from the running bills of contractor and a cheque of balance amount for Rs 13,746,210 was received from the contractor. The reply was not tenable as under clause (h) of the memorandum of work of the performance security was required to be deposited within 15 days of issuance of the acceptance letter. Moreover, cheque for Rs 13,746,210 was not produced to Audit for verification.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that some amount on account of

performance security was deducted in different running bills. The Committee did not agree with the view point of the Department and directed to effect in lump sum amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to fix responsibility besides obtaining performance security.

(DP. 156)

3.4.13.2 The Executive Engineer, Public Health Engineering Division, Mianwali allotted work "Urban Sewerage Drainage Scheme Isa Khel" to a contractor at an agreement cost of Rs 106.917 million in June 2011 but performance security equal to 5% of the agreement amount / tendered cost in the shape of bank guarantee or in cash was not obtained from the contractor.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor for Rs 5,345,850.

Audit pointed out the irregularity in September 2013. The department replied that as per general condition of contract / agreement under clause 7 performance security for Rs 5,035,955 was deducted from contractor in 1st running bill dated 25.06.2011. The reply of the department was not tenable as the department failed to provide documentary evidence in support of reply. However, it was astonishing to observe that work order / acceptance letter was issued on 16.06.2011 and 1st running bill was paid on 25.06.2011 i.e. after 09 days only. Thus, the department measured the execution of work for the huge amount out of which performance security was deducted for Rs 5,035,955. It appeared advance measurement which may be got verified from Audit Office.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Department reiterated its previous reply. The Committee did not agree with the view point of the department because in limited 09 days it was not possible to measure and pay such a huge amount and it proved/appeared advance measurement. The Committee took it very seriously and directed to get the matter probed from Chief Engineer (North) within 15 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to probe the matter.

(DP. 225)

3.4.13.3 The Director Works, WASA, MDA, Multan awarded work "Laying of Sewer for area adjacent to Inner Bypass North Zone Multan G-II" for agreement cost of Rs 164.072 million to a contractor. The department neither obtained the performance security equal to 5% of agreement amount nor rescinded the work with the forfeiture of the earnest money.

Weak financial and supervisory controls put the department's interest at risk Rs 8,204,000.

Audit pointed out the matter in July 2013. The Authority replied that the performance security equal to 5% of the agreement amount would be recovered from the forthcoming bill of the firm. The reply was not tenable because as per agreement, the department was required to obtain the bank guarantee within 15 days of the issuance of acceptance letter.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Department replied that the matter was under process to obtain the performance security. The Committee directed to obtain the same within 07 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain performance security and condonation from the Finance Department besides disciplinary action against responsible(s).

(DP. 179)

3.4.13.4 The Director Works, WASA, MDA, Multan awarded two works "Dewatering & Sewer cleaning Machinery WASA Multan" and "Construction of Inner Bypass Road Pumping Station" for the agreement cost of Rs 51.578 million and 73.275 million respectively to two different contractors. The department neither obtained the performance security equal to 5% of agreement amount nor rescinded the work with the forfeiture of earnest money.

Weak financial and supervisory controls put the departmental interest at risk for Rs 6,243,000.

Audit pointed out the matter in July 2013. The Authority replied that the contractor was directed to provide performance security equal to 5% of the agreement amount as per provision of agreement. The reply was

not tenable as performance security was not obtained as per agreement. It needed condoation from the Finance Department besides disciplinary action against delinquents.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Department replied that the matter was under process to obtain the performance security. The Committee directed to obtain the same within 07 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain performance security and condonation from the Finance Department besides disciplinary action against responsible(s).

(DP. 173)

3.4.14 Non-recovery of building period surcharge - Rs 32.64 million

According to condition No. 12 & 17 of allotment letter of commercial plots, Faisal Town Scheme Lahore, the purchasers / owners were required to complete the building in accordance with building plan approved by the Town Planner, with in a period of three years from the date of issuance of allotment letter. Further, building period would be extended with imposition of surcharge ranging from 9% to 45.40% in consideration of extension in period.

The Director Estate Management-I, LDA, UD-Wing, Lahore allotted commercial plots to various purchasers. The owners of the plots could not construct building within original / extended building period. The Authority did not recover building period penalty / surcharge from the owners.

Weak supervisory and financial control resulted in non-recovery of building period surcharge of Rs 32,639,000.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices were issued to the owners of plots to pay LDA dues. The Committee directed to effect

admitted recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery of building period surcharge.

(DP. 249)

3.4.15 Unjustified payment due to non-obtaining of vouched accounts - Rs 32.35 million

As per rule 2.20 of PFR Volume-I, every payment including repayment of money previously lodged with the government for whatever purpose, must be supported by voucher setting forth full and clear particulars of the claim.

The Deputy Director, PHATA, Sub-Region Sheikhupura made advance payment for Rs 32.353 million to Tehsil Municipal Administration Sanglahill on account of "Rehabilitation of Area Development Scheme-Sanglahill" but the Tehsil Municipal Officer Sanglahill did not submit vouched account of the work.

Weak supervisory and financial controls resulted in non-obtaining of vouched account of Rs 32,353,000.

Audit pointed out unjustified payment in April 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency could not produce record for verification. The Committee took it seriously and directed to produce the same within 30 days failing which action would be initiated against the officers / officials at fault. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends production of vouched account at the earliest.

(DP. 53)

3.4.16 Unjustified payment / irregular allocation of plots - Rs 26.55 million

As per rule 2.33 of Punjab Financial Rules Volume-I, every government servant should realize fully and clearly that he would be held

personally responsible for any loss sustained by government due to fraud and negligence on his part.

The Director Land Development-I, LDA, UD-Wing, Lahore granted exemption of plots measuring 4 kanal 8.5 marla in Johar Town Scheme to Mr. Rehmat Ali s/o Ghulam Shabir. The Directorate of Land Development-I vide letter No DLD-I/2537 dated 29.05.2013, intimated that the mutation No 27403 and 27423 under which the land was transferred to Rehmat Ali s/o Ghulam Shabir was bogus. Hence, exemption granted to him against this land was liable to be cancelled. The Authority did not cancel the exemption granted to accused despite lapse of more than six months.

Weak supervisory and financial controls resulted in irregular allocation of plots of Rs 26,550,000.

Audit pointed out the lapse in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the case of bogus mutations was pending in the court of Mr. Akhtar Bhangoo, Senior Civil Judge, Lahore. The Committee deferred the para till decision of the court. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to investigate the matter for fixing responsibility against the officer(s) concerned.

(DP. 234)

3.4.17 Non-recovery of lease rent - Rs 15.31 million

According to Condition No II & III of lease agreement, the lessee would punctually pay to the lessor in advance the rent and on the expiry of three (3) years, the lease would be renewed with the increase @ 10% Per Annum.

The Director Estate Management-I&II, LDA, UD-Wing, Lahore leased out various sites to M/s Pakistan State Oil Co., Shell Pakistan Ltd and M/s Caltex Oil Co. Ltd. at different rates. The lessees did not deposit the increased rents after expiry of 1st three years/ terms. The Authority neither recovered the increased rent nor got vacated the sites from lessees.

Weak supervisory and financial control resulted in non-recovery of rent Rs 15,310,000.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the occupants had got the restraining orders from the Honorable Lahore High Court. The Committee deferred the para till decision of the court. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends pursuance of case in court of law and recovery at the earliest.

(DP. 248)

3.4.18 Unauthorized / Irregular provision of contingencies - Rs 13.99 million

According to the Finance Department's Notification issued vide No. FD(m)1-6/2000 dated 23.07.2007, the estimated cost of running of vehicles will be excluded from the work estimates and provision of contingencies be made @ 2%.

3.4.18.1 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work "Comprehensive Sewerage Scheme Haroonabad booked expenditure of Rs 109,522,236 as per Form PWA-27 June 2013 (Final) out of which total value of work done was Rs 102,343,684. The department paid Rs 7,178,552 on account of contingency against the admissible amount of Rs 2,046,873. Hence, the department booked / paid sum of Rs 5,131,679 on account of contingency excessively.

Weak technical and financial controls resulted in unauthorized / irregular expenditure of Rs 5,131,679.

Audit pointed out the irregularity in September 2013. The department replied that the excess payment was due to payment of consultancy fee of the firm and matter would be regularized in revised Administrative Approval which was under process of approval. The

department admitted irregularity regarding utilization of contingencies excess over provisions without approval of competent forum.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that the matter regarding excess booking of expenditure than approved in contingency would be regularized through revision of administrative approval. The Committee directed the Department to get it regularized within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization of the matter.

(DP. 191)

3.4.18.2 The Executive Engineer, Public Health Engineering Division, Bahawalnagar for the work "Comprehensive Sewerage Scheme Bahawalnagar" booked expenditure of Rs 130,356,947 as per Form PWA-27 June 2013 (Final) out of which total value of work done was Rs 123,623,849. The department paid Rs 6,733,098 on account of contingency against the admissible amount of Rs 2,472,477. Hence, the department booked / paid sum of Rs 4,260,621 on account of contingency excessively.

Weak supervisory and financial controls resulted in unauthorized / irregular expenditure of Rs 4,260,622.

Audit pointed out the irregularity in September 2013. The department replied that the excess payment was due to payment of consultancy fee of the firm and matter would be regularized in revised Administrative Approval which was under process of approval. The department admitted irregularity regarding utilization of contingencies excess over provisions without approval of competent forum.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that matter regarding excess booking of expenditure than approved in contingency would be regularized through revision of administrative approval. The Committee directed the department to get it regularized within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization of the matter.

(DP. 192)

3.4.18.3 The Deputy Director, PHATA, Sub-Region Gujranwala in the execution of works "Area Development Scheme Narowal & Construction of 3-Marla Housing Scheme at Pasrur" made provision of contingency @ 3% against admissible percentage of 2% in contravention of Finance Department instructions.

Weak supervisory and financial controls resulted in unauthorized / irregular provision of contingencies for Rs 1,935,558.

Audit pointed out the lapse in February 2013. The department replied that provision of 3% contingencies & work charged establishment was made in PC-I & Revised PC-I which was approved by DDS committee in its meeting held on 12.02.2013 and accordingly technical sanction estimate was sanctioned by the DG PHATA Lahore. The reply of the department was not tenable because 3% contingency was not admissible in accordance with the orders /instructions of Finance Department.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that the provision of 3% contingency in technical sanction estimate was approved by the DDSC in PC-I. The Committee did not agree with the viewpoint of the Authority and directed to get condonation of the irregularity from the Finance Department or effect recovery from the persons at fault. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 56)

3.4.18.4 The Deputy Director PHATA Sub-Region Rawalpindi in the execution of work "Area Development Scheme Hazro." made/sanctioned provision for contingencies @ 3% for Rs 4,607,322 against admissible percentage of 2% worked out to Rs 3,071,548 in contravention to FD's instructions.

Weak financial and supervisory controls resulted in unauthorized / irregular provision of contingencies for Rs 1,535,774.

Audit pointed out the irregular provision of contingencies in April 2013. The department replied that the provision for the contingency was approved at the rate of 3% in technical sanction estimate for Rs 2,303,666 by the competent authority. Reply of the department was not tenable because 3% contingency was not admissible in accordance with the orders / instructions of Finance Department.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that 3% contingency was approved in the technical sanction estimate by the competent authority. The Committee did not agree with the view point of the department as the contingency @ 3% was curtailed by the Finance Department in his letter dated 23.07.2007. The Committee deferred the para for getting condonation from the Finance Department within 30 days or effecting recovery from responsible. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 68)

3.4.18.5 The Deputy Director, PHATA, Sub-Region Sargodha in the execution of work "Development of 3-Marla Housing Scheme at Chak No. 138/SB Silanwali" made/sanctioned provision for contingencies @ 3% for Rs 33,78,249 against admissible percentage of 2% worked out to Rs 2,252,165 in contravention to FD's instructions

Weak financial and supervisory controls resulted in unauthorized / irregular provision of contingencies for Rs 1,126,084.

Audit pointed out the lapse in March 2013. The department replied that PC-I was approved by the Secretary HUD&PHE Department and was sanctioned by the D.G.PHATA with the provision of 3% contingency for work charge establishment and unforeseen items etc. The salaries of work charge establishment for watch & ward of the Scheme was met within the contingency provided in the PC-I and technical sanction estimate. The reply of the department was not tenable because all items/ components mentioned in reply were required to be met out of 2% contingency.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that 3% contingency was approved by the Director General (PHATA) in the technical sanction estimate. The Committee did not agree with the view point of the Authority and directed

the department to get condonation of the matter from the Finance Department or effecting recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain condonation from the Finance Department for regularization or effecting early recovery.

(DP.63)

3.4.19 Overpayment due to arithmetical mistake - Rs 13.52 million

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

3.4.19.1 The Director E&M, TEPA, Lahore awarded work "Supply / Installation / Supervision during installation testing / commissioning of LED Road lighting fixture" for technical sanction estimate cost of Rs 231.742 million to the contractor on 06.02.2013. The Agency paid 1st running bill for work done for Rs 18,798,923, secured advance for Rs 2,309,450 with deduction of amount already paid Rs 13,367,640. In 2nd running bill, the agency again deducted the amount of Rs 13,367,640 as already paid instead of total amount of 1st bill i.e. Rs 21,108,373. Similarly, in 3rd running bill, the Agency deducted the amount of Rs 21,108,373, already paid in 1st running bill instead of amount paid in 2nd running bill i.e. Rs 55,492,977.

Weak supervisory and financial controls resulted in overpayment of Rs 7,740,733.

Audit pointed out the overpayment in October 2013. The Authority replied that the total already paid amount was deducted from the work done of the subject work. The reply was not tenable because the amount was not deducted as per record produced at the time of Audit.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that record relating to the work was burnt in fire in LDA Plaza and produced unauthentic document in proof of deduction of amount of 1st and 2nd running bill. Audit did not agree with the view point of the Agency. The Committee directed to produce relevant

MB's for verification within three days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery alongwith action against person(s) responsible.

(DP. 443)

3.4.19.2 The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan in the execution of works "Disposal of Naurangabad effluent into Khandar Seepage Drain, D.G.Khan" paid price variation for the item 24″ i/d AC pipe for a quantity of 9224 rft by taking difference of rate Rs 903 per rft instead of Rs 309 per rft. Hence, rate of Rs 594 per rft was paid excessively.

Weak supervisory and financial controls resulted in overpayment to the contractor Rs 5,779,056.

Audit pointed out the overpayment in October 2013. The department stated that detailed reply would be submitted after complete verification of record. No further reply was given.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery and promised to effect it from next bill of the contractor. The Committee directed the Department to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends effecting recovery at the earliest.

(DP. 413)

3.4.20 Non-auction of unserviceable material - Rs 13.40 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.

3.4.20.1 The Director Procurement and Store, WASA, Lahore Development Authority, Lahore did not auction the unserviceable / surplus material lying in the store since long resulting in loss of Rs 10,053,000.

Weak supervisory and financial controls resulted in loss to Government for Rs 10,053,035.

Audit pointed out the loss in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that auction of old material was approved in noting side. The auction process would be completed at the earliest. The Committee directed the Agency to complete the auction process within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early auction.

(DP. 435)

3.4.20.2 The Director Engineering, WASA, GDA, Gujranwala did not auction the unserviceable items worth Rs 2.00 million lying with WASA. During formulation of Budget for 2012-13, it was shown under the head of non-development receipts. The Agency neither auctioned unserviceable material nor received any revenue under the head during the year. Non-auction was also against the Government of the Punjab's policy for eradication of dangue because the old unserviceable stock provides potential breading sites for dangue.

Weak and ineffective supervisory mechanism resulted in non-auction of unserviceable store of Rs 2,000,000.

Audit pointed out the non-auction of unserviceable items in July 2013. The Agency admitted that it could not materialize the auction process during 2012-13 despite serious efforts.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that auction of old material was approved in noting side. The auction process would be completed at the earliest. The Committee directed the Agency to complete the auction process within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early auction.

(DP. 281)

3.4.20.3 The Director Finance & Administration, MDA, UD Wing, Multan did not auction 06 Nos. vehicle declared as condemned w.e.f

02.04.2008. No survey report for disposal of the old vehicle was prepared and submitted to competent authority for approval.

Weak supervisory and financial controls resulted in non-auction of unserviceable vehicle of Rs 1,350,000.

Audit pointed out loss due to non-auction of condemned vehicles in September 2013. The Authority replied that the condemned vehicles as mentioned in the para could not be auctioned with the reason that alternate vehicles were not purchased. The reply was not tenable because Motor Vehicle Examiner declared these vehicles condemned w.e.f 02.04.2008.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that for auction of vehicles tender notice was invited. The Committee directed to complete the auction process within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early auction as the vehicles are further deteriorating in their residual value.

(DP. 306)

3.4.21 Irregular payment beyond the provision of revised technical sanction estimate - Rs 13.01 million

According to Para 5.19 of B & R Code, no excess over revised technical sanction estimate could be paid without concurrence of the Finance Department.

3.4.21.1 The Executive Engineer, Public Health Engineering Division, Layyah in the execution of work "Urban Sewerage Scheme Chowk Azam Layyah measured and paid contents for different items under sub-head RCC sewer more than provided in revised technical sanction estimate without approval of the authority.

Weak supervisory and financial controls resulted in irregular payment of Rs 6,873,114.

Audit pointed out the irregular payment in July 2013. The department replied that the excessive quantities as pointed out in audit

para were executed as per requirements of the people / site. The same were taken in revised estimate of Chowk Azam and were submitted to the authority vested with the powers to accord revised administrative approval. The department admitted excess over provisions of revised technical sanction estimate / Administrative Approval as pointed out in observation without concurrence of the Finance Department.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Committee directed the department to produce the 2nd revised estimate duly approved from the competent forum i.e. (Finance Department) within 30 days or to effect recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early regularization or effecting the recovery.

(DP. 125)

3.4.21.2 The Executive Engineer, Public Health Engineering Division, Layyah in the execution of work "Urban Sewerage Scheme Fateh Pur Thesil Karror" measured and paid quantity of 144104 cft for base course and 290081 sft for TST for the length of road 20938 rft against the quantity of base course 104915 cft and TST 209830 sft respectively as per provisions of revised technical sanction estimate.

Weak supervisory and financial controls resulted in irregular payment of Rs 4,109,559.

Audit pointed out the irregular payment in July 2013. The department replied that the excessive quantities were taken in revised estimate submitted to the competent authority for sanction. The reply was not tenable because prior approval of authority that accorded technical sanction estimate/AA was required to be obtained for execution of additional work besides concurrence of Finance Department.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The Committee deferred the para with the direction to produce the 2nd revised estimate duly approved from the competent forum i.e. (Finance Department) within 30 days or effecting recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 126)

3.4.21.3 The Executive Engineer, Public Health Engineering Division, Faisalabad in the execution of work "Rehabilitation of Rural Water Supply Scheme Chak No.215/RB measured and paid quantity of 40907 rft for the item "P/L cutting, jointing, disinfecting 14″ i/d AC pipe" and "M.S Blind pipe ¼″ thick" for 300 rft against quantities of 40200 rft & 250 rft provided in revised sanctioned estimate without concurrence of the Finance Department.

Weak supervisory and financial controls resulted in irregular payment of Rs 835,103.

Audit pointed out the irregular payment in July 2013. The department replied that work was executed as per site requirement to complete the rising main upto village i.e. 40900 rft against 40200 as per estimate which was minor excess. The reply of the department was not tenable because excess over revised technical sanction estimate was required to be regularized by obtaining concurrence of Finance Department.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department admitted the recovery. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 130)

3.4.21.4 The Executive Engineer, Public Health Engineering Division, Gujranwala for the work "Rural Drainage and PCC Scheme Jallan", made payment under sub head "sullage carrier" for Rs 782,359 upto 12th running bill over and above provision in the A.A / technical sanction estimate / revised A.A / technical sanction estimate. Thus, the department made excess payment over and above the revised technical sanction estimate.

Weak supervisory and financial controls resulted in irregular payment of Rs 782,359.

Audit pointed out the irregular payment in July 2013. The department replied that the item under head "sullage carrier" existed in AA, T.S estimate and agreement. The reply of the department was not tenable as "sullage carrier" was not provided in administrative approval.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated its previous stand. The Committee did not accept the view point of the Department as the expenditure was incurred in deviation of revised technical sanction estimate without concurrence of Finance Department. The Committee directed the Department either to get the expenditure regularized from the Finance Department or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization of the expenditure from competent forum or effecting the recovery.

(DP. 152)

3.4.21.5 The Executive Engineer, Public Health Engineering Division, Mianwali for the work "Urban Water Supply Scheme Isa Khel", measured and paid an item of work "providing, laying, cutting jointing testing and disinfecting of PVC pipe B class 'B' of 3″, 4″ and 6″ dia" for streets / lines / points which were either not provided in the length statement placed in the revised T.S estimate or excessive in length.

Weak supervisory and technical controls resulted in irregular payment of Rs 405,220.

Audit pointed out the irregular payment in September 2013. The department replied that actually the length statement of streets / lines and points were changed due to change of locations of source. However, quantity measured and paid to contractor was within estimated provision. The reply of the department was not tenable as it was not matter of overall measurement rather it was matter of excess payment beyond the provision of revised technical sanction estimate.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that streets, lines and points were changed due to political influence but the quantity measured / paid were well within the estimated provision. The Committee did not agree with the view point of the department and directed to get the matter regularized from the Finance Department or effecting recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery or obtaining condonation from the Finance Department.

(DP. 228)

3.4.22 Undue financial benefit due to non-obtaining of additional performance security - Rs 12.50 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 within 15 days of the receipt of the acceptance.

3.4.22.1 The Executive Engineer, Public Health Engineering Division, Multan accepted / allotted work "Rural Water Supply Scheme Traggar" to the contractor at 16.28% below the estimated cost of Rs 56,524,311 put to tender but did not obtain additional performance security for Rs 9,196,505 from the contractor in the shape of bank guarantee.

Weak supervisory and financial controls resulted in undue financial benefits to the contractor for Rs 9,196,505.

Audit pointed out undue financial benefit in July 2013. The department replied the work was awarded to contractor @ 16.28% below the estimate cost. The additional performance security was being deducted from the contractor bill regularly as admissible under the clause 7 of the contract agreement. The reply was not tenable because obtaining of additional performance security was pre-requisite i.e. within 15 days of issuance of acceptance letter and not linked with clause-7 of contract agreement.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated on its previous reply. Audit rebutted that as per clarification made by the Finance Department, vide letter No.RD(Tech)FD-1-2/83/VI(P) dated 24.01.2006, the department should had obtained lump sum amount of additional performance security. The Committee upheld the viewpoint of Audit and directed the department to obtain lump sum security within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends obtaining of additional performance security besides condonation of irregularity from the Finance Department.

(DP. 133)

3.4.22.2 The Executive Engineer, Public Health Engineering Division, Gujranwala awarded work "Water Supply Scheme Kashmir Colony and adjoining abides Gujranwala", to contractor in May 2010 and contractor quoted 9.50% below rates against technical sanction estimate (DNIT) amount. The department did not obtain additional performance security in the shape of bank guarantee. Non-adherence to contract clause resulted in undue benefit of Rs 3.304 million to the contractor.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor for Rs 3,304,000.

Audit pointed out the irregularity in July 2013. The department replied that the work was awarded to contractor being lowest bidder. The contractor extended additional performance security in shape of Bank Guarantee. The reply was not tenable as the department failed to provide additional performance security during audit as well as with the reply.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated on its previous reply. Audit rebutted that as per clarification made by the Finance Department, vide letter No. RO (Tech) FD-1-2/83 (VI) (P) dated 06.04.2005, the department should had obtained lump sum amount of additional performance security. The Committee upheld the viewpoint of Audit and directed the Department to obtain lump sum security within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain additional performance security besides condonation of irregularity from the Finance Department.

(DP. 157)

3.4.23 Lapse of development funds due to non-surrender - Rs 11.13 million

According to para 14.3 of Punjab Budget Manual, "all anticipated savings should be surrendered to Government immediately, without waiting till the end of the year".

Scrutiny of record of the Director Finance, WASA, LDA, Lahore revealed that the Government of Punjab allocated funds under Annual Development Programme for various development project of WASA during 2012-13. The Agency could not utilize the funds for Rs 11.128 million during the year. The Agency did not surrender the funds to the Government for further use. Hence, the funds were lapsed.

Weak supervisory and financial controls resulted in non-utilization of funds of Rs 11,128,000.

Audit pointed out the lapse in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that concerned quarter was conveyed regarding comments and as soon as they were received, the same would be produced for verification. The Committee took it seriously and directed that justification regarding lapse of development funds be provided within 15 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization of the matter.

(DP. 426)

3.4.24 Non-recovery of development charges of plot - Rs 10.29 million

As per decision of 59th Governing Body meeting held on 09.07.2012 development charges @ Rs 24,500 per marla would be recovered from the allottees of Fatima Jinnah Town, Phase-II.

The Director, Estate and Land Management, MDA-Multan did not recover the enhanced development charges from twenty eight (28) allottees of Fatima Jinnah Town, Phase-II Multan.

Weak supervisory and financial controls resulted in non-recovery of enhanced development charges of Rs 10,290,000.

Audit pointed the non-recovery in November 2013. The Authority replied that notices were issued to the allottees of plots for payment of enhanced amount.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices were issued to the

allottees for recovery. The Committee directed to recover it within 90 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 335)

3.4.25 Overpayment due to non-reduction in rate of bitumen - Rs 10.10 million

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

The Director Engineering, MDA, UD Wing, Multan used unpacked (bulk) bitumen in items of prime coat, tack coat and in plant premixed bituminous carpeting asphaltic base course and plant premixed bituminous carpeting asphaltic wearing course but recovery @ Rs 4.50 per kg for use of bulk bitumen in works was not made.

Weak supervisory and financial controls resulted in overpayment of Rs 10,101,552.

Audit pointed out the overpayment in September 2013. The Authority replied that the matter of packed/unpacked bitumen was not concerned with nomenclature of MRS read as "Providing & Laying plant premixed bituminous carpet including compaction and finishing to required camber, grade and density" without giving any further remarks about supply of packed or unpacked bitumen. In the light of MRS the bitumen used in asphaltic base/wearing course was paid as per rate quoted by the contractor. The reply was not tenable because it was the clear violation of Finance Department's notification.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority admitted the recovery. The Committee directed the Authority to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to investigate the matter for fixing responsibility besides effecting recovery.

(DP. 325)

3.4.26 Irregular enhancement of agreement in violation of PPRA's Rules - Rs 9.88 million

As per rule 42(c)(iv) of Punjab Procurement Regulatory Authority's (PPRA) Rules 2009 "repeat orders should not be executed more than fifteen percent of the original procurement".

The Director Operation & Maintenance (East), WASA, FDA, Faisalabad awarded three works amounting to Rs 1.072 million, Rs 17.708 million and Rs 0.964 million to the different contractors. The Agency enhanced the scope of works to Rs 2.089 million, Rs 27.719 million and Rs 2.773 million respectively. The enhancement in scope of works was ranging from 57% to 188% against admissible rang of 15%. Hence, the Agency increased scope of work in violation of PPRA's Rules, 2009.

Weak supervisory and financial controls resulted in irregular enhancement of agreement of Rs 9,877,000.

Audit pointed out irregularity in August 2013. The Agency replied that enhancement of contracts were made with the approval of the competent authority due to emergency. The reply of the Agency was not tenable as the enhancement of contract agreement was made in violation of rules ibid.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency did not produce any record for verification. However, considering facts regarding enhancement in scope of work ranging from 57% to 188% on the original agreement, the Committee directed the Agency to get the irregularity condoned from the Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain condonation from the Finance Department besides action against responsible person(s).

(DP. 263)

3.4.27 Non-recovery of cost of shops - Rs 8.73 million

As per Condition No. 9 & 12 of Terms & Conditions of auction in Block-G Sabzazar Lahore held on 14.02.2013, the highest bidder would deposit 1/3rd of bid value in advance and remaining 2/3rd amount within

30 days. In case of failure to deposit the 2/3rd amount of shops within due date, the acceptance of the bid would be cancelled and 1/3rd deposited amount would be forfeited in favour of Authority.

The Director Estate Management-I, LDA, UD-Wing, Lahore auctioned 03 shops in Block-G Sabzazar Scheme, Lahore on 14.02.2013 to different successful bidders. The bidders deposited 1/3rd of bid amount in advance, but could not deposit the remaining balance of 2/3rd of bids amount within 30 days. The Authority neither recovered the outstanding dues nor cancelled the bids with the forfeiture of 1/3rd already deposited.

Weak supervisory and financial controls resulted in non-recovery of 2/3rd auction amount of Rs 8,730,000.

Audit pointed out non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices / reminders were issued to owners for recovery. The Committee directed to effect admitted recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery or forfeiture of 1/3rd deposited amount.

(DP. 251)

3.4.28 Non-recovery / non-usage of dismantled material - Rs 8.44 million

According to para 18.1 (9) (i), Chapter 18 of specification for execution of work, the cost of old dismantled material retrieved during execution of work was to be recovered from the contractor.

3.4.28.1 The Executive Engineer, Public Health Engineering Division, Okara in the execution of work "Improvement and Extension of Sewerage Scheme Hujra Shah Muqeem (Group-II)" measured/ paid quantity for 51889.69 cft for the item dismantling and removing road metalling but did not recover cost of old material @ Rs 31.35 per cft as provided in acceptance letter.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,621,553.

Audit pointed out the non-restoration of old material / recovery in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery of dismantled material and promised to effect the same in next bill. The Committee deferred the para for effecting recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 387)

3.4.28.2 The Executive Engineer, Public Health Engineering Division, Sahiwal in the execution of work "Extension / Rehabilitation of Sewerage Scheme Sahiwal City" measured and paid dismantling and removing road metalling & road pavement but did not restore the full quantity at site or credited to work.

Weak supervisory and financial controls resulted in overpayment of Rs 1,335,082.

Audit pointed out the non-restoration of old material / recovery in August 2013. The department replied that the work was still in progress and restoration was part of the estimate. The same would be executed in near future.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department admitted the recovery regarding restoration of dismantled material. The Committee directed the department to restore the old material or effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends restoration of old material or recovery at the earliest.

(DP. 118)

3.4.28.3 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work, "Urban Water Supply Scheme

Fortabbas (Group-I & II)" measured and paid dismantling and removing road metalling & road pavement but neither restored the quantity at site nor credited to work or recovered / adjusted cost of old material.

Weak supervisory and financial controls resulted in non-recovery of old material Rs 1,293,452.

Audit pointed out the non-restoration of old material / recovery in September 2013. The department replied that quantities of dismantled material would be consumed at the time of complete restoration. The reply of the department was not tenable because restoration was required to be carried out at the time of execution of allied items of work.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that dismantled material would be consumed at the time of completion of scheme. The Committee directed the Department to restore the old material or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to restore old material / recovery at the earliest.

(DP. 199)

3.4.28.4 The Executive Engineer, Public Health Engineering Division, Toba Tek Singh provided quantity of 527283 sft for dismantling of brick or flagged flooring in technical sanction estimate and the same was shown as restoration with the ratio of 67:33 of old and new bricks. Audit observed that the department did not account for / adjust the cost of old brick/brick bats equal to the quantity of new bricks used in restoration. Hence, the quantity of 64058 cft was less adjusted.

Weak supervisory and financial controls resulted in less adjustment of old material of Rs 1,281,160.

Audit pointed out the less adjustment in October 2013. The department replied that according to item 29 Chapter-4 dismantling and item 10, Chapter-21 of MRS 2nd Bi-annual 2012, District Toba Tek Singh, dismantling and restoration was taken in the estimate and accordingly paid as no recovery mentioned in the remarks column of MRS in place of 33% of new bricks. The reply of the department was not tenable because the question of mentioning in remarks column did not arise as 33% material

shown replaced with new at the time preparing rate analysis of the item restoration. Hence, accountal or recovery of replaced material needed to be made.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that recovery of dismantled material pointed out by the Audit was admitted and it was based on purely technical sanction estimate whereas the work was in progress and only 26485 sft work done for item "dismantling bricks and flagged flooring". The actual recovery upto 8th running bill came to Rs 635 only which would be recovered in next running bill of the contract. The Committee directed the department to effect recovery accordingly and to produce final bill for verification. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 392)

3.4.28.5 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work "Replacement & Upgradation of Urban Water Supply Scheme Bahawalnagar (Group-II)" measured and paid for the item dismantling road pavement for the quantity of 42131 cft. The department neither restored the material retrieved from dismantling nor recovered its cost from the contractor.

Weak supervisory and financial controls resulted in overpayment to the contractor Rs 710,126.

Audit pointed out the non-restoration of old material / recovery in September 2013. The department replied that the balance quantities of dismantled material would be consumed at the time of complete restoration. The reply of the department was not tenable because restoration or adjustment was required to be carried out alongwith the execution of allied items of work.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that dismantled material would be consumed at the time of completion of scheme. Hence, the Committee directed the Department to restore the old material or effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends restoration of old material or recovery at the earliest.

(DP. 195)

3.4.28.6 The Executive Engineer, Public Health Engineering Division, Layyah in the execution of work "Urban Sewerage Scheme Fateh Pur Thesil Karror" measured / paid a quantity of 41612 sft for the item "dismantling brick or flagged flooring pavement" but neither the quantity was utilized / restored at site nor recovered or credited to work.

Weak supervisory and financial controls resulted in non-recovery / restoration of material for Rs 554,380.

Audit pointed out the non-restoration of old material / recovery in July 2013. The department replied that maximum dismantled streets were already restored by the contractor but payment not yet made to the contractor due to non-completion of the work. The balance dismantled streets would be restored as early as possible.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department admitted the recovery regarding restoration of dismantled material. The Committee directed the Department to restore the old material or effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends restoration of old material or recovery at the earliest

(DP. 121)

3.4.28.7 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work "Urban Sewerage Scheme, Haroonabad" measured/ paid quantity of 50726 cft for the item "dismantling of metalled road but restored at site only 6083 cft. The balance quantity of 44643 cft was neither restored nor recovered or credited to work.

Weak supervisory and financial controls resulted in overpayment of Rs 446,430 to the contractor.

Audit pointed out the non-restoration of old material / recovery in September 2013. The department replied that the balance quantities of

dismantled material would be consumed at the time of complete restoration. The reply of the department was not tenable because restoration or adjustment was required to be carried out alongwith the execution of allied items of work.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted that dismantled material would be consumed at the time of completion of scheme. The Committee directed to the Department to restore old material or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends restoration of old material or recovery at the earliest.

(DP. 190)

3.4.28.8 The Executive Engineer, Public Health Engineering Division, Okara in the execution of work "Construction of Storm Water Channels and Provision of Tuff Tiles at Hujra Shah Muqeem" measured / paid quantity of 17345 cft for the item "dismantling brick work in lime or cement mortar" but did not restore the full quantity at site or credited to work.

Weak supervisory and financial controls resulted in non-recovery of Rs 403,930.

Audit pointed out the non-restoration of old material / recovery in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that all dismantled material was taken away by the local people and a "note" in this regard was inserted in the technical sanction estimate. The Committee did not agree with the view point of the Department and directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 384)

3.4.28.9 The Director Works, WASA, MDA, Multan awarded work "Prime Minister Development Punjab Development Package Part-II,

Multan sewerage scheme for Middle Zone (Kirri Jamandan) Multan" to the contractor in February 2012. During execution an item of work "dismantling of brick on flagged flooring" was measured and paid for 2554.50 sqm but cost of old bricks / brick bats was not recovered from the contractor.

Weak supervisory and financial controls resulted in non-recovery of Rs 232,141.

Audit pointed out the non-restoration of old material / recovery in July 2013. The Authority replied that the bricks would be utilized for restoration of road cut portion at site.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department could not produce the record about admitted recovery. The Committee took it seriously and directed the Agency to restore old material or effect recovery within 7 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends restoration of old material or recovery at the earliest.

(DP. 183)

3.4.28.10 The Director Construction-I, WASA, FDA, Faisalabad measured and paid an item of work "dismantling of brick soling" in different works but did not recover the cost of old bricks obtained from dismantling of soling from the contractors. The Authority neither recovered the cost of dismantled bricks nor restored the soling.

Weak supervisory and financial controls resulted in non-recovery of Rs 284,849.

Audit pointed out the non-restoration of old material / recovery in August 2013. The Authority replied that the works were in process. As and when, the contracts would be finalized, either recovery or restoration would be made. The reply was not tenable because almost all the works were near to completion but the Authority neither recovered the cost of old bricks nor restored at site.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority effected part recovery of Rs 114,179. The

Committee directed the Authority to effect balance recovery within 30 days and reduced the para to Rs 170,670. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 100)

3.4.28.11 The Executive Engineer, Public Health Engineering Division, Faisalabad measured and paid quantity of 88558 sft for dismantling of brick or flagged flooring. The department restored full quantity at site with the ratio of 67:33 of old and new brick. Audit observed that the department did not recover the cost of old brick/brick bat equal to the quantity of new bricks used in restoration. Hence, the quantity of 10638 cft was less recovered.

Weak supervisory and financial controls resulted in overpayment of Rs 159,570.

Audit pointed out the non-restoration of old material / recovery in July 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department admitted the recovery. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 131)

3.4.28.12 The Director Construction-II, WASA, FDA, Faisalabad measured and paid an item of work "dismantling of brick soling and lime or cement mortor in different works but did not recover the cost of old bricks obtained from dismantling of brick soling from the contractors. The Authority neither recovered the cost of dismantled bricks nor got restored the soling.

Weak supervisory and financial controls resulted in non-recovery of Rs 118,639.

Audit pointed out the non-restoration of old material / recovery in August 2013. The Authority replied that dismantled material was used at

site. The reply was not tenable as the Authority neither showed the consumption of dismantled material nor recovered the cost thereof.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority produced the record about effected recovery. During verification it was found that para was framed in consideration of deduction made by the Authority. Hence, the Authority was required to recover full amount pointed out by Audit. The Committee directed the Authority to recover the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 110)

3.4.28.13 The Executive Engineer, Public Health Engineering Division, Okara in the execution of work "Improvement and Extension of Sewerage Scheme Hujra Shah Muqeem (Group-III)" measured/ paid quantity for 3572.32 cft for the item dismantling and removing road metalling. The department did not recover cost of old material @ Rs 31.35 per cft as provided in acceptance letter.

Weak supervisory and financial controls resulted in non-recovery from the contractor Rs 111,992.

Audit pointed out the non-restoration of old material / recovery in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery of dismantled material and promised to effect the same from next bill. The Committee directed the Department to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 383)

3.4.29 Non-recovery of additional cost of plots - Rs 7.69 million

According to the decision of Cost Finalization Committee dated 22.10.2010, the Agency was required to recover the cost of plots at the enhanced rate determined by the Cost Finalization Committee.

3.4.29.1 The Deputy Director, PHATA, Sub-Region Gujranwala in 36 cases allotted the plots on provisional payment but did not recover the actual cost of plots as per decision of Committee despite lapse of considerable period.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,806,478.

Audit pointed out the non-recovery in February 2013. The Agency replied that Government had granted general extension to pay the balance Government dues with interest and penal interest. Further, the notices were issued to the allottees to pay the Government dues.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that notices were issued to the allottee. The Committee directed the Agency to take effective measures and to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 59)

3.4.29.2 The Deputy Director, PHATA, Sub-Region Sheikhupura allotted various plots of ADS-Sangalahill to different allottees @ of Rs 4,928 per marla. The rates were enhanced as Rs 7,654 per marla in the revised PC-I. The Agency could not recover the final cost / enhanced cost of the plots from the allottees.

Weak supervisory and financial controls resulted in non-recovery of Rs 5,504,000.

Audit pointed out non-recovery in April 2013. The Agency did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that the notices were issued to the allottees. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 22)

3.4.29.3 The Deputy Director, PHATA Sub-Region Rawalpindi in 27 cases allotted the plots on provisional payment but did not recover the actual cost of plots as per decision of Committee despite lapse of considerable period.

Weak financial and supervisory controls resulted in non-recovery of Rs 485,526.

Audit pointed out the non-recovery in April 2013. The Agency replied that recovery pointed out by Audit would be made shortly.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency produced record of effected recovery of Rs 109,352 out of total Rs 485,526 through different challans. Facts verified by Audit. The Committee directed the Authority to effect balance recovery within 30 days and reduced the para to Rs 376,174. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 69)

3.4.30 Non-recovery of development charges of plot - Rs 7.45 million

According to Condition No. 2 of Allotment Letter, read with Board of Revenue, Punjab's letter No. 093/2007/1753-S-II dated 21.11.2007 and decision of Governing Body, MDA-Multan in its 59th meeting held on 09.07.2012, the allottee of Fatima Jinnah Town, Phase-I, Multan would be liable to pay additional cost of land and enhanced development charges.

The Director, Estate and Land Management, MDA, Multan in thirty five (35) cases, did not recover additional cost of land @ Rs 5,500 per marla and development charges @ Rs 12,059 per marla from the allottees of Fatima Jinnah Town, Phase-I, Multan.

Weak supervisory and financial controls resulted in non-recovery of additional cost of plots and enhanced development charges of Rs 7,454,535.

Audit pointed the non-recovery in November 2013. The Authority replied that notices were issued to the allottees of plots for payment of enhanced amount.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices were issued to the allottees for recovery. The Committee directed to recover it within 90 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 336)

3.4.31 Overpayment due to application of incorrect input rates - Rs 7.35 million

As per Notification issued by the 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. Further, as per notified standardized analysis of rates in Market Rate System placed on the website by the Finance Department, no contractor profit and overhead charges were admissible on the items of carriage and transportation.

3.4.31.1 The Director Engineering, UD Wing, GDA, Gujranwala awarded a work "Dualization of Noshera Road from Sageer Shaheed Chowk to Awan Chowk, at By Pass, Gujranwala" to a contractor. The Authority approved rate analysis of the items "P/L Kerb Stone & Tuff Paver with the input rate of kerb stone for Rs 506.11 per rft and tuff paver for Rs 163.13 per sft against admissible rate for Rs 416.14 per rft and for Rs 118.40 as per item No. 1 and No. 2 of input rate of Finance Department for the 2nd Quarter, 2009 respectively. Hence, the Authority made overpayment to the contractor.

Weak supervisory and financial controls resulted in overpayment of Rs 2,658,778.

Audit pointed out the overpayment in August 2013. The Authority replied that the item was approved in T.S estimate from Taxila approved factory, because there was no approved manufacturer of tuff paver / kerb stone in Gujranwala. The analysis of rate was approved by the competent authority i.e Director General, TEPA, LDA, Lahore as authorized by the Secretary, HUD & PHE Department and requested by the Director General, GDA. So no overpayment was made to the contractor. The reply was not tenable because the Authority made payment with incorrect rate.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the items "P/L kerb stone and tuff paver" were not paid independently. Another item "Construction of 2′ wide road divider" was paid @ Rs 493.05 per rft for quantity of 6486 rft which included kerb stone and tuff tiles. However, carriage of kerb stones from Taxila was unjustified and against the cannons of financial propriety. The Committee directed the Authority either to effect recovery or make the loss good regarding payment of transportation charges of kerb stones within a week. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 283)

3.4.31.2 The Executive Engineer, Public Health Engineering Division, Chakwal awarded two works providing an item "Boring for tubewell in all types of soil except shingle, gravel and rock from a depth of 100.1 ft to 200 ft below ground level i/c sinking and withdrawing of casing pipe complete" under sub head "Trial Bore and Tube boring and Conversion" @ Rs 207 per rft. Later on this item was changed into a non-schedule item "Boring of tubewell in lime stone / shingle gravel with straight direct rotary rig machine including transportation of boring plant from market to site of work, making water pond as required at site, hire charges of boring rig and making special arrangement of water through water bowser" @ Rs 1,450 per rft for one work and @ Rs 1,877.40 per rft for the other work. Hence, the department made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 2,207,000.

Audit pointed out the overpayment in October 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that during the execution of trial boring lime stone/hard rock was encountered at site and the non-standardized rates were approved / paid accordingly. The view point of the Department was not accepted by the Committee and directed to regularize the matter from the Finance Department or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 367)

3.4.31.3 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work "Comprehensive Sewerage Scheme, Haroonabad**"** measured and paid item of work "P/L crush stone ¼″ to 1″ gauge under and around sewer pipe" for quantity of 64627 cft @ Rs 56.42 per cft against the admissible rate of Rs 47 per cft as per input rates of 1st quarter 2009, for District Bahawalnagar.

Weak supervisory and technical controls resulted in overpayment of Rs 608,786.

Audit pointed out the overpayment in September 2013. The department replied that the rate of said item was paid according to MRS and within the permissible limit correctly. The reply was not tenable because rate was not available in MRS and the department prepared / approved it as non-schedule rate by taking rate of material @ Rs 3,500% cft instead of Rs 2,800% cft as per input rates notified by the Finance Department.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery. The Committee directed to effect recovery either from the contractor or from the official found responsible for overpayment within 7 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 193)

3.4.31.4 The Executive Engineer, Public Health Engineering Division, Faisalabad in the execution of work "Urban Sewerage Scheme Sammundri District Faisalabad (G-II)" made payment on account of "Providing and laying crush bajri ¾″ to 1″ gauge under and around bed of sewer, for the quantity of 86297 cft, @ Rs 36.57 per cft against admissible rate @ Rs 31.35 per cft as per input rates of 1st quarter 2009 for District Faisalabad.

Weak supervisory and financial controls resulted in overpayment of Rs 450,470.

Audit pointed out overpayment in July 2013. The department replied that the quantity of 86297 cft was paid for the item @ Rs 36.57 per cft as approved by the competent authority in the technical sanction estimate. The reply was not tenable because rate was paid in violation of criteria ibid. Further, the Chief Engineer had reduced / corrected the rate in deviation statement. Hence, the department should recover the overpayment made to the contractor.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department admitted the recovery. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 127)

3.4.31.5 The Executive Engineer, Public Health Engineering Division, Bahawalnagar in the execution of work "Comprehensive Sewerage Scheme, Bahawalnagar" measured and paid item of work "P/L crush stone ¼″ to 1″ gauge under and around sewer pipe" for quantity of 42895 cft @ Rs 56.42 per cft against the admissible rate of Rs 47 per cft as per input rates of 1st quarter 2009, for District Bahawalnagar.

Weak supervisory and financial controls resulted in overpayment of Rs 403,350.

Audit pointed out the overpayment in September 2013. The department replied that the rate of said item was paid according to MRS and within the permissible limit correctly. The reply was not tenable because rate was not available in MRS and the department prepared / approved it as non-schedule rate by taking rate of material @ Rs 3,500% cft instead of Rs 2,800% cft as per input rates notified by the Finance Department.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery. The Committee directed to effect the recovery either from contractor or from the official found responsible for overpayment within 7 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 194)

3.4.31.6 The Executive Engineer, Public Health Engineering Division, Gujranwala for the works "Urban Sewerage Drainage Scheme Wazir Abad (Group II-A and II-B)" and "Rural Sewerage Drainage Scheme Kohluwala", paid for non-standardized item "supplying and placing of crush stone ¾″ to1″ size in trench for the quantity of 90923 cft and 14958 cft @ Rs 40.74 per cft against admissible rate of Rs 37.14 per cft. Audit observed that higher rate was paid due to incorporation of input rate of crush as Rs 29 per cft instead of admissible rate of Rs 25 as per input rate of MRS 1st Quarter, 2009 for District Gujranwala.

Weak supervisory and financial controls resulted in overpayment of Rs 381,170.

Audit pointed out the overpayment in July 2013. The department replied that the item was provided in the T.S. Estimate as non-standardized item @ Rs 40 per cft. The rate provided was on the lesser side if compared with prevailing market rate. The reply of the department was not tenable as the department approved rate analysis at higher side.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated its previous reply. The Committee did not accept viewpoint of the department and directed for recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 153)

3.4.31.7 The Executive Engineer, PHE Division, Rajanpur in the execution of work "Rural Drainage Sewerage Scheme, Haji pur Tehshil Jampur" and "Rural Drainage Sewerage Scheme, Lalgarh, Tehsil Jampur" prepared the rate analysis for non-standardized item i.e. supplying and laying crushed stone ¾" under pipe @ Rs 47 per cft by taking input rate of material as Rs 2,200 per % cft, 2,400 per % cft respectively instead of Rs 1,650 per % cft. Further, the department allowed 20% contractor's profit and overhead charges which was not permissible. Hence, the department approved and paid item rate as Rs 47 per cft against the admissible rate of Rs 37 per cft and Rs 32 per cft respectively.

Weak supervisory and financial controls resulted in overpayment of Rs 355,163.

Audit pointed out the overpayment in March 2013. The department replied that rate for non-standardized item of supplying laying crushed stone ¾″ under pipe was approved by the competent authority i.e. Chief Engineer (South) Lahore and payment was made accordingly. The reply was not tenable because the department applied incorrect input rate of material and allowed the 20% contractor profit on carriage.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The department produced the input rates. It was at site instead of ex-factory rate so, recovery was established. The Committee directed the department to effect the recovery and get it verified from Audit within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 32)

3.4.31.8 The Executive Engineer, Public Health Engineering Division, Faisalabad in the execution of work "Urban Water Supply Scheme Sammundri (Group-I) District Faisalabad", measured and paid item of work "RCC 1:1.5:3 for quantity of 4868 cft sand in the bed of ground storage tank @ Rs 203.57 per cft against the admissible rate of Rs 167.10 per cft as per MRS 1st quarter, 2009 for District Faisalabad.

Weak supervisory and financial controls resulted in overpayment of Rs 177,535.

Audit pointed out the overpayment in July 2013.The department replied that the payment was made to contractor as per design of consultant and approved by Superintending Engineer PHE Circle Faisalabad because the ground water level was high. The reply was not tenable because item was executed in the bed so rate for item of RCC without horizontal shuttering was required to be paid.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated its previous reply. The Committee did not accept viewpoint of the department and directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 128)

3.4.31.9 The Director Engineering, PHA Multan for the works "Construction of Allah Buksh Colony Park Multan" and "Development and Improvement of Circuit House Park Part-I, Multan", paid for non-standardized item "P/L pavers 50 mm thick 50% grey and 50% red from Izhar Pvt. Ltd." for the quantity of 1228 sft and 4275 sft respectively @ Rs 79 per sft against admissible rate of Rs 60 per sft. Audit observed that overpayment was due to incorporation of input rate of tuff tiles as Rs 50 per sft and Rs 45 per sft instead of admissible rate of Rs 31 per sft and Rs 33 per sft as per input rate of MRS 3rd Quarter 2011 for District Multan.

Weak supervisory and financial controls resulted in overpayment of Rs 104,557.

Audit pointed out the overpayment in August 2013. The Authority replied that the payment was made on the approved rate analysis of tuff paver "Izhar made Taxila" after getting approval from standing rate committee. The reply of the authority was not tenable as the authority approved rate analysis at higher side.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The authority admitted the recovery. The Committee directed to effect the recovery within a week. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 188)

3.4.32 Non-recovery of land use conversion charge / fee - Rs 6.42 million

As per Chapter VIII, Rule 56(a) of Punjab Development Authorities Land use (Classification, Reclassification and Redevelopment Rule 2009), the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use would be twenty (20) percent of the value of the land as per valuation table, or twenty percent of the average sale price of preceding twenty months of commercial land in vicinity, if valuation table was not available.

The Director, Town Planning, UD-Wing, FDA, Faisalabad could not recover the conversion charges @ 20% of commercial value of land

from the owners of fifteen houses who were using their residential houses for commercial purposes at various colonies of Faisalabad.

Weak supervisory and financial controls resulted in non-recovery of Rs 17,488,535.

Audit pointed out the non-recovery in February 2012. The department admitted recovery.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that an amount of Rs 11,069,290 against pointed out recovery of Rs 17.489 million was recovered. Facts verified by Audit. The Committee directed the Authority to recover the balance amount within 30 days and reduced the amount of para to Rs 6,419,245. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 10)

3.4.33 Non-imposition / recovery of penalty due to non-completion of work - Rs 6.05 million

According to Clause-39(a) of the contract agreement, time allowed for carrying out the work would strictly be observed by the contractor. In case of failure, the contractor would be liable to be penalized from 1% to 10% of the contract amount.

3.4.33.1 The Director Works, WASA, MDA, Multan awarded work "Construction & Rehabilitation of Disposal Station for New Garden Town and adjoining areas" to a contractor in May 2010. The contractor was required to complete the work within 365 days i.e. upto 11.05.2011. The contractor could not complete the work within stipulated period though he was issued various notices to complete the work in time as he had no interest in work. The Authority neither took prompt action for early completion of work nor recovered compensation charges from the contractor.

Weak financial and supervisory controls resulted in non-recovery of penalty from the contractor for Rs 5,675,811.

Audit pointed out the non-recovery in July 2013. The Authority replied that extension was granted upto 31.12.2013. The reply was not tenable as the work was still in progress and contractor was already declared defaulter.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that during monitoring, the progress, notices were issued to the contractor to improve the progress of the work, however, the delay in completion of work was due to non-availability of funds. The Committee did not agree with the viewpoint of the Department because the contractor was already declared defaulter by the department. Hence, the Committee directed the department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 174)

3.4.33.2 The Executive Engineer, Public Health Engineering Division, Kasur awarded work "Urban Water Supply Scheme Chunian (Group-IV)" to contractor on March 2009 with completion period of two (2) years i.e. from 04.03.2009 to 03.03.2011. The contractor failed to complete the work within the stipulated period. Despite lapse of two years beyond the agreement time and expenditure for Rs 8,732,703 was incurred against agreement amount Rs 37,503,118. The contractor was issued various notices to complete / resume the work in time but with no result. The department neither granted extension in time limit nor imposed penalty for Rs 375,031 against the contractor.

Weak supervisory and financial controls resulted in non-recovery of penalty of Rs 375,051.

Audit pointed out the non-recovery in July 2013. The department replied that the work could not be completed in time due to the non-availability of sites for the over head reservoir and staff quarter. The reply was not tenable as the contractor repeatedly abandoned the work, as observed from repeated correspondence with the contractor. The letter bearing No.1248 dated 13.05.2013 revealed that nine letters were already issued to complete / resume the work. The department issued final notice for the resumption of work otherwise the work would be got done at the risk and cost of the original contractor.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that during monitoring various notices were issued to the contractor to build pressure for speedy work. The Committee did not agree with the viewpoint of the department because the contactor was already declared defaulter by the department. The Committee directed the department to recover compensation from the contractors, No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery of penalty from the contractor.

(DP. 141)

3.4.34 Inadmissible payment of price variation - Rs 5.81 million

As per clause 39 and 55 of contract agreement, in case contractor could not complete work within stipulated period he would be liable to be penalized for the delay in execution of work. No escalation would be admissible to contractor for the period extended due to delay on the part of contractor.

3.4.34.1 The Director Works, WASA, MDA, Multan awarded work "Laying of sewer from Afshar Chowk along Humayyon Road to existing lift station at chungi No.9 under Rehabilitation/Replacement of outlived sewer North Zone WASA" in April 2011 to the contractor with completion period of 60 days. The contractor failed to complete the work within the stipulated period despite issuance of various notices by Director / Deputy Director WASA, Multan. The Authority, instead of recovery of compensation charges, made payment of price variation to the contractor.

Weak financial and supervisory controls resulted in inadmissible payment of price variation for Rs 2,791,569 in extended period and non-recovery of compensation charge amounting Rs 2,106,697.

Audit pointed out the inadmissible payment in July 2013. The Authority replied that extension in time limit was granted for completion of the work due to genuine reasons without imposing any penalty by the competent authority. The reply was not tenable because contractor was at fault as pointed out by incharge Director / Deputy Director WASA, Multan and he was allowed extension without penalty only to pay price variation.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that during monitoring the progress notices were issued to the contractor to improve the progress of the work. The Committee did not agree with the viewpoint of the Department because the contractor was already declared defaulter by the department. The Committee directed the Department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery from the concerned besides fixing responsibility of the negligence.

(DP. 177)

3.4.34.2 The Director Engineering, UD-Wing, FDA, Faisalabad awarded the work "Construction of Carpet Road, Satiana Road from Mohallah Noor-pura to Jaranwala, Milad Chowk, Faisalabad" for Rs 29.265 million in 18.02.2011 with completion period of 03 months upto 17.05.2011. The contractor failed to complete the works within the stipulated period. Escalation for Rs 916,056 was paid to contractor. No action under clauses 39 and 55 of contract agreement was initiated against the contractor.

Weak supervisory and financial controls resulted in inadmissible payment of price escalation for Rs 916,056.

Audit pointed out the inadmissible payment in January 2013. The Authority replied that the District Coordination Officer (DCO) visited the site many times and each time he ordered to change the scope of work due to which not only the work was delayed but also the funds became short. The reply was not tenable because the Deputy Director (UD-I) vide his letter dated 20.01.2012 warned the contractor about slow pace of work. This showed that the contractor was at fault and payment made on account of price variation beyond stipulated period was unjustified.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority explained that the delay in completion of work was due to shortage of fund. The contractor was served notices to build pressure for speedy work. The Authority could not produce record in support of its viewpoint. The Committee directed the Authority to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 04)

3.4.35 Irregular payment over and above the provision of contingency - Rs 5.54 million

As per Finance Department, Government of the Punjab Notification No. RO (TECH)/F.D. 1-2/83-VI (P) dated 18.05.2007, price variation should be met out of contingencies of approved scheme / technical sanctioned estimate. In case of excess over and above contingent provision revised technical sanction and enhancement of agreement should be obtained from competent authority before releasing the payment of price variation to the contractor.

3.4.35.1 The Director Engineering, WASA, GDA, Gujranwala awarded work "Replacement of Distribution Network in Aroop Town Group-II, Gujranwala," to the contractor. The Agency paid price variation to the contractor for Rs 5,314,769 upto 17th running bill against the provision of contingency Rs 1.000 million in the revised T.S. Estimate. Hence, the Agency made irregular payment of price variation.

Weak supervisory and financial controls resulted in irregular payment for Rs 4,314,769.

Audit pointed out the irregular payment of price variation in July 2013. The Agency replied that the price variation was paid out of saving of the scheme and amount of contingency. Reply of the Agency was not tenable, being against the criteria ibid.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency explained that agreement was enhanced to Rs 37.198 million on 14.09.2012 and contract was finalized for Rs 41.152 million on 03.05.2013 including price variation Rs 5.314 million and cost of work done Rs 35.838 million which was within enhanced amount. The Committee did not agree with the view point of the Agency because provision of contingency in revised technical sanction estimate was for Rs 01 million whereas price variation was paid for Rs 5.314 million by utilizing saving of the scheme which was against the provision / FD instructions. The Committee directed the Agency to obtain 2nd revision of technical sanction estimate from the competent authority. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early regularization of the matter.

(DP. 278)

3.4.35.2 The Executive Engineer, Public Health Engineering Division, Rawalpindi for the work "Rehabilitation and Augmentation of Urban Water Supply Scheme Kahutta (Group IV&V)" made payment on account of price variation for Rs 4,124,993 against provision of contingencies in technical sanction estimate for Rs 1,480,157. Thus the department made an irregular payment of price variation for Rs 2,644,836.

Weak supervisory and financial controls resulted in irregular payment of Rs 2,644,836.

Audit pointed out the irregular payment in August 2013. The department replied that the price variation was paid to the contractor within the provision of 2% contingency. The reply was not tenable because the department made payment of price variation over and above 2% contingency.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department replied that combined technical sanction estimate was approved for the work "Rehabilitation and Augmentation of Urban Water Supply Scheme Kahutta (Group IV&V)" with contingency amount of Rs 3.242 million against combine price variation amounting to Rs 4.125 million paid so the excess amount of price variation comes to Rs 0.883 million instead of Rs 2.644 million as pointed out in the audit para. The Committee reduced the para to Rs 0.883 million with the direction to get the overpaid regularized through revision in technical sanction estimate or effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early regularization / recovery.

(DP. 217)

3.4.35.3 The Executive Engineer, Public Health Engineering Division, Chakwal in the work "Water Supply Scheme Bhall, Tehsil Kallar Kalan" made payment on account of price variation for Rs 728,850 upto 10th running bill against provision of contingencies in revised technical sanction estimate for Rs 391,000. Thus, the department made an irregular payment of price variation for Rs 337,850.

Weak supervisory and financial controls resulted in irregular payment of Rs 337,850.

Audit pointed out the irregular payment in October 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained the provision for price variation was made in 2nd revised technical sanction estimate. The Committee did not accept the contention of the department and directed to get the same regularized from competent forum i.e. Finance Department. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early regularization / recovery.

(DP. 371)

3.4.36 Non-recovery of cost of plots alongwith penal interest - Rs 5.26 million

As per term & conditions-VII & IX of Allotment Order for "3-Marla Housing Scheme, 238-RB, Faisalabad" the 2nd installment @ 10% cost of plot shall be paid at the time of handing over possession. The remaining 80% cost of plot shall be paid @ 10% through biannual installments. Further, as per Director General, Punjab Housing & Town Planning Agency order dated 23.01.2013, the allottee shall pay interest @ 10% per annum of balance amount with 3.5% penal interest on delayed payment.

3.4.36.1 The Deputy Director, PHATA, Sub-Region Sheikhupura allotted various plots to different allottees in ADS-Sanglahill and Narang Mandi. The Authority did not recover the outstanding dues alongwith penal interest from the allottees/owners.

Weak supervisory and financial controls resulted in non-recovery of government dues from allottees of Rs 2,736,962.

Audit pointed out non-recovery in April 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that recovery had been effected but

record about effected recovery was not produced. The Committee took it seriously and directed to effect recovery within 30 days failing which recovery would be effected from the officers / officials at fault. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 52)

3.4.36.2 The Deputy Director, PHATA, Sub-Region Faisalabad did not recover the outstanding dues (balance installments) along with penal interest from the allottees/owners of 3-marla Hosing Scheme at Chak No. 238-RB, ADS Mamu Kanjan and ADS Tandlianwala District Faisalabad.

Weak supervisory and financial controls resulted in non-recovery of government dues from the allottees for Rs 2,518,398.

Audit pointed out non-recovery in February 2013. The Agency admitted recovery.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency replied that recovery had been effected but record about effected recovery was not produced by the department. The Committee took it seriously and directed to effect the recovery within 30 days failing which recovery would be effected from the officers / officials at fault. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 50)

3.4.37 Less obtaining of additional performance security - Rs 4.91 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 within 15 days of the receipt by him of the acceptance.

3.4.37.1 The Director Construction-I, WASA, FDA, Faisalabad awarded six works to different contractors at rates ranging from 14.86% to 25.86% below the estimated cost but obtained 10% additional performance security from the contractors instead of @ 14.86% to 25.86% in contravention of Finance Department instructions ibid.

Weak supervisory and financial controls resulted in less receipt of additional performance security for Rs 3,063,925.

Audit pointed out irregularity in August 2013. The Authority replied that as per PPRA Rules 2009 Clause-39, performance guarantee shall not exceed 10%. The reply of the Authority was not tenable because this clause was only for procurement purpose not for execution of works. Less receipt of performance security put the Authority's interest at risk.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that 10% additional performance security was taken under clause-39 of PPRA's Rules 2009. The Committee did not agree with the viewpoint of the Authority and directed to deduct the due percentage complete in all respect within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain full value of additional performance security.

(DP. 103)

3.4.37.2 The Director Construction-II, WASA, FDA, Faisalabad awarded two works to different contractors at rates ranging from 22.00% to 23.92% below the estimated cost but obtained 10% additional performance security from the contractors instead of @ 22.00% to 23.92% in contravention of Finance Department instructions ibid.

Weak supervisory and financial controls resulted in less receipt of additional performance security for Rs 1,847,665.

Audit pointed out lapse in August 2013. The Authority replied that the acceptance letters were issued after obtaining additional performance security. The reply was not tenable as works were awarded to the contractors @ 22.00% to 23.92% below the estimate cost but the Authority obtained 10% additional performance security. Less receipt of performance security put the Authority's interest at risk.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that 10% additional performance security was taken under clause-39 of PPRA's Rules-2009. The Committee did not agree with the viewpoint of the Authority and directed to deduct the due percentage complete in all respect within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to obtain full value of additional performance security.

(DP. 112)

3.4.38 Non-recovery of advance Income Tax - Rs 4.82 million

As per section 236-A of Income Tax Ordinance 2001, read with FBR letter No.1 (74) WHI / 2000 dated 30.6.2005, advance Income Tax @ 5% shall be deducted on auction proceeds of property / goods including lease of rights to collect tolls, fees or other levies by whatever named called.

3.4.38.1 The Director, Estate Management-I, LDA, UD-Wing, Lahore leased out plot No 90/C Block-C-II Gulberg-III for Patrol Pump and auctioned shops No 8, 9 and 15 Sabzazar Scheme, Block-G, Lahore to different persons. The Authority did not recover 5% advance Income Tax from the lessee and purchaser of the shops.

Weak supervisory and financial controls resulted in non-recovery of advance income tax of Rs 3,012,467.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices / reminders were issued to owners for recovery. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery of income tax besides fixing responsibility.

(DP. 247)

3.4.38.2 The Deputy Director, PHATA, Sub-Region Khushab auctioned various commercial and residential plots in Area Development Scheme-II, Jouherabad and Mandi Town heavy factory area Jouherabad in June 2012. The Authority did not recover the advance Income Tax @ 5% from the purchasers at the time of auction.

Weak supervisory and financial controls resulted in non-recovery Rs 1,343,710.

Audit pointed out non-recovery in March 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that notices were issued to the purchases for recovery of Income Tax. The Committee observed that tax was to be recovered in advance. The Committee directed the Authority for effecting recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 44)

3.4.38.3 The Deputy Director, PHATA, Sub-Region Sheikhupura auctioned various commercial and residential plots in Area Development Scheme-Farooqa-Abad in February 2010. The Authority did not recover the advance Income Tax @ 5% from the auction purchasers at the time of auction.

Weak supervisory and financial controls resulted in non-recovery of Rs 467,449.

Audit pointed out non-recovery in April 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Committee directed the Authority to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 55)

3.4.39 Excess payment / loss to Government due to purchase of machinery through contractors - Rs 4.28 million

According to the Finance Department, Government of the Punjab letter No. 18-29/2006 dated 08.08.2005 plant and machinery like generator, electric motor and turbines etc. were required to be purchased directly from the manufactures instead of through contractor by allowing 20% contractor profit.

The Executive Engineer, Public Health Engineering Division, Sargodha in the execution of works "Urban Sewerage / Drainage Scheme Bhalwal (Group I to III)" and "Rural Water Supply Scheme Chak No.88/Sb" purchased the different items of plant and machinery for Rs 4.278 million from different contractors by including 20% contractor's profit and overhead in the rate analysis. The department did not produce the revised T.S. estimates and analysis of rates for machinery items for audit scrutiny. Hence, the department made excess payment to the contractors.

Weak supervisory and financial controls resulted in excess payment for Rs 4,278,066.

Audit pointed out the excess payment in August 2013. The department replied that the Government contractors were responsible and answerable before the department in case of any mishap. The machinery purchased through approved government contractors of the department after calling competitive tenders as per rates approved in technical sanction estimate. The reply was not tenable because it was contradiction to rule ibid. The rate analysis of the machinery was not produced to Audit for scrutiny. However, rate analysis duly approved by the Executive Engineer revealed that 20% profit was granted to the contractor.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department could not produce the rate analysis duly approved by the S.E concerned. The Committee directed the department to produce all requisite documents to Audit for verification. Further, irregularity be got condoned from the Finance Department or effect recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery / condonation besides fixing responsibility.

(DP. 160)

3.4.40 Non-recovery of water / sewerage / drainage charges - Rs 4.20 million

According to Notification No.412/MD/WASA dated 13.12.2003 effective from 01.07.2004, recovery of water/ sewerage/ drainage facilities will be made from the consumers as per rates provided in the above notification.

3.4.40.1 The Director Recovery, WASA (MDA), Multan did not recover the outstanding dues from 28.08.2012 to 31.07.2013 of sewerage/drainage charges from the various industrial units.

Weak supervisory and financial controls resulted in non-recovery of Rs 2,102,247.

Audit pointed out non-recovery in July 2013. The Agency replied that the efforts were being made out for recovery from defaulters.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that the recovery on account of sewerage and drainage charges recoverable from the different consumers were under process. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 167)

3.4.40.2 The Director Recovery, WASA (MDA), Multan did not recover the outstanding dues from 25.08.2011 to 05.08.2013 of water sewerage / drainage charges from the various government departments.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,549,038.

Audit pointed out non-recovery in July 2013. The Agency replied that the efforts were being made out for recovery from defaulters.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that recovery on account of sewerage

and drainage charges recoverable from the different consumers were under process. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 168)

3.4.40.3 The Director Revenue and Recovery, WASA, MDA, Multan did not recover outstanding water and sewerage charges from five (05) consumers despite their writ petitions, were dismissed by the Honorable Court during 2012-2013.

Weak financial and supervisory controls resulted in non-recovery of Rs 548,062.

Audit pointed out non-recovery in July 2013. The Agency replied that the efforts were being made out for recovery from defaulters.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that the recovery on account of sewerage and drainage charges recoverable from the different consumers were under process. The Committee directed to effect the same within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 166)

3.4.41 Excess payment due to excessive measurement - Rs 4.12 million

According to para No.(ii) of letter No.FD(FR)II-2/89, dated 27.03.1990 of the Finance Department, Government of the Punjab, during the execution of work, the specification and quantities of different items approved in the T.S estimate would not be changed without prior approval of the authority sanctioning the estimate / administrative approval, such authority would record reasons for the change.

3.4.41.1 The Executive Engineer, Public Health Engineering Division, Rawalpindi for the works "Rehabilitation & Augmentation to Urban Water Supply Scheme, Taxial (G-II)" and "Rehabilitation of Water Supply

Scheme, Kallar Syedan" made payment for different items excessively as compared to technical sanction estimate/BOQ/Acceptance letter.

Weak supervisory and financial controls resulted in excess payment of Rs 6,684,597.

Audit pointed out the excess payment in August 2013. The department replied in the first case that quantities were sanctioned in the revised T.S estimate and also covered in revised contract. In 2nd case the department did not give any reply. The reply of the department was not tenable because no evidence in support of reply was provided.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department regularized the matter against one work through enhancement of agreement, deviation statement and revised technical sanction estimate. Facts verified by Audit. The Committee reduced the amount of para to Rs 2,685,799 subject to production of final bill. The Committee further directed to regularize the matter for balance amount or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization/ recovery.

(DP. 346)

3.4.41.2 The Executive Engineer, Public Health Engineering Division, Khushab, in the execution of work "Comprehensive Urban Water Supply and Sewerage / Drainage Scheme Jauharabad (Group-III)" paid an item "P/L RCC pipe 9″ i/d" for 12901 rft against the provision of 6605 rft in the acceptance letter / DNIT.

Weak financial and supervisory controls resulted in excess payment for Rs 1,429,318.

Audit pointed out the excess payment in August 2013. The department replied that the work was split into three groups and provision for RCC pipe 9″ internal dia (i/d) existed for quantity of 46818 rft in technical sanction estimate and this provision was allotted to all the three contractors. As per site situation laying of 9″ i/d RCC pipe was demanded by T.M.A Khushab to be executed on priority. Hence, quantity of adjacent group was got executed in this group. The reply was not tenable as each group of work included certain scope of work which could not be

amalgamated. Hence, payment was beyond the allotted scope of work and without prior approval.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that schemes stand split into three groups and provision for RCC pipe 9" dia existed for quantity of 46818 rft for group I, II & III. The 9" dia pipe was approved with quantity of 6605 rft against group-III and quantity of 12901 rft was laid. The scheme was running and it would be regularized. The Committee deferred the para for its regularization or recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization/ recovery.

(DP. 347)

3.4.42 Non-recovery of building period surcharge - Rs 4.04 million

According to Government of the Punjab Notification No. SO (H-II) 2-3/1992 HUD & PHE Department dated 27.10.2010, if the allottee fails to construct the building within the stipulated periods then penalty for non-construction of building will be recovered from him at prescribed rates.

3.4.42.1 The Deputy Director, PHATA, Sub-Region Rahimyar Khan in the Area Development Scheme, Khanpur, allotted plots of different categories to five (05) different owners who did not construct their houses within stipulated periods. The agency did not recover the building period surcharge from the allottees/owners.

Weak supervisory and financial controls resulted in non-recovery of building period surcharge of Rs 1,224,000.

Audit pointed out the non-recovery in February 2013. The Agency replied that notices were issued to the concerned allottees for early deposit of the building surcharge.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency could not produce the record about recovery. The Committee directed to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery from allottees at the earliest.

(DP. 19)

3.4.42.2 The Director Estate Management-I, FDA, Faisalabad allotted various plots to different allottees in different colonies but did not recover the penalties amount from the allottees/owners who did not construct their buildings within stipulated /extended period.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,644,913.

Audit pointed out non-recovery in February 2013. The Authority replied that Government of the Punjab has granted general extension in building construction period upto 30.06.2015, so any action cannot be taken against the allottees of plots. The reply was not tenable because the Government of the Punjab granted general extension upto 30.06.2015 with penalty at prescribed rate.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority produced record for effected recovery of Rs 131,500. Facts were verified by Audit. The Committee directed the Authority to recover the balance amount within 30 days and reduced the para to Rs 1,513,413. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 12)

3.4.42.3 The Deputy Director, PHATA, Sub-Region Bahawalpur did not recover the building period surcharge for 13 plots transferred to various purchasers on different dates. The purchasers did not construct buildings within stipulated periods. The department did not recover the building period surcharge from various allottees/owners of ADS-Hasilpur, Chishtian & Yazman.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,104,000.

Audit pointed out the non-recovery in March 2013. The Agency replied that according to terms and conditions No.6 of allotment orders, the allottees were bound to raise their construction at their plots within stipulated periods of 3 years from the date of delivery of possession of plots. After completion of construction, they were required to get completion certificates. The allottees of all plots were served with notices

to pay the late construction surcharge or obtain completion certificates by providing specific proof if already constructed. Recovery would be effected in the light of delayed period involved in completion.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency effected the actual recovery of Rs 60,000 instead of Rs 144,000 as pointed out by the Audit. Facts verified by Audit. The Committee directed the Authority to effect the balance recovery within 30 days and reduced the amount of para to Rs 960,000. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 14)

3.4.42.4 The Director Land Development-I, LDA, UD-Wing, Lahore did not recover the outstanding/ recoverable amount on account of cost of excess area from three exemptees of plots in Johar Town scheme.

Weak supervisory and financial controls resulted in non-recovery of Rs 707,317.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that an amount of Rs 364,851 had already been recovered. Facts were verified by Audit. The amount of para was reduced to Rs 343,149 by the Committee and directed to effect the balance recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery

(DP. 235)

3.4.43 Inadmissible payment due to allowing price variation on crush used in different items - Rs 3.84 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.

3.4.43.1 The Executive Engineer, Public Health Engineering Division, Pakpattan Sharif, in the execution of work "Urban Water Supply and Sewerage Scheme Pakpattan and Arifwala (Pakpattan Sewerage Zone-C)" made payment of price variation for the item "crush / bajri" used in RCC pipes, bedding material etc. whereas the same was not admissible in the light of criteria ibid.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 1,057,244.

Audit pointed out inadmissible payment in August 2013. The department stated that reply would be submitted after consultation of record.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that price variation on stone used as base / sub base was allowed by the Finance Department. The laying of crush under and around sewer pipe was part of said notification. Hence, the payment was made for justified. The Committee did not accept the contention of the department as the price variation was not admissible as per prevailing rules / instructions. The Committee directed to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 397)

3.4.43.2 The Executive Engineer, Public Health Engineering Division, Layyah, in the execution of work "Urban Sewerage Scheme Fateh Pur Thesil Karror" made payment of price variation for the item "crush / bajri" used in RCC pipes, bedding material etc whereas the same was not admissible in the light of criteria ibid.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 1,040,447.

Audit pointed out the inadmissible payment in July 2013. The department replied that as per existing clause 55 of contract agreement there exists no clear cut identification in respect of particular department for using the crush stone. Therefore, the matter required clarification from the Finance Department. The reply was not tenable because price variation

on bajri used in RCC pipes and under and around RCC pipes was not admissible as per item 5 & 9 of F.D Notification.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department reiterated its previous reply. The Committee did not accept contention of the department and directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 209)

3.4.43.3 The Executive Engineer, Public Health Engineering Division, Jhelum for the work "Urban Sewerage Scheme Jhelum Group-III", made payment of price variation on the item "P/L crush aggregate 3/8″ to 1″ laid under and around RCC sewer pipe", which was not admissible in the light of criteria ibid.

Weak supervisory and financial controls resulted in inadmissible payment of price variation for Rs 706,800.

Audit pointed out the inadmissible payment in October 2013. The department replied that Government had allowed price variation on all kind of RCC work being casted for building work, road bridges, storm water channel, under the same notification. All ingredient used for above said jobs are the ingredients used for casting of RCC sewer pipe i.e. crush, steel and cement. Hence, payment of price variation on RCC pipe ingredients was justified. The reply was not tenable as price variation on crush for RCC sewer pipe was not admissible as per the Finance Department's notification.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department reiterated its previous reply. The Committee did not accept contention of the department and directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 357)

3.4.43.4 The Executive Engineer, Public Health Engineering Division, Jhelum for the work "Urban Sewerage Scheme Jhelum Group-II", made

payment of price variation on the item "P/L crush aggregate 3/8″ to 1″ laid under and around RCC sewer pipe", which was not admissible in the light of criteria ibid.

Weak supervisory and financial controls resulted in inadmissible payment of price variation for Rs 552,612.

Audit pointed out the inadmissible payment in October 2013. The department replied that the price variation on stone used in base, sub-base was allowed by the Finance Department. Hence, laying of crush under sewer pipe was also part of said Notification and payment made was justified. The reply was not tenable as price variation on crush for the said purpose was not admissible.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department could not defend its view point with documentary proof. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 354)

3.4.43.5 The Executive Engineer, Public Health Engineering Division, Rajanpur in the execution of work "Construction of Sewerline from Girls High School No.1 to Bhatti Chowk, Tehsil Jampur" paid the price variation on the item RCC sewer pipe i.e. crushed bajri, cement, steel which was used in RCC pipe, whereas price variation was not admissible on the item i.e. crushed bajri.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 280,834.

Audit pointed out the inadmissible payment in March 2013. The department replied that the price variation paid to the contractor pointed out by Audit was not based on fact because this payment was not related to labour and high speed diesel. The reply was irrelevant because as per above Notification of Finance Department, the price variation was not admissible on crushed bajri being used in the manufacturing of RCC sewer pipe.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The department could not defend overpayment. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 39)

3.4.43.6 The Executive Engineer, Public Health Engineering Division, Gujrat for the work "Provision of Sewerage System at Lala Musa", made payment of price variation on the item "P/L crush aggregate 3/8″ to 1″ laid under and around RCC sewer pipe", which was not admissible in the light of criteria ibid.

Weak supervisory and financial controls resulted in inadmissible payment of Rs 197,868.

Audit pointed out the inadmissible payment in September 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that price variation on stone used as base / sub base was allowed by the Finance Department. The laying of crush under and around sewer pipe was part of said notification. Hence, the payment was made for justified. The Committee did not accept the contention of the department as the price variation was not admissible as per prevailing rules / instructions. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 364)

3.4.44 Non-recovery of penalty due to deviation in building plan - Rs 3.59 million

As per Government of the Punjab, Notification No (H-II)2-3/92 dated 03.08.2005, if the allottee fails to construct the building within the stipulated period than penalty for violation of building plan will be recovered from him.

3.4.44.1 Scrutiny of record of the Director Town Planning, LDA, UD-Wing, Lahore revealed that various owners of plots in Eden Extension (A&B) Lahore constructed their houses / building by deviating building plan. The Authority neither demolished the unapproved/ deviated structure nor recovered any building plan deviation penalty from the owners of the plots / houses.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,893,172

Audit pointed out the non-recovery in July 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Director Town Planning explained that notices were issued to the owners of plots for recovery. The Committee directed to recover the amount within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 233)

3.4.44.2 Scrutiny of record of the Director Town Planning, LDA, UD-Wing, Lahore revealed that 11 owners of plots in MA Johar Town constructed their houses / building by deviating building plan. The Authority neither demolished the unapproved/ deviated structure nor recovered any building plan deviation penalty from the owners of the plots/ houses.

Weak supervisory and financial controls resulted in non-recovery of Rs 935,369.

Audit pointed out the non-recovery in July 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority effected recovery of Rs 3,750 only. The Committee directed the Authority to effect balance recovery of Rs

931,619 within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 232)

3.4.44.3 Scrutiny of record of the Director Town Planning, LDA, UD-Wing, Lahore revealed that various owners of plots in Model Town, New Garden Town and WAPDA Town Lahore constructed their houses/ building by deviating building plan. The Authority neither demolished the unapproved/ deviated structure nor recovered any building plan deviation penalty from the owners of the plots/ houses.

Weak supervisory and financial controls resulted in non-recovery of Rs 675,922

Audit pointed out the non-recovery in July 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority effected recovery of Rs 195,821. The Committee directed the Authority to effect balance recovery of Rs 480,110 within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 231)

3.4.44.4 Scrutiny of record of the Director Town Planning, LDA, UD-Wing, Lahore revealed that the owners of plot No 22-L & plot 9-C-2 Gulberg Lahore constructed their houses / buildings by deviating building plan. The Authority neither demolished the unapproved / deviated structure nor recovered any building plan deviation penalty from the owners of the plots / houses.

Weak supervisory and financial controls resulted in non-recovery of Rs 282,375.

Audit pointed out the non-recovery in July 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices / reminders were issued to owners for recovery. The Committee directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 230)

3.4.45 Non-recovery of cost of land on account of excess area - Rs 3.48 million

As per item 19(a&b) of delegation of powers issued by the HUD & PHE Department vide letter No.SO (D-II) 2.4 /83(VII) dated 08.06.2004 read with decision under agenda item 5 of meeting held on 23.08.2006, the cost of excess area above standard size will be determined at market rate price by the concerned.

The Deputy Director, PHATA, Sub-Region Faisalabad did not recover the price of excess area of two plots of ADS-II, Sammundri, at market rate @ Rs 235,000 and @ Rs 352,000 per marla respectively from the owners of the plots.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,476,498.

Audit pointed out non-recovery in March 2013. The Agency replied that in one case the amount of excess area was recovered accordingly. In second case, the Agency replied that this issue was already taken up by Audit during the year 2007-08. The replies in both the cases were not tenable as cost of excess area in the both cases was to be recovered at market rate.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority replied that recovery was effected. But record about effected recovery was not produced by the department. The Committee took it seriously and directed to effect recovery within 30 days failing which recovery be effected from the officers / officials at fault. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 51)

3.4.46 Overpayment due to allowance of higher percentage than agreed - Rs 2.81 million

As per Para (v) of Finance Department, Government of the Punjab, letter No. R.O.(Tech) FD 1-2/83-VI dated 29.03.2005, the final cost of the tender / payment shall be the same percentage above / below the amount of revised T.S. estimate as was at the time of approval of tender.

3.4.46.1 The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan awarded work "Disposal of Naurangabad effluent into Khandar Seepage Drain, D.G.Khan" at 11.13% below the estimated cost of Rs 47,213,229 put to tender. The department made payment upto 8th running bill at 7.98% below the estimated cost against agreed rate of 11.13% below.

Weak supervisory and financial controls resulted in overpayment for Rs 1,173,983.

Audit pointed out overpayment in October 2013. The department stated that reply would be submitted after complete verification of record.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery and promised to effect it in next bill of the contractor. The Committee directed the Department to effect the recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 414)

3.4.46.2 The Executive Engineer, Public Health Engineering Division, Chiniot in the execution of work "Comprehensive Sewerage / Drainage Scheme Lalian Tehsil Lalian District Chiniot" at 4.48% above the estimated cost of Rs 32,284,120 put to tender. The department made payment upto 12th running bill at 9.22% above the estimated cost against agreed rate of 4.48% above.

Weak supervisory and financial controls resulted in overpayment to the contractor Rs 1,400,030.

Audit pointed out overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery and promised to effect the same on the finalization of account. The Committee deferred the para for recovery and production of final bill. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 379)

3.4.46.3 The Director Construction-I, WASA, FDA, Faisalabad awarded different works to different contractors at 12% to 22% below the technical sanction estimates. The Authority made payments to the contractors at 8.75% to 20.82% below the revised technical sanction estimates. Thus, payments were made at higher percentages over and above the percentage agreed at the time of approval of tenders.

Weak supervisory and financial controls resulted in overpayment of Rs 312,324.

Audit pointed out overpayment in August 2013. The Agency replied that if any excess amount found at the time of finalization of contract, the same would be recovered from the contractor's bill. The reply was not tenable because the payment was made beyond the agreed percentages in violation of the instructions.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency produced record of two works which were found in order. The Committee reduced the para to Rs 131,966 and directed the Agency to justify position or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery / justification at the earliest.

(DP. 102)

3.4.46.4 The Executive Engineer, Public Health Engineering Division, Dera Ghazi Khan awarded work 'Re-location of Sewerage pipe lines from Chowk churrata to N-70 City D.G.Khan' at 20.21% below the estimated cost of Rs 5,027,759 put to tender. The department made payment upto 4th running bill at 18% below the estimated cost against agreed rate of 20.21% below.

Weak supervisory and financial controls resulted in overpayment for Rs 102,019 to the contractor.

Audit pointed out overpayment in October 2013. The department replied that case of enhancement was under process and would be got verified from Audit as and when accorded by the competent authority. The reply was not tenable because the above / below percentage should be same in the revised sanctioned estimate as was at the time of approval of tender.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery and promised to effect the same from next bill of the contractor. The Committee directed the Department to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 415)

3.4.47 Non-recovery of sewerage charges - Rs 2.71 million

As per LDA WASA letter No P&D/2768-71 dated 19.11.2002 the Agency was required to recover capital cost for sewer infrastructure for disposal of sewerage of Hyde Park Housing Society, Lahore.

The Director Metropolitan-I&II, LDA, Lahore allowed the disposal of sewerage to the developer of Hyde Park Housing Society Amar Kot and Thokar Niaz Baig but did not recover capital cost of sewer infrastructure, despite the issuance of demand notice by WASA, Lahore.

Weak supervisory and financial controls resulted in non-recovery of Rs 2,712,270.

Audit pointed out the non-recovery in November 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that Chief Metropolitan Wing was not entitled to collect sewerage charges and it was in the purview of WASA Lahore. The Committee directed to transfer the Audit para to WASA for recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 255)

3.4.48 Loss due to sanction of excess bitumen in tack coat - Rs 2.48 million

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

3.4.48.1 The Director Engineering, MDA, UD Wing, Multan in the execution of work, "Construction of Northern by pass from LMQ road to Bosan road (Dual Carriage Way) with service road Phase-I" sanctioned, measured and paid an item "P/L bituminous tack coat using 15 lbs % sft" area for quantity of 126019.38 per square meter instead of using bitumen 12 lbs in % sft.

Weak technical and financial controls resulted in loss of Rs 1,155,597.

Audit pointed out the loss in September 2013. The Authority replied that the quantity of "P/L bituminous tack coat" was incorporated @ 15 lbs per % sft in approved PC-I, BOQ, technical sanction estimate and tenders in accordance with MRS 1st quarter 2009 and the letter of Finance Department issued on 21.10.2009. Finance Department's notification was not applicable on running subject work. The reply was not tenable because Finance Department had issued clarification on matter already laid down in Book of Specification. Hence, recovery be effected from the contractor accordingly.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority argued that the work was allotted on 13.05.2009 whereas Finance Department's notification was issued on 21.10.2009 i.e. after allotment of work. Further, the item with 15 lbs bitumen was provided as per provision of MRS. Hence, no overpayment was made. Audit explained that in the specification of item 10 lbs bitumen was provided and the Finance Department clarified it vide letter dated 21.10.2009 to adopt the said specification. The matter was discussed at length and the Committee directed to effect recovery within 60 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 313)

3.4.48.2 The Director Engineering, MDA, UD Wing, Multan in the execution of work, "Construction of Multan Southern by pass (Dual Carriage Way) from LMQ road to Vehari road P-I" sanctioned, measured and paid an item "providing / lying bituminous tack coat" using 15 lbs % sft area for quantity of 112835.058 sqr meter instead of using bitumen 12 lbs in % sft.

Weak technical and financial controls resulted in loss of Rs 959,098.

Audit pointed out the loss in September 2013. The Authority replied that the quantity of "providing / lying bituminous tack coat" was incorporated @ 15 lbs per % sft in approved PC-I, BOQ, technical sanction estimate and tenders in accordance to MRS 2nd Quarter, 2009 and the letter of Finance Department was issued on 21.10.2009. Finance Department's notification was not applicable on running subject work. The reply was not tenable because Finance Department had issued clarification on matter already laid in Book of Specification. Hence, the recovery be effected from the contractor accordingly.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority argued that the work was allotted on 13.05.2009 whereas Finance Department's notification was issued on 21.10.2009 i.e. after allotment of work. Further, the item with 15 lbs bitumen was provided as per provision of MRS. Hence, no overpayment was made. Audit explained that in the specification of item 10 lbs bitumen was provided and the Finance Department clarified it vide letter dated 21.10.2009 to adopt the said specification. The matter was discussed at length and the Committee directed to Authority either get the matter clarified from the Finance Department within 60 days or effect recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends to recover loss besides fixing responsibility.

(DP. 314)

3.4.48.3 The Director Engineering, UD Wing, GDA, Gujranwala awarded a work "Dualization of Noshera Road from Sageer Shaheed Chowk to Awan Chowk, at By Pass, Gujranwala" to a contractor. The Authority

sanctioned and paid tack coat for the quantity of 340265 sft with 15 lbs bitumen per % sft instead of 10 lbs bitumen per % sft. Hence, the Authority made payment @ Rs 405 per % sft instead of admissible rate Rs 270 per % sft as per input rates of relevant quarter and district. Further, the Authority paid price variation on the quantity of 346563 sft tack coat with 14 lbs bitumen per % sft instead of admissible bitumen of 10 lbs per % sft.

Weak financial and technical controls resulted in excess payment of Rs 697,598.

Audit pointed out the excess payment in August 2013. The Authority admitted the recovery of Rs 115,160 against actual recovery of Rs 697,598.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that reduced rate Rs 7,223.39 % sft for 12 lbs bitumen was paid regarding bitumen tack coat and admitted recovery for Rs 115,160 on account of price variation of bitumen for 3 lbs per % sft used in excess. Audit argued that as per criteria ibid use of bitumen was restricted upto 10 lbs per % sft. Hence, recoverable amount came to Rs 369,295. The Committee directed to effect recovery within 15 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 284)

3.4.49 Overpayment due to allowing price variation on incorrect base rate - Rs 2.43 million

As per clause 55(2) & (3) of the contract agreement, no payment of price variation shall be admissible except when increase in the prices of the items specified in the agreement is beyond five percent of base price notified by the Finance Department on the date of opening of tender. Variation shall be worked out on the base/current rates of the specified items for the particular month and district.

3.4.49.1 The Director Works, WASA, MDA, Multan awarded a contract on the basis of tenders opened on 24.01.2009. The escalation of G.I. Pipe 2″ and 3″ was paid by applying incorrect base rates of Rs 117 and Rs 188

per rft instead of Rs 137 and Rs 221 per rft respectively as notified by the Finance Department for the month of January 2009.

Weak supervisory and financial controls resulted in overpayment of Rs 1,439,857.

Audit pointed out the overpayment in July 2013. The Authority replied that after due scrutiny of record, recovery if due, shall be made from the forthcoming bill. No further reply was given.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department could not produce the record about admitted/effected recovery. The Committee took it seriously and directed to effect the same immediately. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery alongwith fixing responsibility against the concerned officer(s).

(DP. 169)

3.4.49.2 The Executive Engineer, Public Health Engineering Division, Narowal for the execution of three works invited tenders in December 2011 when the base rates of labour, diesel and crush was Rs 270 per day, Rs 98.82 per liter and Rs 1,800 % cft respectively. While calculating price variation incorrect base rates were taken Rs 240 per day, Rs 94.15 per liter and Rs 1,300 % cft respectively against above mentioned admissible rates. Hence, the department made overpayment of price variation either due to incorrect base rates or the difference of rates were less than 5%.

Weak supervisory and financial controls resulted in overpayment Rs 986,007.

Audit pointed out the overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department could not produce the input rates for detailed verification of para. The Committee directed the department to effect the actual recovery and get it verified from Audit within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 350)

3.4.50 Overpayment due to excessive measurement than actual work done - Rs 2.31 million

As per para 4.5(5) of B&R Department Code read with instructions on preface of measurement book, the measurement should be recorded clearly, accurately and the officer making or ordering payment should satisfy himself that the work had been actually done in accordance with the bill submitted for payment. He should also check that the measurements made by his subordinate were as correct as per scale laid by the competent authority.

The Director Construction-II, WASA, FDA, Faisalabad got executed item "10″ dia AC Pipe" for water supply pipe line for length of 9,676 rft but made payment for length of 14,651 rft instead of actual work done.

Weak supervisory and financial controls resulted in overpayment of Rs 2,313,872.

Audit pointed out overpayment in August 2013. The Agency admitted overpayment. Neither the contractor completed the work nor the Agency recovered the overpayment despite lapes of three years.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Agency admitted the recovery. The Committee deferred the para for effecting recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

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

(DP. 108)

3.4.51 Non-recovery of capital value tax - Rs 2.15 million

As per Board of Revenue, Government of the Punjab, Lahore Notification No. 87-2010/186-RC (III) dated 07.07.2010, the capital value tax is chargeable on urban immoveable property @ 2% on the cost / value of property recovered under section 6 of the Punjab Finance Act, 2010. Further, as per clause-14&15 of Terms and Conditions of auction of hotel

site situated in Trade and Finance Center, Muhammad Ali, Johar Town, Lahore and auction of shops at Sabzazar Scheme Block-G, the purchaser would deposit all taxes applicable as per Government policy.

3.4.51.1 The Deputy Director, PHATA, Sub-Region Khushab auctioned various commercial and residential plots in ADS-II, III Jouherabad, ADS-II Quid-Abad and Mandi Town heavy factory area Jouherabad in June 2012 but did not recover the amount of Capital Value Tax @ 2% from the auction purchasers at the time of auctions.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,405,000.

Audit pointed out non-recovery in March 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Committee directed the Authority for early recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 43)

3.4.51.2 The Director Estate Management-I, LDA, UD-Wing, Lahore auctioned Hotel site situated in Trade and Finance Centre, Muhammad Ali Johar Town, Lahore and 13 shops in G-Block Sabzazar Lahore to different bidders. The Authority handed over the possession of those sites to the successful bidders without receiving of Capital Value Tax.

Weak supervisory and financial controls resulted in non-recovery of Rs 45,250,000.

Audit pointed out the non-recovery in September 2013. The Authority did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the recovery Rs 44.642 million was effected in respect of shops and hotel site which was verified by Audit. Amount of para was reduced to Rs 608,000 by the Committee and

directed to effect balance recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 250)

3.4.51.3 The Deputy Director, PHATA, Sub-Region Sheikhupura auctioned various commercial and residential plots in Area Development Scheme Farooqabad in February 2010 but he did not recover the amount of Capital Value Tax @ 2% from the auction purchasers at the time of auctions.

Weak supervisory and financial controls resulted in non-recovery of Rs 141,043.

Audit pointed out non-recovery in April 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Committee directed the Agency for early recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 54)

3.4.52 Overpayment due to allowing inadmissible item - Rs 2.13 million

As per remarks column against items No. 5 (a) (i) of chapter -23 (Tube well) of MRS 1st Quarter, 2009 for District Gujrat, upto two cusec discharge of water an item "direct rotary / reverse rotary drilling of bore for tube wells in all types of soil except shingle, gravel and rock" was required to be executed for 15″ dia to 18″ dia admissible @ Rs 269 per rft.

3.4.52.1 The Executive Engineer, Public Health Engineering Division, Gujrat for the work "Construction of Water Supply System Gujrat (Group I & III)", measured an item "Direct rotary / reverse rotary drilling of bore for tube wells of 1.50 to 2.00 cusec discharge" for 20″ to 26″ dia and paid @ Rs 386.90 per rft for group-I and @ Rs 404.12 per rft for group- III

instead of bore for 15″ to 18″ dia @ Rs 269 per rft for group-I and Rs 280.97 per rft group-III.

Weak financial and technical controls resulted in overpayment of Rs 909,303.

Audit pointed out the overpayment in September 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that the size of bore hole was recommended as 20" instead of 18" and technical sanction estimate was accorded. The view point of the department was not accepted by the Committee and directed to regularize the matter from the Finance Department or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 362)

3.4.52.2 The Executive Engineer, Public Health Engineering Division, Toba Tek Singh in the execution of work "Urban Water Supply Scheme, Pir Mahal" paid for the item of work 'Boring and shrouding of 20″ to 26″ dia for the Tube Well of 2.00 cusec discharge instead of 15″ to 18″ dia.

Weak supervisory and technical controls resulted in overpayment to the contractor Rs 526,997.

Audit pointed out the overpayment in October 2013. The department replied that size of bowl assembly for 2-cusec pumping machinery was 12″ internal dia (i/d) which required at least 15″ casing pipe. By adding the thickness of wall of pipe it became 15.5″. If 15″ i/d bore hole was carried out, no space left for shrouding which reduce the life of tube well. Therefore it was impossible to carry out 15″–18″ i/d bore hole for 2-cusec tube well. The reply of the department was not tenable being contradiction of above mentioned criteria.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained the size of bore hole was recommended as 20" instead of 18" and provision in technical sanction estimate was made accordingly. The view point of the department was not

accepted by the Committee and directed to regularize the matter from the Finance Department or to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 391)

3.4.52.3 The Executive Engineer, Public Health Engineering Division, Gujrat for the work "Construction of Water Supply System Gujrat (Group II)", paid an item "Direct rotary / reverse rotary drilling of bore for tube wells of 1.50 to 2.00 cusec discharge in all types of soil except shingle, gravel and rock" for 20″ to 26″ dia instead of 15″ to 18″ dia as per MRS.

Weak supervisory and technical controls resulted in overpayment of Rs 361,498.

Audit pointed out the overpayment in September 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that the size of bore hole was recommended as 20" instead of 18" and technical sanction estimate was accorded. The view point of the department was not accepted by the Committee and directed to regularize the matter from the Finance Department or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 361)

3.4.52.4 The Executive Engineer, Public Health Engineering Division, Rawalpindi for the work "Rehabilitation and Augmentation of Urban Water Supply Scheme Taxila (G-II)", paid an item "Direct rotary / reverse rotary drilling of bore for tube wells in all types of soil except shingle, gravel and rock" for 20″ to 26″ dia for the tube well with 1.50 to 2.00 cusec discharge instead of 15″ to 18″ dia as per MRS.

Weak technical and financial controls resulted in overpayment of Rs 218,105.

Audit pointed out the overpayment in August 2013. The department replied that the same para already existed in Audit Report for

the year 2010-11. The reply of the department was not tenable because the department failed to prove its version with documentary evidence.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department reiterated on its previous reply. The Committee directed the department to regularize the matter from the Finance Department or effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends regularization / recovery at the earliest.

(DP. 215)

3.4.52.5 The Executive Engineer, Public Health Engineering Division, Gujranwala for the work "Water Supply Scheme Kashmir Colony and Adjoining Abides", paid an item "Direct rotary / reverse rotary drilling of bore for tube wells in all types of soil except shingle, gravel and rock" for 20″ to 26″ dia for the tube well of 1.50 to 2.00 cusec discharge instead of 15″ to 18″ dia as per MRS.

Weak supervisory and technical controls resulted in overpayment of Rs 116,993.

Audit pointed out the overpayment in July 2013. The department replied that the item was provided and got technically sanctioned for 20″ to 26″ internal dia. As the lowering of housing pipe of 15″ dia was required for 2 cusec tube well. Hence, the item direct rotary / reverse rotary drilling for 20″ to 26″ was correctly measured and paid. The reply was not tenable being in contradiction of above mentioned criteria.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department reiterated its previous reply. The Committee did not agree with the view point of the Department and directed to effect the recovery in the light of remarks column against Item No.5 (a) of Chapter 23 MRS 3rd Quarter 2009 within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 151)

3.4.53 Overpayment due to allowing excessive profit than admissible - Rs 1.99 million

As per Communication & Works department letter No. SOH.II(C&W)/3-27/2012 dated 04.10.2012, 5% Mega Project Allowance would be admissible on the project exceeding Rs 400 million.

The Director Traffic Engineering, TEPA, Lahore while sanctioning of work "Improvement of M.M. Alam Road from Hussain Chowk to Main Boulevard Gulberg" approved rate analysis of different items with 25% contractor profit and overhead charges against admissible allowance 20%. Hence, the Agency made overpayment to the contractor.

Weak financial and supervisory controls resulted in overpayment of Rs 1,990,002.

Audit pointed out the overpayment in October 2013. The Agency replied that the cost of project as per approved PC-I was Rs 441.664 million. It should not be confused with agreement amount of Rs 277.685. Therefore, mega project allowance 5% would definitely be added in contractor profit and overhead of 20%. The reply was not tenable because as per acceptance letter agreement amount was less than Rs 400.00 million. Hence, Mega Project Allowance was not admissible.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency argued that it was a mega project with PC-I cost for Rs 441.664 million. Hence, 5% mega project allowance was added in the profit and overhead. Audit rebutted that mega allowance was permissible as the contract amount was less than Rs 4.00 million. The Committee upheld the view point of Audit and directed to effect recovery within two months. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 441)

3.4.54 Overpayment due to incorrect provision of contractor profit & overhead charges at carriage cost - Rs 1.77 million

As per standard analysis of rates in Market Rate System placed on the web site by the Finance Department, no contractor profit and overhead charges were admissible on the items of carriage & transportation.

3.4.54.1 The Executive Engineer, Public Health Engineering Division, Layyah in the execution of work "Urban Sewerage Scheme Kot Sultan and Rural Sewerage / Drainage Scheme Paharpur District Layyah" prepared / approved rate analysis for the item of work "providing and laying tuff tiles" by including 20% contractor profit & overhead on transportation and carriage. The department accorded sanction of technical sanction estimate and made payment accordingly.

Weak supervisory and financial controls resulted in overpayment of Rs 840,587.

Audit pointed out overpayment in July 2013. The department replied that the audit observation was not correct while as evident from the analysis 20 % contractors profit was taken on labour rate. The reply was not tenable because 20% contractor profit on carriage was included in rate analysis which was not admissible.

The matter was also discussed in the SDAC meeting held on 21.11.2013. The department replied that carriage was paid from factory to site of work including loading / unloading and stacking. The Audit rebutted that the carriage was not admissible as the rate of tuff tile was at site. The Committee upheld the viewpoint of Audit and directed to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 123)

3.4.54.2 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Providing & Laying of Sui Gas network in Fatima Jinnah Town Phase-I" prepared / approved the rate analysis of items providing and laying and jointing of 1 ¼″, 2″, 4″, 6″ dia Polyethyiene pipe etc. by including 20% contractor's profit on transportation/carriage and paid accordingly. Thus, the Department made overpayment to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 308,753.

Audit pointed out overpayment in September 2013. The Authority replied that the government had allowed overall 20% profit and overhead

charges on the market rates wherein 6.5 was deducted as income tax, which came to 13.5% for overhead & profit of contractor. The reply was not tenable because the rate analysis approved was not in accordance with the Finance Department standard rate analysis.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the approved rate analysis was not only for carriage and transportation but it also comprised of handling of material and wastage of pipe. Audit stressed that as per the Finance Department rules wastage was allowed 5% instead of 10%. The Committee directed to effect recovery for 5% wastage and enhanced the para to Rs 926,260 for actual recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officer(s) responsible.

(DP. 310)

3.4.55 Undue financial benefit due to imbalance rates - Rs 1.65 million

As per para 3(iii) of Finance Department notification issued vide No.(Tech)FD-1-2(vi)(P) dated 06.04.2005, if a contractor tenders disproportionate rates in his bid which deviate from the rates provided in the technical sanction estimate, the payment of items those rates are lower will be made at tendered rates but the payment of higher rates items shall be made at the rates depicted in the technical sanction estimate and the balance payment shall be withheld till completion of the work.

The Executive Engineer, Public Health Engineering Division, Toba Tek Singh in the execution of work "Urban Water Supply Scheme Pir Mahal" made payment at quoted rates for the items of work for which the contractor quoted higher rates instead of rates of technical sanction estimate.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor of Rs 1,645,132.

Audit pointed out the irregularity in October 2013. The department admitted the irregularity / undue payment.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department admitted the recovery and promised to effect in the next bill. The Committee directed the Department to effect recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 389)

3.4.56 Non-forfeiture of earnest money - Rs 1.58 million

As per Condition No. 3 of the Acceptance Letter, "the work must be started at site within fortnight from the date of issuance of acceptance letter. Otherwise, it will be rescinded automatically with forfeiture of earnest money without assigning any reason thereof.

The Executive Engineer, Public Health Engineering Division, Gujranwala awarded work "Urban Sewerage Drainage Scheme Wazir Abad", on 02.05.2009. The contractor did not start the work upto 14.04.2010 despite issuance of letters by the department. The department did not take any punitive action against the contractor to forfeit his earnest money for Rs 1,582,000. Instead of forfeiting the earnest money, his request for subletting the work was entertained and the work was subletted to another contractor vide letter No. 833 dated 24.08.2009.

Weak supervisory and financial controls resulted in non-forfeiture of Rs 1,582,000.

Audit pointed out the non-forfeiture of earnest money in July 2013. The department replied that the contractor for group-II could not start the work in time as site was not handed over by TMA. Meanwhile, some understanding developed between both contractors i.e. Group-I & II. The contractor of Group-II extended his willingness to sublet the work to Group-I contractor who was already at work. Since the pace of work and mobility of men and material of Group-II contractor was satisfactory so case for subletting was approved by the competent authority i.e. Chief Engineer (North), Punjab PHE Department Lahore. The reply was not tenable because office record revealed that the department had issued many notices to the contractor to start the work. Hence, the contractor was at fault and his earnest money was to be forfeited.

The matter was also discussed in the SDAC meeting held on

21.11.2013. The department reiterated its previous reply. The Committee did not accept the viewpoint of the department and directed for forfeiture of earnest money / recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 154)

3.4.57 Non-deduction / recovery of sale tax - Rs 1.47 million

As per Government of Pakistan (Revenue Division), CBR / Sales Tax and Federal Excise Wing letter No. 4-2STB/2007 (PT) dated 13.07.2007, the government departments would 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.

The Director E & M, TEPA, Lahore awarded the work of "Supply of H-type Galvanized steel structures size 45 feet long WAPDA poles to Lahore Ring Road" to the contractor but did not deduct sales tax @ 16% from the payment to contractor and obtain GST invoices.

Weak supervisory and financial controls resulted in non-deduction/recovery of sales tax amounting to Rs 1,469,097.

Audit pointed out the non deduction / recovery in October 2013. The Authority replied that the sales tax certificate and other relevant detail (sales tax payment) was provided by the contractor. The reply of department was not acceptable because the department produced the sales tax invoice but proof of payment into treasury by the contractor was not produced.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Agency provided hard copies regarding payment of sales tax downloaded from the FBR site but it could not be verified from the FBR website. Further, the Agency did not deduct at source 1/5th amount of due sales tax value. The Committee directed to Agency to probe the matter and fix responsibility for the irregularity regarding non-deduction of 1/5th GST at source. No compliance of the Committee's directive was intimated till finalization of the report.

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

(DP. 444)

3.4.58 Non-recovery of balance cost of plots with penal surcharge - Rs 1.42 million

According to Condition No. 3 (a, b & c) of allotment letter of Fatima Jinnah Town, Phase-I & II, Multan, after adjustment of amount deposited with application of plot, the balance amount would be payable in eight equal quarterly installments on or before due date. A penal surcharge would be charged @ Rs 3.5% per annum on delayed payment of installments.

The Director, Estate and Land Management, MDA, Multan in eight (08) cases, did not recover the balance/installments of plots alongwith penal surcharge from different allottees of Fatima Jinnah Town, Phase-I & II despite lapse of more than three years.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,422,635.

Audit pointed the non-recovery in November 2013. The Authority replied that notices were issued to the allottees of plots for payment of installments alongwith interest as per policy.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that notices were issued to the allottees for recovery. The Committee directed to recover it within 90 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 334)

3.4.59 Non-recovery of cost of land and development charges - Rs 1.40 million

As per para No. "F" of policy regarding Katachi Abadies, issued by the Director General Katachi Abadies and Urban Improvement vide No. DG (KA) BOR/8-200/2012 dated 22.11.2012, read with minutes of

the meeting of District Implementation Committee held on 09.05.2002, the recovery of Government dues from the dwellers of Katchi Abadies were to be made at prevailing rates.

The Director Katchi Abadies, UD-Wing, FDA, Faisalabad failed to recover the cost of land and development charges from the dwellers of various Katchi Abadies.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,763,715.

Audit pointed out the non-recovery in February 2012. The department admitted recovery.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority produced record of part recovery of Rs 360,821 out of total pointed out recovery of Rs 1.764 million which was verified by Audit. The Committee directed the Authority to recover the balance amount within 30 days and reduced the amount of para to Rs 1,402,894. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 13)

3.4.60 Overpayment due to allowing disposal of earth in addition to re-handling - Rs 1.34 million

As per provision of T.S estimate / acceptance letter as well as prevailing practice of Public Health Engineering Department, the department would pay for back filling / re-handling upto 80% of excavated earth and removing of balance earth would be the responsibility of the contractor.

The Executive Engineer, Public Health Engineering Division, Okara in the execution work "Improvement and Extension of Sewerage Scheme Hujra Shah Muqeem (Group-II)" measured and paid for the item "earthwork excavation" for a quantity of 1172926 cft. Further, the department measured and paid 80% re-handling for a quantity of 196521 cft and transportation of earth within 3 miles lead for 788545 cft. Hence,

the department overpaid for the disposal of earth for 788545 cft which was the responsibility of contractor.

Weak supervisory and financial controls resulted in an overpayment of Rs 1,342,340.

Audit pointed out overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The department explained that the sewer was laid in the main road Depalpur to Kasur and the trenches were filled with sand. The technical sanction estimate was under revision. The Committee directed the department to regularize the matter within 60 days or to effect recovery. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early regularization / recovery.

(DP. 386)

3.4.61 Loss due to non-execution of work at risk & cost - Rs 1.03 million

As per Clause 39 read with Clause 60 and 61 of contract agreement, the contractor would complete work within stipulated period and in case of any failure 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. He would also be liable for forfeiture of security.

The Director Engineering, MDA, UD Wing, Multan awarded a work "Construction of boundary wall around Multan Model Town Housing Scheme (Phase I & II) Multan" to the contractor for Rs 3,416,751 at the rate of MRS 1st quarter of 2008. The contractor failed to complete the work. The Authority declared his 4th bill as final and released the security without any penalty/action. Later on the balance work was awarded to another contractor for Rs 3,336,492 at the rate of MRS 4th quarter 2010. The Authority neither recovered the penalty or forfeited the security nor recovered risk & cost from the original contractor.

Weak supervisory and financial controls resulted in the loss of Rs 1,032,152.

Audit pointed out the loss in September 2013. The department replied that the contractor completed 31% work but his running bill payments were stopped due to non-signing of cheques by ETPB authorities. The contractor time limit was expired during the period. The contractor requested MDA to finalize his work as the material prices were escalated and he was unable to complete the work. The contractor's request was considered genuine and DE, MDA recommended to finalize the work of contractor as the contractor was not at fault. The reply was not tenable because XEN-II, MDA, Multan in his letters had declared that the contractor was at fault.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority explained that the said work was joint venture of MDA and ETPB. The original contractor was not at fault as the ETPB did not make payment to the contractor with the result his contract was finalized with the remarks to execute the balance work at the risk and cost of ETPB. The Committee directed to effect the recovery from ETPB. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officer(s) concerned.

(DP. 320)

3.4.62 Overpayment due to measurement of wrong thickness of bricks - Rs 1.02 million

As per Finance Department's letter No. RO(Tech)FD-11-52/05 dated 19.03.2005, read with remarks against item No. 19, Chapter No. 18 of MRS, nominal thickness of brick was to be measured and paid as 0.364′ for execution of brick soling.

3.4.62.1 The Chief Engineer (North), Public Health Engineering Department, Lahore while sanctioning different works provided deduction of old bricks obtained from dismantling of flagged flooring without concrete foundation by applying conversion factor 1350/100. Whereas nominal thickness of brick was to be taken as 0.364 instead of 0.375. Hence, factor to be applied was 1400/100 instead of 1350/100.

Weak technical and financial controls resulted in loss of Rs 977,769.

Audit pointed out the loss in January 2013. The department in its reply admitted incorrect provision and stated that field formations would be directed to recover the old material @ 1400 No's per % cft of bricks pavement.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The department explained that new bricks in 100 cft was 1400 and it was reduced to 90 % in case of old bricks due to abrasion / wastage effect. The Committee did not agree with the viewpoint of department and deferred the para with direction to effect the recovery within 30 days and get it verified from Audit. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 73)

3.4.62.2 The Director Engineering, MDA, UD Wing, Multan in the execution of work "Construction of roads, water supply, sewerage, overhead reservoir and boundary wall" measured thickness of bricks as 0.375 instead of admissible thickness of 0.364′.

Weak technical and supervisory control resulted in overpayment of Rs 44,035.

Audit pointed overpayment in September 2013. The Authority admitted the recovery.

The matter was also discussed in the SDAC meeting held on 18.12.2013. The Authority admitted the recovery. The Committee directed the Authority to effect the recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 318)

3.4.63 Non-recovery of additional cost of plots - Rs 928,676

According to condition No.4 (a) of allotment orders, the allottees of Area Development Schemes, Renala Khurd, Pakpattan and Arifwala was required to pay provisional cost of plots @ Rs 2,800, Rs 2,500 and Rs 2,400 per marla respectively subject to the condition that final cost of

plots of the schemes would be determined by the Government of the Punjab. Further, as per decision of Cost Finalization Committee's meeting dated 24.09.2005, the per marla final cost was approved @ Rs 4,000, Rs 3,600 and Rs 3,000 respectively to be recovered from the allottees of the above mentioned schemes.

3.4.63.1 The Deputy Director, PHATA, Sub-Region Okara allotted 56 plots to different owners at provisional cost. The prices of plots were enhanced but the Authority did not recover the additional cost of plots from the allottees/owners in Area Development Schemes.

Weak supervisory and financial controls resulted in non-recovery of Rs 749,007

Audit pointed out the non-recovery in April 2013. The Authority replied that notices were being issued to the allottees of plots to deposit additional cost of plots.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority produced record for partial recovery of Rs 274,245 but bank scroll and cash book were not produced. The Committee directed the Authority to effect the whole recovery within 30 days. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends recovery at the earliest.

(DP. 21)

3.4.63.2 The Deputy Director, PHATA, Sub-Region Multan did not recover the difference of final cost and provisional cost of plots from various allottees of ADS-1, New Multan. The outstanding amount was recoverable despite lapse of period of more than eight years.

Weak supervisory and financial controls resulted in non-recovery of Rs 250,825.

Audit pointed out the non-recovery in February 2013. The Authority replied that recovery 4 Nos. plots amounting to Rs 71,155 was included in the DP No 7 for the year 2010-11. The reply was not tenable because no documentary evidence in support of reply was produced to Audit.

The matter was also discussed in the SDAC meeting held on 25.11.2013. The Authority reiterated its previous reply. Facts were verified by Audit. The Committee directed the Authority to effect the balance recovery within 30 days and reduced the para to Rs 179,669. No compliance of the Committee's directive was intimated till finalization of the report.

Audit recommends early recovery.

(DP. 17)

CHAPTER-4

IRRIGATION DEPARTMENT

4.1 Introduction of department

Punjab Irrigation Department was established in 1854. The Punjab Irrigation System is divided into 11 field zones and each field zone is controlled by a Chief Engineer with the assistance of the Superintending Engineers. They are assisted by the Executive Engineers and Sub-Divisional Officers etc. Office of the Divisional Engineer is the basic accounting unit assisted by a Divisional Accounts Officer. The main functions of the department include:

1. Planning, prioritization and implementation of Rehabilitation Schemes of canals, barrages and headworks;
2. Operation and upkeep of irrigation system of the province;
3. To optimize 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; and
5. Implementation of the development programme portfolio and foreign aided projects

4.2 Comments on Budget & Accounts (Variance Analysis)

The budget of Irrigation Department comprises development and non-development major heads. The non-development budget is allocated under grant No. PC-21009 which includes salary, repair and maintenance works. The development budget is allocated under grant No PC-12037 which is the original grant for civil works. The development schemes are also allocated under grant No. PC-22036 development for Irrigation works.

Irrigation Department

(Rupees in million)

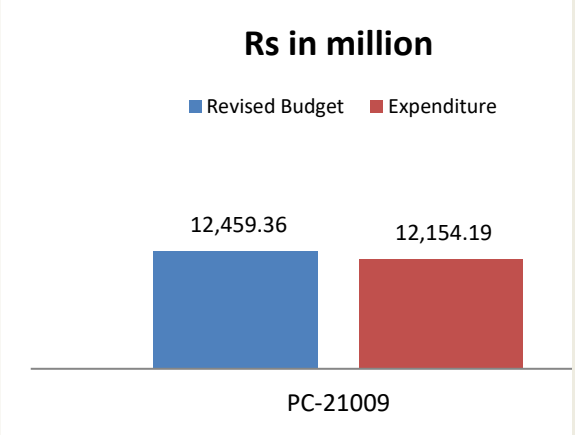
Grant No & Nature	Original Budget	Supplementary, Re-appropriation (+/-) & Surrender	Revised Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant						
PC-21009	10,229.86	2,229.50	12,459.36	12,154.19	(305.17)	(2.45)
Development Grants						
PC-22036	1,370.00	(1,149.04)	220.96	183.56	(37.39)	(16.92)
PC-12037	19,830.00	(11,578.45)	8,251.55	7,236.44	(1,015.11)	(12.30)
Sub Total	**21,200.00**	**(12,727.49)**	**8,472.51**	**7,420.01**	**(1,052.50)**	**(12.42)**
Grand Total	**31,429.86**	**(10,497.99)**	**20,931.87**	**19,574.20**	**(1,357.67)**	**(6.49)**

Source: SAP R/3 (CODE: YPIFMISPN)

Non-Development Grant

Grant No PC-21009

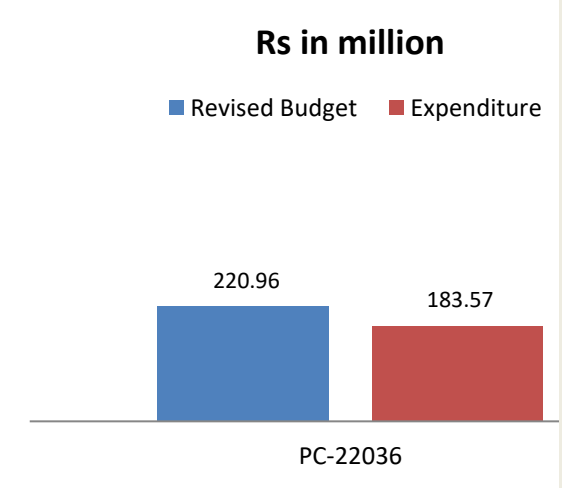
Non-development budget under grant PC-21009, budget was not fully utilized. Expenditure of Rs 12,154.19 million was incurred against the revised budget of Rs 12,459.36 million. Thus there was a saving of Rs 305.17 million (2.45%).



Development Grant

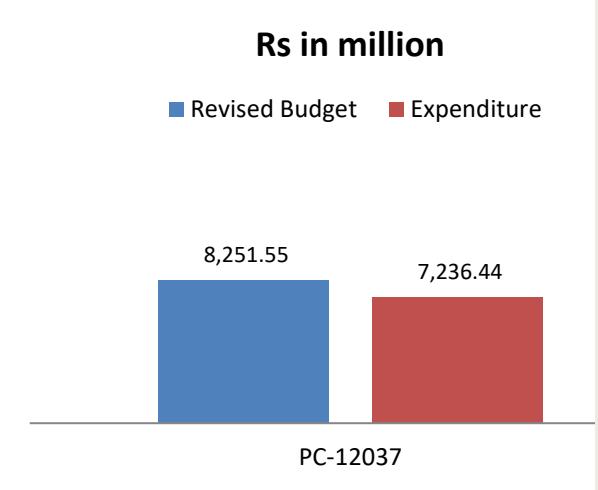
Grant No PC-22036

Under development grant PC-22036, the expenditure incurred was Rs 183.57 million against the revised budget of Rs 220.96 million. Thus there was a saving of Rs 37.39 million (16.92%).



Grant No PC-12037

Under the development grant PC-12037, the expenditure incurred was Rs 7,236.44 million against the revised budget of Rs 8,251.55 million. Thus there was a saving of Rs 1,015.11 million (12.42 %).



According to Chapter 14 of Punjab Budget Manual, the spending department is required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, the Irrigation Department did not surrender a saving of Rs 1,357.67 million.

4.3 Brief comments on the status of compliance with PAC directives

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

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
1	1956-57	02	-	02	-
2	1957-58	01	-	01	-
3	1958-59	03	-	03	-
4	1960-61	01	-	01	-
5	1961-62	01	-	01	-
6	1963-64	01	-	01	-
7	1965-66	11	-	11	-
8	1966-67	02	-	02	-
9	1967-68	02	-	02	-
10	1968-69	07	-	07	-
11	1970-71	06	-	06	-
12	1971-72	03	-	03	-
13	1972-73	05	-	05	-
14	1973-74	01	-	01	-
15	1974-75	01	-	01	-
16	1975-76	11	-	11	-
17	1977-78	01	-	01	-
18	1978-79	02	-	02	-
19	1980-81	13	-	13	-
20	1981-82	44	-	44	-
21	1982-83	50	-	50	-
22	1983-84	19	-	19	-
23	1984-85	41	-	41	-
24	1985-86	62	-	62	-
25	1986-87	59	-	59	-
26	1987-88	21	-	21	-
27	1988-89	94	-	94	-
28	1989-90	29	-	29	-
29	1990-91	71	01	70	1.41
30	1991-92	80	-	80	-
31	1992-93	85	-	85	-
32	1993-94	136	-	136	-

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
33	1994-95	21	-	21	-
34	1995-96	93	-	93	-
35	1996-97	60	-	60	-
36	1997-98	320	-	320	-
37	1998-99	61	-	61	-
38	1999-00	71	-	71	-
39	2000-01	62	-	62	-
40	2001-02	41	-	41	-
41	2003-04	17	-	17	-
42	2005-06	32	-	32	-
43	2006-07	30	08	22	26.67
44	2009-10	04	01	03	25.00
Total		**1677**	**10**	**1667**	**0.60**

Source: PAC Digest and PAC Compliance Cell data base

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

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

4.4 AUDIT PARAS

4.4.1 Loss due to misappropriation / theft of public property - Rs 49.04 million

As per rule 2.33 of Punjab Financial Rules Volume-I every government servant shall realize fully and clearly that he will be held responsible personally for any loss sustained by government through fraud or negligence on his part. As per rule 2.34 all cases of theft, losses and shortage of material be reported to government and higher authority of the department.

4.4.1.1 Superintendent Engineer, Mechanical Circle, Lahore did not show the accountal of 624 Nos. idle tubewells which were either auctioned, sold to the zamindars or were available with the department.

Weak supervisory and financial controls resulted in loss of Rs 31,200,000.

Audit pointed out misappropriation in March 2013. The department replied that the auction process of 624 Nos. tubewells was underway. The reply was not acceptable because neither any steps were taken to dispose off 624 Nos. tubewells lying unserviceable since 2004 nor their whereabouts were produced during audit.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 15 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of loss besides fixing responsibility against the responsible.

(DP.08 2012-13)

4.4.1.2 Superintending Engineer, Mechanical Circle, Lahore could not recover the amount due to theft of cheques and fraudulent withdrawals of Rs 5,046,637 in Lahore Drainage Division, Lahore as reported in a meeting held on 22.08.2005.

Weak supervisory and financial controls resulted in loss of Rs 5,046,637.

Audit pointed out the loss in March 2013. The department replied that Lahore Drainage Division was not functioning under the administrative control of Mechanical Circle, Lahore. The reply was not tenable as Superintendent Engineer, being member of Committee should have got investigated the matter and recovered the loss.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee directed that the para may be transferred to Lahore Drainage Division, Lahore for pursuance.

Audit recommends early recovery of loss besides fixing responsibility against the responsible.

(DP.11 2012-13)

4.4.1.3 As per record of Chief Engineer, Irrigation Development Zone, Lahore, a letter dated 19.12.2011 written to Director Gauges Programme Monitoring & Implementation Unit revealed that an excavator machine No. F5 (track No 47627) was embezzled by an official. Neither cost of Machine was recovered nor any disciplinary action was taken against the person(s) responsible.

Weak supervisory and financial controls resulted in loss of Rs 4,000,000.

Audit pointed out the loss in April 2013. The Department replied that the inquiry under PEEDA Act 2006 was initiated against the concerned and amount of machinery was assessed for Rs 462,000.The reply was not tenable because value of machine assessed was not supported with documentary evidence.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed that total amount involved in the para be recovered at the earliest. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides taking disciplinary action against the delinquents.

(DP.06 2012-13)

4.4.1.4 Executive Engineer, Drainage Division, Mandi Bahaudin did not pursue the recovery on account of misappropriation of the Government stores/material of Lot No.41 and 43 for Rs 1,732,488 from Mr. Ahmad Yar Sub-Engineer and Rs 1,732,488 from Mr. Ashiq Hussain Tubewell Operator.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,464,976.

Audit pointed out the non-recovery in January 2013. The department replied that efforts were being made to recover the amount. The pension case had been withheld and letter was issued to Ahmed Yar Sub-Engineer (Rtd) for depositing the amount. As regards recovery from Ashiq Hussain Tubewell Operator, letter was issued to Executive Engineer, Sargodha Drainage Division, Sargodha for making recovery from him. Reply was not tenable as no record for perusal of the same was produced for verification.

The para was also discussed in the SDAC meeting held on 10.12.2013. It was stated by the department that matter was under inquiry. The Committee kept the para pending till the outcome of the inquiry. No progress towards recovery was reported till finalization of the report.

Audit recommends early recovery of loss besides fixing responsibility against the responsible.

(DP.104 2012-13)

4.4.1.5 Executive Engineer, Excavator Division, Faisalabad neither recovered cost of a stolen machine No-24-RE valuing rupees 2,000,000 (Apx) nor loss got condoned by the competent authority.

Weak financial and supervisory controls resulted in loss of Rs 2,000,000.

Audit pointed out the loss in November 2013. The department replied that FIR was got registered and inquiry was under process. After finalization of inquiry actual recovery would be made from defaulter.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed that total amount

may be recovered within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of loss besides disciplinary action against the person(s) responsible.

(DP.193 2013-14)

4.4.1.6 Executive Engineer, Irrigation Research Institute, Lahore Mr. Imtiaz Ahmad Sipra SRO / DD (Physics) Irrigation Department-I, Lahore handed over a government vehicle No. LXC 3579 (Toyota Pickup) alongwith scientific instruments to an officer to conduct research work / (PhD) in February, 2008. It was reported by the Chief Engineer, Research Zone that the concerned officer neither returned vehicle nor scientific instruments. Further, allotment of vehicle during study period was not covered under rules.

Weak supervisory and financial controls resulted in loss of Rs 1,460,000.

Audit pointed out the loss in July 2013. The department replied that reply would be submitted in due course after consulting the relevant record. Reply of the department was not tenable because it was evident from record that concerned officer did not return the vehicle as yet.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department did not attend the SDAC meeting on discussion date. The Committee directed that Executive Engineer Research Institute, Lahore would explain the position within a week or make recovery within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of rent and cost of vehicle besides taking disciplinary action against the officers concerned.

(DP.43 2013-14)

4.4.1.7 As per record of Superintendent Engineer, Mechanical Circle, Lahore letter No. 2992/84-EG(41) dated 25.08.2008, the Forest Officer sold out public property i.e. 138 No. trees of Irrigation Department valuing Rs 1,572,250 but deposited only an amount of Rs 348,500. The balance amount of Rs 1,223,750 was not recovered.

Weak financial and supervisory controls resulted in loss of Rs 1,223,750.

Audit pointed out the loss in March 2013. The department replied that para did not relate to this circle. The reply of the department was not tenable because loss was pointed out by Superintendent Engineer, Mechanical Circle, Lahore.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 15 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of loss from the person(s) concerned besides taking disciplinary action.

(DP.10 2012-13)

4.4.1.8 Superintending Engineer, Drainage Circle, Sargodha vide his letter No 711/7-S(ii) dated 27.2.2005 pointed out misappropriation worth Rs 251,924 and Rs 115,764 on account of theft of 314.904 kg burnt E.C. wire against an official of store and workshop division Sargodha and theft of T&P material by a sub-engineer of Tubwell Sub-Division, Sargodha respectively and ordered his Sub Divisional Officer for assessment of value of burnt wire/theft etc. But neither recovery was made nor disciplinary action was initiated against the officials who misappropriated the copper wire and T&P material despite lapse of considerable period.

Weak supervisory and financial controls resulted in loss of Rs 367,688.

The loss was pointed out in February 2013. The department replied that concerned Sub Divisional Officer was directed to recover the amount but no progress towards recovery was reported.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 15 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officials responsible.

(DP.21 2012-13)

4.4.1.9 Executive Engineer, Drainage Division, Faisalabad could not recover cost of various items stolen in August 2009 for Rs 279,629. Neither the cost of stolen material was recovered nor loss was got waived off by the competent authority.

Weak financial and supervisory controls resulted in loss of Rs 279,629.

Audit pointed out the loss in October 2013. The department replied that the matter related to Samundri Drainage Division, Faisalabad. The competent authority i.e. Superintending Engineer, Drainage Circle, Faisalabad had appointed the Executive Engineer, Faisalabad Drainage Division, Faisalabad as an inquiry officer to inquire the matter for assessment for loss of theft material. The department admitted observation but no progress towards recovery was reported.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed to complete inquiry within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry / recovery of loss besides fixing responsibility against the responsible(s).

(DP.198 2013-14)

4.4.2 Wasteful expenditure on execution of non-viable projects - Rs 2,054.85 million

As per Rule 2.10 of Punjab Financial Rules Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure from Government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

4.4.2.1 As per accounts record of Superintendent Engineer Development Circle, Lahore i.e. file No. 14-G-pt-111 Chief Engineer letter dated 20.01.2012 work rehabilitation of LCC system part-B was awarded to a

contractor with contract price of Rs 1,397.207 million during 2007-08. The contractor executed some portion of work and dragged the department in litigation and work was left incomplete. The latest status/progress of work was not known.

Weak internal and supervisory controls resulted in loss of Rs 1,397,207,000.

Audit pointed out the loss in April 2013. The department replied that the work was related to Irrigation Faisalabad Zone. The JICA Project did not relate to the Circle as well as Irrigation Zone Lahore. The reply of the department was not acceptable because Superintendent Engineer was required to take necessary action in the light of Chief Engineer's letter.

The para was also discussed in the SDAC meeting held on 23.10.2013. The department stated that the para was related to Head PMU, LCC/Chief Engineer, Irrigation Faisalabad Zone. The Committee transferred the para to PMU, LCC Faisalabad Zone with the direction to produce record for verification within 30 days. No record in compliance of SDAC's directive was produced for verification till finalization of the report.

Audit recommends early accountal / recovery of loss besides fixing responsibility against responsible.

(DP.67 2012-13)

4.4.2.2 Executive Engineer, Development Division-IV, Fateh Jang incurred a huge expenditure of Rs 651,945,253 on account of land acquisition, consultancy, work charge and advertisement for the construction of Cherah Dam whereas the project was unfeasible and was not viable technically as well as economically as evident from the correspondence exchanged with the Executive Engineer Fateh Jang and Project Director Small Dam organization Islamabad on 15.11.2012.

Weak financial and administrative controls resulted in wasteful expenditure of Rs 651,945,253.

Audit pointed out the wasteful expenditure in July 2013. The department replied that letter of Executive Engineer mentioned in the para was just a technical opinion / suggestions to this office. It could not be taken as mismanagement.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department reiterated its original reply. The Committee was not convinced with the departmental reply. It was directed that a technical probe be got conducted and completed within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends investigation of the matter for taking action against the responsible(s).

(DP.14 2013-14)

4.4.2.3 Chief Engineer, Research Irrigation Department, Lahore did not reflect the scheme in ADP and did not try to get release of funds to complete the project. This was a project of national interest and the question was raised in the Punjab Assembly. The expenditure incurred on the project was also gone wasted without achieving the targets of the project.

Weak supervisory and financial controls resulted in wasteful expenditure of Rs 5,700,000.

Audit pointed out the wasteful expenditure in February 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 25.10.2012& 26.10.2012. The department replied that efforts were being made to restart the scheme by obtaining funds. The Committee was not convinced with the departmental reply and directed that a technical probe be got conducted and completed by the Chief Engineer concerned within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends probe into the matter for fixing responsibility against the person(s) involved.

(DP.48 2011-12)

4.4.3 Unauthentic stock balance and non-recovery / adjustment of stock account – Rs 874.74 million

As per Article 205 of Account Code Volume-III read with Rule 617 (a & b) of Departmental Financial Rules, total quantities of receipts

and issues of each article of stock, be posted in the Half Yearly Balances Return (Form D.F.R 9) and a separate return should be prepared for each of the half year ending in December and June. The return for each half year should embrace all articles in stock**.**

4.4.3.1 Executive Engineer, Central Store Division, Lahore incurred an expenditure of Rs 606,561,313 for the period from 2005-06 to 2012-13 for the look after of the stock worth Rs 146,365,924 despite that the stock was lying unused for more than 10 years. The establishment expenditure on 66 employees only for the year 2012-13 was Rs 68,353,729, whereas neither the annual physical verification of the stock was conducted nor the survey reports and the evaluation of the stock was carried out on prescribed accounts format.

Weak supervisory and financial controls resulted in burden of expenditure of non-operational division Rs 606,561,313.

Audit pointed out the lapse in July 2013. The department replied that two Divisions i.e. TOD and Stores & Work Shop Division Sanda Road Lahore (Defunct) were declared defunct by the Government and attached with Central Stores Division Mughalpura Lahore in 2004 for maintaining its record and custody of stock and stores. Government is providing necessary budgetary grant to maintain the record of custody of stock & stores. The reply was not tenable because neither the existing 66 employees prepared / maintained the mandatory accounts formats / returns nor the annual physical verification of the stocks was conducted. Thus the expenditure on the employees from the last 8 years is a burden on Government exchequer.

The matter was also discussed in the SDAC meeting held on 20.11.2013. No person attended the verification as well as discussion. The Committee took it seriously and directed to get the record verified within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends to probe the matter to fix responsibility for non-preparation of the mandatory accounts formats / returns and non-verification of the stocks.

(DP.36 2013-14)

4.4.3.2 Executive Engineer, Central Store Division, Lahore maintained a stock balance of Rs 155,547,384 as per monthly accounts From Public

Works Accounts-29 but the initial stock accounts / stock returns on prescribed accounts formats PWA-8, DFR (PW-11), DFR (PW-14) and DFR (PW-15) were not maintained. Moreover, the physical verification of the stock items was also not being conducted from an independent officer.

Weak supervisory and financial controls resulted in unauthentic stock balances amounting to Rs 155,547,384.

Audit pointed out unauthentic stock balances in July 2013. The department replied that a letter No. 312-14/41-A dated 06.08.2013 was issued to all concerned officers to provide the complete lists of stock. The reply was not tenable because the issuance of a letter on 06.08.2013 for submission of the physical verification reports of the store worth Rs 134,000,022 seemed implausible because the Superintending Engineer was also required to depute an independent officer for verification and surprise checks.

The matter was also discussed in the SDAC meeting held on 20.11.2013. No person attended the verification as well as discussion. The Committee took it seriously and directed to get the record verified within 30 days. No compliance of the Committee's directive was reported till finalization of report.

Audit recommends to probe the matter for fixing responsibility for non-preparation of the mandatory accounts formats / returns and non-verification of the stocks.

(DP. 37 2013-14)

4.4.3.3 Executive Engineer, Central Store Division, Lahore did not make the arrangement for handing over / taking over of the stores at the eve of the transfer of Sardar Javaid Sub-Engineer in-charge main store on 01.10.2012.The stock register, stock returns and the physical verification reports of stock items were neither maintained nor handed over to other Sub-Engineer despite lapse of more than one year.

Weak supervisory and financial controls resulted in unauthentic value of stock worth Rs 52,696,000.

Audit pointed out unauthentic stock balance in July 2013. The department replied that letters were issued to higher authority for transferring back Mr. Sardar Javaid (Sub-Engineer) for handing over the

charge to other Sub-Engineer. The reply was not tenable because Executive Engineer Central Store Division Lahore issued the Last Pay Certificate in favour of Sardar Javaid Sub-Engineer in-charge main store without the handing / taking over the charge of the main store.

The matter was also discussed in the SDAC meeting held on 20.11.2013. No person attended the verification as well as discussion. The Committee took it seriously and directed to get the record verified within 30 days. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation of the matter to fix responsibility for non-handing / taking over the charge besides conducting physical verification of the stock.

(DP.34 2013-14)

4.4.3.4 Executive Engineer, Bhakkar Canal Division, Bhakkar had shown value of stock Rs 31,502,603 in monthly accounts without any authenticity and availability of stock. The sub-divisions had not submitted the stock account without any justification. No detail of actual stock available with the department was maintained and produced to Audit.

Weak supervisory and financial controls resulted in unauthentic stock balance of Rs 31,502,603.

Audit pointed out the lapse in September 2013. The department replied that figure shown in stock account related to reserve stock of stone and the stone was lying at various structures under the jurisdiction of division. The reply was not tenable because neither half yearly balances return and other stock returns were prepared and submitted by the sub-divisions nor any responsible officer had checked and verified the stock actually available with the department. In the light of above circumstances chances of misappropriation of material could not be ruled out.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that physical verification be carried out and factual position of stock be got verified from Audit within 30-days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of physical verification.

(DP.161 2013-14)

4.4.3.5 Executive Engineer, Jampur Construction Division, D.G. Khan neither conducted physical verification of stock nor prepared stock account/ returns on prescribed formats. The stock balances depicted in form PWA-29 of monthly account for June 2013 for Rs 15,620,917 under head manufacture and under other sub-head were unrealistic.

Weak supervisory and financial controls resulted in unauthentic stock balances worth Rs 15,620,917.

Audit pointed out the unauthentic stock balances in September 2013. The department replied that the concerned Sub-Divisional Officer was directed to provide the requisite stock returns. The reply was not tenable because the department did not prepare physical verification reports of stocks and stock accounts books/ returns on prescribed formats.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came up with same version. The Committee was not convinced with the departmental reply and directed to prepare stock accounts / returns alongwith physical verification reports and verification thereof within 60 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends physical verification of the stock and maintenance of stock accounts / returns.

(DP.212 2013-14)

4.4.3.6 Executive Engineer, U.C.C Division, Sheikhupura was showing value of stock Rs 12.814 million in monthly accounts without any authenticity or availability of stock. The sub-divisions had not submitted the stock account without any justification. No detail of actual stock available with the department was maintained and produced to audit for authenticity.

Weak supervisory and financial controls resulted in unauthentic stock balance of Rs 12,814,490.

Audit pointed out the lapse in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that physical verification be carried out and factual position of stock be got verified from Audit within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation to fix responsibility against the officers concerned.

(DP.147 2013-14)

4.4.4 Irregular finalization of accounts of incomplete work - Rs 608.91 million

As per clause 10 of contract agreement, the contractor shall execute the whole and every part of the work in the most substantial and workman like manner, both as regards material and otherwise in every respect in strict accordance with the specification. Further, as per clause 43 (4) if the contractor fails to complete the work, the engineer in-charge shall carry out such work by his own workmen or by the other contractor and recover from the defaulting contractor a sum equal to the actual expenditure.

4.4.4.1 Executive Engineer, Development Division No-II, Lahore awarded the work with agreement amount of Rs 937.619 million. The contractor was paid 17th running bill for Rs 450.432 million but this work was finalized and accounts were closed without obtaining 100% progress.

Weak supervisory and administrative controls resulted in irregular finalization of work amounting to Rs 499,033,000.

Audit pointed out the loss in July 2013. The department replied that work "Rehabilitation of Main Line Lower UCC" was started on 03.10.2007 and its completion date was 02.10.2010. But the department achieved financial progress of Rs 450.432 million i.e. 50% and physical progress was 52% in 5 years instead of 3-years plan. The work was finalized on actual work done basis on the direction of Secretary Irrigation. The reply of department was not acceptable because incurring huge expenditure of Rs 450,432,000 achieved no benefits and expenditure was wasted.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that work was finalized on actual work done basis on the direction of Secretary Irrigation. The Committee was not convinced with the departmental reply and directed that a technical probe in the matter be got completed by the Additional Secretary (Technical) Irrigation Department within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of the technical probe.

(DP.40 2013-14)

4.4.4.2 Executive Engineer, Trimmu Barrage Division, Trimmu allotted a work on 22.05.2007 for Rs 210,974,002 against the estimated cost of Rs 358,930,241 i.e. 41.20 % below the estimated rate. After receiving payment of Rs 109,872,771, the contractor stopped the work on 25.10.2009 and absconded. The department took no action against the contractor despite lapse of four years .

Weak supervisory and financial controls resulted in wasteful expenditure of Rs 109,872,771.

Audit pointed out the lapse in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe be completed by the Chief Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends matter be investigated for fixing responsibility against the officers concerned besides effecting recovery of loss.

(DP.133 2013-14)

4.4.5 Non-recovery of cost of land of Irrigation department valuing - Rs 351.00 million

According to para 4.7(1) of the Punjab Financial Rules Vol-I (PFR), it was primarily responsibility of the departmental authority to see

that all sums, government dues were correctly and promptly assessed, realized and credited to prepare head of account.

As per accounts record Superintendent Engineer, Mechanical Circle Lahore, TEPA LDA Lahore acquired 33 Kanals Land of Irrigation Department valuing Rs 330 million and dismantled Building of Irrigation Department valuing Rs 81 million. The total claim against TEPA/LDA came to Rs 411 million. Out of Rs 411 million the TEPA/LDA paid Rs 60 million and balance amount of Rs 351 million was still recoverable.

Weak supervisory and internal controls resulted in non-recovery of Rs 351,000,000.

Audit pointed out the non-recovery in March 2013. The department replied that Land had value of Rs 300 million and pertained to Pakistan Railways and out of compensation of Rs 81 million 60 million had been received and demand for the remaining amount of Rs 21 million had been made. The reply of the department was not accepted because neither record indicated that the land belonged to Pakistan Railways nor recovery of balance amount was made as yet.

The para was also discussed in the SDAC meeting held on 04.09.2013. The department stated that the correspondence had already been made and the matter was still under process with TEPA. The Committee kept the para pending till outcome of correspondence with TEPA. No record in compliance of SDAC's directive was produced till finalization of the report.

Audit recommends early recovery of balance amount besides fixing responsibility against the responsible.

(DP.12 2012-13)

4.4.6 Undue financial benefit to the contractor due to non-obtaining of performance security and bank guarantee – Rs 181.04 million

As per clause 7 of the agreement read with item (h) of memorandum of work, 5% performance security in the shape of bank guarantee from any scheduled bank was to be submitted by the contractor if tender amount exceeds from Rs 50 million. Further, as per the Finance Department letter No Ro(tech) F.D 1-2/83(vi)(D) dated 06.04.2005, in

case the total tender amount is less than 5% of approved estimated cost, the lowest bidder will have to deposit additional performance security .

4.4.6.1 Executive Engineer, Shahpur Division Sargodha awarded various works on 31.33%, 31.69% 31.16% and27.21% below rates but no additional performance security was obtained from the contractors.

Weak financial and supervisory controls resulted in undue financial benefit to the contractors worth Rs 100,119,667.

Audit pointed out the undue financial benefit in August 2013. The department replied that in 3 cases the estimates had been prepared with due care and all the departmental formalities had been fulfilled. The works had been allotted to lowest bidders. In one case, the department replied that the work of "Manufacturing Pitching Stone" was awarded within the permissible limit of 4.50% above. Reply was not tenable because as per comparative statement work was awarded at 27.21% below rates and additional bank guarantee was essential.

The para was also discussed in the SDAC meeting held on 17.12.13. The department came up with the same version. The Committee was not convinced with the departmental reply and directed that detailed verification be completed within 10 days. No compliance of Committee's directive was reported till finalization of the report

Audit recommends investigation besides fixing responsibility for non-obtaining additional bank guarantee.

(DP.92 2013-14)

4.4.6.2 Executive Engineer, Chakwal Dams division, Chakwal awarded work for Rs 116,978,628 on 30.05.2012 to the contractor. The contractor quoted rate 13.76% below the estimated cost. The department neither obtained performance security Rs 5,848,900 nor additional performance security Rs 18,663,086. Further, bank guarantee against mobilization advance amounting to Rs 17,545,000 was also not revalidated as required under the rules.

Weak financial and supervisory controls resulted in undue financial benefit amounting to Rs 42,056,986.

Audit pointed out the irregularity in July 2013.The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that amount of performance security be recovered within 30-days and bank guarantee against mobilization advance be got revalidated. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of performance security / bank guarantee besides fixing responsibility against the responsible and condonation of irregularity from the Finance Department.

(DP.11 2013-14)

4.4.6.3 Executive Engineer, U.C.C Division, Sheikhupura allotted a work during July 2013 for Rs 62.922 million against the estimated cost of Rs 78.820 million i.e. 20.16 % below the estimated rate. The contractor submitted additional performance security for Rs 15.898 million issued by the Summit Bank G.T Road Kot Adu. The bank guarantee expired on 15.08.2013 but department did not re-validate bank guarantee despite of fact that work was still in running position.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor for Rs 15,898,000.

Audit pointed out the lapse in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that additional performance security may be revalidated recovered from next running bill within 30 days and condonation be obtained in the matter from the Finance Department. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officers concerned.

(DP.141 2013-14)

4.4.6.4 Executive Engineer, Development Division III, Sahiwal awarded a work "Construction of Sukhnai Drain-III to a contractor in October 2009. The contractor quoted rate 12.76% below the estimated cost. The department did not obtain additional performance security at the percentage quoted below from the contractor.

Weak financial and supervisory controls resulted in undue financial benefit to the contractor for Rs 12,912,366.

Audit pointed out the irregularity in August 2013. The department replied that Performance Security amounting to Rs 12,912,367 was obtained from the contractor. Reply of the department was not tenable because performance security had since been expired on March 2010 which was not revalidated.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department admitted the irregularity. The Committee directed that additional performance security be got revalidated within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early revalidation of performance security besides taking disciplinary action against the responsible.

(DP.88 2013-14)

4.4.6.5 Executive Engineer, Canal Division, D.G. Khan awarded the work for Rs 72,870,552 @ 5.01% below of the T.S. Estimate amount Rs 76,719,358 but did not obtain the additional performance security Rs 3,848,806 from a scheduled bank for risk coverage of the Government.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 3,848,806.

Audit pointed out the irregularity in August 2013. The department replied that cash Cheque in the shape of performance security / Additional performance security was obtained from the contractor and placed on record. The reply was not tenable because the acceptance of cheque in place of additional performance security of a schedule bank was against the provision of clause 26(a) of the agreement. Even the cheque obtained

was not deposited under relevant head of account for the risk coverage of the Government.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed that total amount of additional performance security upto maintenance period may be obtained within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to obtain additional performance security from a scheduled bank and get it verified from Audit.

(DP.246 2013-14)

4.4.6.6 Executive Engineer, U.C.C Division, Sheikhupura allotted the work at Rs 62.922 million on 11.07.2013, but did not obtain performance securities in the shape of bank guarantees or in cash @ 5% of contract cost as warranted by the agreement.

Weak financial and supervisory controls resulted in undue financial benefit of Rs 3,146,000.

Audit pointed out the undue financial benefit to the contractor in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that performance security be recovered from next running bill within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officers concerned.

(DP.140 2013-14)

4.4.6.7 Executive Engineer, Khanki Headworks Division, Khanki allotted a work at a cost of Rs 38.459 million during December, 2011. Later on due to increase in scope of work, enhanced the contract cost to Rs 53.925 million but did not obtain performance security in the shape of bank guarantee or in cash @ 5% of contract cost as warranted by the agreement.

Weak financial and supervisory control resulted in undue financial benefit of Rs 2,696,000.

Audit pointed out the undue financial benefit to contractor in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. Out of Rs 2,696,000 an amount of Rs 1,694,000 was recovered and got verified. The Committee directed that balance recovery of Rs 1,002,000 may be recovered within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of balance amount.

(DP.175 2013-14)

4.4.6.8 Executive Engineer, L.J.C Division, Rasul, allotted the work at Rs 3,351,422 on 07.06.2013 against the estimated cost of Rs 5,405,520 which was 38 % below. Additional performance security for Rs 2,054,097 which was required to be obtained in the shape of bank guarantee by the department was not obtained.

Weak financial and supervisory controls resulted in undue financial benefit of Rs 2,054,097.

Audit pointed out the undue benefit to the contractor in October 2013. The department replied that CDR of the contractor was available with the department and deduction of additional performance security was also made from the 1st running bill of the contractor**.** The reply was not tenable because as per instruction of Finance Department and provision of agreement, the additional performance guarantee of full amount was to be obtained at the start of work i.e. within fifteen days whereas it was not obtained and undue financial benefit was provided to the contractor. Further, original CDR of the contractor was not shown to Audit in support of reply.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed

by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of technical probe and resultant action against the delinquents.

(DP.166 2013-14)

4.4.7 Undue financial benefit due to non-recovery of secured / mobilization advance - Rs 133.90 million

As per para 2.98(a) of Buildings & Roads Department Code and Communication & Works letter No. SO-III (C&W) 2-14/97 dated 29th May, 1997, under normal circumstances the secured advance has to be recovered within 3 months. Further Finance Department letter No. RO (Tech) FD 18-44/2006, dated 07.12.2007 clarified by Chief Engineer Development Zone vide No. 5239, dated 12.06.2012, the recovery of Mobilization Advance shall commence after lapse of 20% contract period or after execution of 20% of the work. The rate of recovery would be 25% of the value of work done.

4.4.7.1 Executive Engineer, Construction Division, D.G. Khan awarded a contract on 13.06.2012 with period of completion of 24 months i.e. upto 12.06.2014 and paid secured advance on mild steel 27096.36 CWT for Rs 124,026,813 in June 2012. The item of fabrication of mild steel 8199.37 CWT was paid in June 2013 but the consumption of steel was not fully recovered from the secured advance.

Weak supervisory and financial controls resulted in non-recovery of secured advance for Rs 124,026,813.

Audit pointed out the non-recovery in August 2013. The department replied that the all the due recoveries on the percentage rates provided indenture bond for secured advance has been made for Rs 11,036,298 against total advance of Rs 124,026,813 upto 7th running bill. The steel measured for a quantity of 8199.77 CWT was withheld. The reply was not tenable, because the record entry indicates the consumption of steel was not fully recovered and the less quantity of steel 7159.30 CWT for Rs 11,036,298 only was recovered instead of actual consumption. Out of paid amount of secured advance Rs 124.027 million, only Rs 11.036 million was recovered after the passage of 14 months i.e. 60% period of the contract. Under clause 7 of

the indenture for secured advance, the full amount was required to be recovered. The para was reduced to Rs 112,990,515.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed to recover balance amount Rs 112.900 million within 90 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.225 2013-14)

4.4.7.2 Executive Engineer, Small Dam Division, Islamabad did not recover mobilization advance out of 9th and 10th running bill at the rate of 25% of work done.

Weak supervisory and financial controls resulted in non-recovery of Rs 11,349,337.

Audit pointed out the non-recovery in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department submitted that out of Rs 78.130 million, an amount of Rs 9.162 million had been recovered and verified. The Committee directed that remaining amount of Rs 68.968 million be recovered and responsibility fixed against those who extended undue financial benefit to the contractor in 9th & 10th running bill. Para was kept pending for balance recovery. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against responsible.

(DP.04 2013-14)

4.4.7.3 Executive Engineer, Development Division IV, Faisalabad paid mobilization advance and secured advance for Rs 9,562,418 to a contractor for "Providing steel sheet pile 9 Arcelar AU-14 including driving at site of work complete etc" but did not deduct the advance due in the 3rd & 4th running bill.

Weak supervisory and financial controls resulted in non-recovery Rs 9,562,418.

Audit pointed out the non-recovery in October 2013. The department replied that the due recoveries against mobilization advance and secured advance would be made from the next bills accordingly.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department replied that due recovery of Advances would be made in the next running bills. The Committee was not convinced with the departmental reply and directed that total amount may be recovered within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.192 2013-14)

4.4.8 Overpayment due to application of incorrect rates - Rs 129.20 million

As per rule 2.10 of PFR Vol-I every government servant is personally responsible for the money which passes through his hands and for the prompt record of receipt and payments in the relevant account as well as correctness of accounts in all respects.

4.4.8.1 Superintending Engineer, Drainage Circle, Lahore in the execution of "Channelization of AikNullah and Improving Drainage system in District Sialkot" allowed to divisional office to pay the extra carriage than the quantity of stone. Further, Admn. Approval was accorded on the basis of MRS 3rd quarter 2009 and the rate for carriage was to be paid @ Rs 2,474.10 per hundred cft instead of Rs 2,849.96 per hundred cft.

Weak financial and supervisory controls resulted in overpayment of Rs 124,340,463.

Audit pointed out the overpayment in April, 2013. The Department replied that total quantity of stone sanctioned in the T.S. estimate was 6885700 cft and the rate applied in T.S was Rs 2,849.96 per % cft which was correct and corresponding to the provision of rate in administrative

approval particularly with reference to the MRS, both rates were calculated for the same quarter of year. But the rate applied in the administrative approval was erratically typed and incorporated as Rs 2,474.10 instead of correct rate i.e. Rs 2,849.96. Reply of the department was not tenable as administrative approval of the schedule was based on rate of Rs 2,474.10 % cft and not on Rs 2,849.96 % cft.

The para was also discussed in the SDAC meeting held on 23.10.2013.The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 15 days positively. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.81 2012-13)

4.4.8.2 Executive Engineer, Ahmadpur Canal Division, Bahawalpur did not deduct the rate of dressing component from undressed item "Earthwork excavation in irrigation channels, drains etc to design section and grades and profiles excavated material disposed of undressed in ordinary soil" with lead upto 450, 650, 800 and 1100 ft executed and paid for a quantity of 6528000, 3712000, 10589218 and 21556147 cft at the incorrect rate of Rs 1,946.50, 2,049.30, 2,126.40 and 2,679.60 per ‰ cft instead of the admissible rate of Rs 1,831.84, 1,934.64, 2,011.74 and 2,564.94 per ‰ cft respectively. Thus the rate of dressing component was overpaid @ Rs 114.66 per ‰ cft as per input rates of relevant quarter.

Weak supervisory and financial controls resulted in overpayment of Rs 3,976,374.

Audit pointed out the overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the dressing component was deducted from the item. Audit was of the view that the rate calculated by the department was incorrect because as per template approved by the Finance Department the rate of the complete item with dressing for 50 feet lead was Rs 1,911.55 per ‰ cft and by deducting the dressing component the rate for undressed item came for Rs 1,626.24 per ‰ cft. The

Committee was not convinced with the departmental reply and directed that total amount may be recovered within 120 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.238 2013-14)

4.4.8.3 Executive Engineer, Canal Division, D.G. Khan made payment at higher rates on the basis of T.S. Estimate / bid in respect of the item "Providing Jute bags old and used 4 to 5 cft capacity" @ Rs 40 and Rs 50 per bag in respect of three works whereas as per MRS bi-annual August 2012 to January 2013 the rate of new jute bag was Rs 51.55 per bag. As per general principles, the old jute bag would be purchased @ Rs 25 per bag at the half price of the new jute bag therefore the rate of T.S. Estimate / Bid was on higher side.

Weak supervisory and technical controls resulted in overpayment of Rs 632,540.

Audit pointed out the overpayment in August 2013. The department replied that used Jute bags 4-5 cft capacity was purchased at Rs 40 and Rs 50 each, at prevailing market rate and as per TS Estimate because used bag were not available below this rate. The reply was not tenable because the estimates of all three works were technically sanctioned on 23.10.2012, 30.10.2012 and 02.11.2012 and the letter of acceptance of all three works were issued on 17.09.2012, wherein the jute bag was sanctioned at inconsistent rate @ Rs 40 and Rs 50 per bag at the same time frame.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed that the amount paid more than Rs 40 per bag may be recovered within 60 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early.

(DP.242 2013-14)

4.4.8.4 Executive Engineer, Canal Division, D.G. Khan paid the quantity of 70044 sft colored tuff tile @ Rs 36 per % sft plus 20% contractor profit instead of grey tuff tile @ Rs 33 per % sft plus 20% contractor profit. Thus the difference in rate was overpaid.

Weak supervisory and technical controls resulted in overpayment of Rs 252,158.

Audit pointed out the less recovery in August 2013. The department replied that the recovery of Rs 252,158 has been effected from the security deposit of contractors vide transfer entry No. 4 for 09/2013. The reply was not tenable because the original record regarding accountal of recovery by transfer entry was not produced for verification.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department did not produce the record for accountal of recovery. The Committee was not convinced with the departmental reply and directed that the department may write back the transfer entry from the security of the contractor and to effect the recovery from the next running bill of the contractor within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends production of original record for verification of recovery.

(DP.227 2013-14)

4.4.9 Non-crediting of unclaimed deposits / amounts placed in Misc. Public Works Advances - Rs 127.39 million

As per rule 5.4 of DFR read with rule 12.7 of Punjab Financial Rules Vol-II, the deposit lying unclaimed for more than three complete years are required to be credited to government revenue. Further, as per Rule 5.7 of Departmental Financial Rules, "Misc. P.W. Advance" is a temporary head of account which should be cleared either by payment or recovery in cash or by adjustment during the same financial year.

4.4.9.1 Executive Engineer, Flood Bund Division, Narowal did not credit an amount worth Rs 68,550,687 lying outstanding in the form PWA 34 part III of deposit register since long. The department was also unaware regarding the whereabouts of the balances in deposit register and the breakup or detail of source and exact deposited was also not maintained.

Weak supervisory and internal controls resulted in non- adjustment worth Rs 68,550,687.

Audit pointed out this lapse in January, 2013. The department replied that efforts were being made to clear the difference with respective treasuries.

The para was also discussed in the SDAC meeting held on 23.10.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 15 days positively. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early credit of lapsed deposits to revenue besides fixing responsibility against the responsible.

(DP.78 2012-13)

4.4.9.2 Executive Engineer, Shahpur LJC Division, Sargodha failed to recover/adjust the amounts placed in Misc. PW Advance of the division since 2000.

Weak financial and supervisory controls resulted in non-recovery/non-adjustment of Rs 23,861,937.

Audit pointed out the non-recovery/non-adjustment in August 2013. The department replied that the stone was issued to other divisions of the department for meeting the emergency during flood to save lives and public infrastructure. Most of the similar works were carried out under para 2.89 in anticipation of provision of funds. The reply was not to the point. Contention of audit was to recover outstanding amounts placed in Misc. P.W advance during the same financial year.

The para was also discussed in the SDAC meeting held on 17.12.13. The department explained that out of Rs 23.862 million, an amount of Rs 0.525 million was adjusted and verified. The Committee directed that balance amount of Rs 23.338 million be adjusted/ recovered within 90 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends responsibility be fixed against the concerned officials besides making recovery/adjustment.

(DP.93 2013-14)

4.4.9.3 Executive Engineer, U.C.C Division, Sheikhupura did not recover/adjust Rs 12,084,287 placed in Misc. P.W. advances for the period from June 1949 to June 2005 as recoverable from different officials and contractors.

Weak supervisory and financial controls resulted in non-recovery / non-adjustment of Rs 12,084,287.

Audit pointed out the lapse in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that matter may be probed and case be forwarded to the Finance Department for write off within 120-days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery / adjustment beside action against the person(s) at fault.

(DP.146 2013-14)

4.4.9.4 Executive Engineer, UJC division, Gujrat, Balloki Head Works Division and LCC (West) Jhang did not credit the lapsed deposit to the revenue head of account lying in their divisions for more than three years.

Weak financial and accounting controls resulted in non-crediting of security deposit amounting to Rs 8,235,222.

Audit pointed out the lapsed deposit in September, October, and November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16 & 17.12.13. The Committee reduced the para to Rs 3.148 million which pertained to UJC Gujrat and LCC Jhang. Amount of Balloki division was verified and excluded from the para. The Committee directed to credit the balance deposit to proper head of account. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to give credit of lapsed deposit to proper head of account besides fixing responsibility against the responsible(s).

(DP.130 2013-14)

4.4.9.5 Executive Engineer, Bhakkar Canal Division , Bhakkar did not recover/adjust Rs 4,960,307 placed in Misc. P.W. advances for the period from June 1949 to June 2005 as recoverable from different officials and contractors.

Weak supervisory and financial controls resulted in non-recovery / adjustment of Rs 4,960,307.

Audit pointed out the lapse in September 2013. The department replied that higher authorities were approached to settle the long outstanding amount. The reply was not satisfactory because recoveries/adjustments pertained to last 64 years but no concrete efforts had been made to clear the same. Further, payments were made without provision of funds and were placed in the suspense head as recoverable from different individuals.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that an inquiry by the Executive Engineer concerned should held and write off case be sent to the authority, if any, and balance be recovered / adjusted within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry / recovery.

(DP.162 2013-14)

4.4.9.6 Executive Engineer, UJC division, Jhelum, did not recover/adjust Rs 4,905,972 placed in suspense head Misc. P.W. Advances outstanding since long, as recoverable from different officials and contractors.

Weak supervisory and financial controls resulted in non-recovery / adjustment of Rs 4,905,972.

Audit pointed out the non-recovery/adjustment of amounts placed in suspense head in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department intimated that the stone carted from quarry was lying on different sites for execution on the flood protection works to meet with any emergency during flood. The Committee directed to make

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

Audit recommends early adjustment besides fixing responsibility

(DP.104 2013-14)

4.4.9.7 Executive Engineer, Small Dam Division, Islamabad did not credit the unclaimed security deposits of the contractor lying outstanding since long.

Weak supervisory and financial controls resulted in non-crediting of unclaimed lapsed deposits to revenue for Rs 4,826,307.

Audit pointed out the lapsed deposits in July 2013. The department stated that Rs 17,325 was recovered but no document in support of recovery was verified by Audit. The Committee directed that total amount involved in the para be recovered and credited to Government revenue within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to investigate the matter for fixing of responsibility besides crediting of lapsed deposits to revenue.

(DP.02 2013-14)

4.4.9.8 Executive Engineer, Kirana Division, Sargodha did not adjust / clear an amount of Rs 2,703,555 lying in the schedule to Misc Advance Form-32 since last 15 years. Misc Advance Register had not been maintained. No efforts were on record to reduce the balance in this schedule.

Weak supervisory and financial controls resulted in non-adjustment/non-recovery of huge amounting to Rs 2,703,553.

Audit pointed out the lapse in August, 2013. The department replied that efforts were being made to reduce the balance of schedule of P.W. Misc Advance. Concerned officials had been directed to complete the register.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that total amount be recovered within 90 days positively

and got verified by Audit office. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early adjustment of P.W advance besides fixing responsibility against the responsible.

(DP.73 2013-14)

4.4.9.9 Executive Engineer, Small Dams Division Islamabad did not recover/adjust Rs 2,350,938 placed in Misc. P.W.D Advances since long against different officials for different purposes i.e. out turn of vehicles and electricity bills.

Weak supervisory and financial controls resulted in non-recovery /non-adjustment of Rs 2,350,938.

Audit pointed out the non-recovery/non-adjustment in July 2013 but the department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that recovery was being made from concerned persons. The Committee was not convinced with the departmental reply and directed that total amount involved in the para may be recovered within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery / adjustment besides fixing responsibility against the responsible.

(DP.01 2013-14)

4.4.10 Loss due to non-auction of trees/unserviceable material - Rs 110.39 million

As per Para No. 4.40 of Public Works Department Code, the surplus stores should be auctioned on book value nearer to market rates after getting sanction of survey report from the competent authority. Further, as per Para 4.35(3) Buildings & Roads Department Code, stores which are completely unserviceable, should be written off, sold by auction or destroyed as may be ordered by the competent authority.

4.4.10.1 Superintending Engineer, Upper Jhelum Canal Circle, Jhelum did not auction huge quantity of steel, dead / fallen trees and government

vehicles contrary to rules ibid. The store was lying undisposed since long and was losing its worth day by day.

Weak supervisory and financial controls resulted in loss of Rs 29,497,873.

Audit pointed out the loss during January 2013. The department replied that proper procedure was being adopted to dispose of the store. The reply was not tenable as due to inaction of the department, the store was losing its worth.

The para was also discussed in the SDAC meeting held on 10.12.2013. No officer / official attended the verification as well as discussion. The Committee directed that Executive Engineer, Jhelum should submit his reply along with comments by the Chief Engineer, Sargodha for non-attending the scheduled meeting within 07 days. No progress was reported till the finalization of the report.

Audit recommends early auction of the material and its verification from Audit.

(DP.117 2012-13)

4.4.10.2 Examination of file No.12-T available in the office of the Executive Engineer, UJC Division, Jhelum depicted that old material like flat footed rail, sleeper, fish plate, bolts and nuts, dog spikes, hydraulic gates, pantoon ferry and vehicles No.AJK-2924 & SGA-4529, dead and fallen trees were lying with the division but those were neither declared unserviceable nor steps were taken towards auction thereof.

Weak supervisory and financial controls resulted into non-auction of material worth Rs 24,288,306.

Audit pointed out the loss in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department explained that auction was in process. The Committee was not convinced with the departmental reply and directed that auction process be got completed at the earliest. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early auction of material and fixing responsibility.

(DP.105 2013-14)

4.4.10.3 Executive Engineer, Kalabagh Irrigation Division, Kalabagh did not auction surplus & un-serviceable material, machinery and vehicles worth Rs 22,934,005 lying in departmental store since the establishment of division. No survey report for disposal of the material was prepared and submitted to competent authority.

Weak supervisory control resulted in non-disposal of un-serviceable material for Rs 22,934,005.

Audit pointed out non-auction of the material in July 2013. The department replied that the list of surplus / unserviceable material would be sent to the competent authority for seeking approval for write off/auction. The auction will be conducted on receipt of approval of competent authority. The reply was not accepted because very costly items were lying in store for many years and getting useless day by day. The department had taken no concrete steps for early disposal of these items to avoid future loss and earn revenue.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that lists of unserviceable material had been prepared and submitted to competent authority for approval. The Committee was not convinced with the departmental reply and directed that auction process be got completed within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early auction of stores besides fixing responsibility for delay.

(DP.28 2013-14)

4.4.10.4 Executive Engineer, Khanwah DCC Division Depalpur, Okara neither prepared survey report of 2521 Nos. fallen / dead trees nor put those to auction.

Weak supervisory and financial controls resulted in loss of Rs 12,605,000.

Audit pointed out the loss in September 2013. The department replied that the Forest Department was asked for evaluation of price for

auction of dead and fallen trees. In this regards, efforts made would be intimated in due course.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department replied that Forest Department was asked for evaluation of price for auction of dead and fallen trees. The Committee was not convinced with the departmental reply and directed that auction process be got completed within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early auction or recovery of loss besides fixing responsibility against the responsible(s).

(DP.184 2013-14)

4.4.10.5 Executive Engineer, Excavator Division, Faisalabad neither prepared survey report of unserviceable machinery and vehicles nor auctioned it to save more deterioration and to generate revenue.

Weak financial and supervisory controls resulted in loss of Rs 10,000,000.

Audit pointed out the loss in November 2013. The department replied that 23 Nos. vehicles / machinery were put to auction four times but bid offered was below the reserve price. The matter was referred to the Finance Department. The reply of the department was not acceptable because no record in support of reply was produced.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came up with same version. The Committee was not convinced with the departmental reply and directed that auction process be completed within 90 day to protect the machinery from deterioration. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early auction besides disciplinary action against the delinquents.

(DP.195 2013-14)

4.4.10.6 Executive Engineer, Bhakkar Canal Division, Bhakkar did not auction numerous dead and fallen trees lying in the vicinity of the division.

Weak supervisory and financial controls resulted in non-auction of trees of Rs 8,921,587.

Audit pointed out the loss during March, 2013. The department admitted in reply that some lots of trees had already been auctioned and balance would be auctioned after decision of case by the Honorable Lahore High Court.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer concerned did not attend this meeting. The Committee directed that Executive Engineer Bhakkar should submit his reply alongwith comments by the Chief Engineer, Sargodha for non-attending the scheduled meeting within 07-days. No progress was reported till finalization of this the report.

Audit recommends early auction of trees.

(DP.128 2012-13)

4.4.10.7 Executive Engineer, Machinery Irrigation Division, Lahore did not auction surplus and unserviceable material, laying in various sections since the creation of divisional office which became scrap due to improper arrangements for supervision /storage.

Weak supervisory and financial controls resulted in loss of Rs 2,001,017.

Audit pointed out the loss in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that auction process be completed within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of auction process.

(DP.152 2013-14)

4.4.10.8 Chief Monitoring, Programme Monitoring & Implementation Unit (PMIU), Irrigation department did not auction the unserviceable

material inspite of various offers from the bidders were received for Rs 142,771.

Weak financial and supervisory controls resulted in loss due to non-auction of unserviceable material worth Rs 142,771.

Audit pointed out the loss in March 2013. The department replied that the auction process of material was in process. The reply was not accepted because no record in support was produced for verification.

The para was also discussed in the SDAC meeting held on 23.10.2013. The Committee was not convinced with the departmental reply and directed that auction process be completed within 30 days positively. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early auction of unserviceable material.

(DP.84 2012-13)

4.4.11 Overpayment due to enhancement of lead - Rs 70.49 million

As per note-I under rule 7.28 of Department Financial Rules read with PAC directives dated 05.12.1994, the contractor would be paid for the item of work at the rate, agreed with the department at the time of award of work. Further, lead and rate for the execution of item of earth work agreed in the acceptance letter would not be enhanced.

4.4.11.1 Executive Engineer, Development Division, Bahawalpur awarded a work "Remodeling of SMB link from RD 76+221 to 374+983 and Bahawal Canal lower RD 152+000 to 239+580 Tail" to a contractor in July 2007. During execution of work the formation measured and paid an item of work "Earthwork in ordinary soil for embankment lead upto 2 miles including ploughing and mixing etc" for the quantity of 22702235 cft over and above various lead provided in the Technical Sanction Estimate. Hence the department made overpayment to the contractor.

Weak financial and supervisory controls resulted in excess measurements of quantities and unjustified payment of Rs 70,092,015.

Audit pointed out the unjustified payment in August 2013. The department replied that the SMB Link was passing through the bed of

Sutlej River. During the execution of earth work, it was observed that there was no good earth available within the approved lead i.e. 500 ft. Keeping this in view, the authority visited the site and approved 2 miles lead for using good earth for the safety of the channel and to achieve the benefits of the project. The approval of 2 miles lead by the authority was available for verification. Reply of the department was not acceptable as lead / rate once granted could not be changed.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply. It was directed that a technical probe by the Superintending Engineer, concerned be got completed and resultant recovery effected within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible.

(DP.65 2013-14)

4.4.11.2 Executive Engineer, Jampur Construction Division, D.G. Khan measured the record entry at page-115 & 116 of MB No. 993 of the item "Earth work excavation from outside borrow pits in ordinary soil with lead 3000 feet" for a quantity of 787490 cft but paid the same item in the abstract of cost at page-121 of the same MB with lead 3500 feet instead of 3000 feet.

Weak supervisory and financial controls resulted in overpayment of Rs 393,745.

Audit pointed out the overpayment in September 2013. The department replied that overpayment pointed out by the Audit would be recovered but no progress was reported.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee directed that total amount may be recovered within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.217 2013-14)

4.4.12 Non-recovery on account of liquidated damages - Rs 57.62 million

As per clause 39 of the agreement, if the contractor fail to complete his work in stipulated period, he will be liable to pay penalty as liquidated damages @ 10% of contract amount.

4.4.12.1 Superintending Engineers, Development Circle, Sargodha could not monitor the implementation of the decision of Executive Engineer, LJC Development Division, Sargodha regarding imposition and recovery of compensation from the contractor. Due to slow pace of work, the contractor was penalized @ 1% per day and directed to deposit Rs 28.66 million on account of penalty for delay/abounded of work. But neither the contractor deposited Rs 28.66 million nor the department took any action.

Weak supervisory and financial controls resulted in non-recovery of Rs 28,660,000.

Audit pointed out the non-recovery in February, 2013. The department replied that the government did not release full funds to complete the scheme. The piece meal funding was released by the government upto 30.6.2010. After that no funds were received. The government of the Punjab had directed to finalize the contract on work done basis and submission of revised PC-I as per site condition to complete the remaining work. Reply of the department was not tenable as competent authority had imposed penalty which was not effected so far.

The para was also discussed in the SDAC meeting held on 10.12.2013. The Committee was not convinced with the departmental reply and directed that total amount may be recovered from security deposit of the contractor within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the official concerned.

(DP.134 2012-13)

4.4.12.2 Executive Engineer, Development Division, Bahawalpur in the execution of work "Rehabilitation of 6L/Ahmedpur Branch System" awarded to M/s Al Memar Associates did not recover the penalty @ 10%

of contract cost from the contractor who could not complete the work within stipulated period. The work had been delayed by more than one year and contractor had only executed the work up to 23.40% leaving balance of 76.60%. This indicated that the progress of work of the contractor was very slow.

Weak supervisory and financial control resulted in non-recovery of penalty of Rs 21,645,000.

Audit pointed out the non-recovery in September 2012. The department replied that acceptance letter for the work was issued on 04.02.2010 with the completion date of the project as 30.06.2011. During the year 2010 the channel 6L/Disty was allowed to run from April 2010 to December 2010 continuously. Therefore, the time period had been extended on the application of the contractor on account of not giving the contractor firm the right space of work. The reply was not acceptable because the contractor had failed to complete the work within the stipulated period and was lying incomplete after the expiry of more than one year. The department instead of imposing penalty paid a huge amount of price variation which was not admissible. .

The para was also discussed in the SDAC meeting held on 23.10.2013. It was stated that the matter was under process in an inquiry which was constituted by the Secretary Irrigation Punjab for probing into the matter. The para was kept pending till the decision of inquiry. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early finalization of inquiry and resultant action against the responsible(s).

(DP.76 2012-13)

4.4.12.3 Executive Engineer, Development Division III, Sahiwal awarded a work "Construction of Sukhnai Drain-III RD. 625+000 to 1215+000 (Package-C II RD. 965 to 1135+000) to a contractor. The work started on 29.11.2011 was to be completed within 07 months i.e. upto 30.06.2012. The contractor was granted time extension upto 30.06.2013 with the direction that in case of failure action under relevant clauses would be taken / initiated. But neither the contractor completed his work even in this extended period nor department made any recovery of liquidated damages

for Rs 6,984,400 (10% of contract amount) or implemented clause 60 & 61 of Agreement by getting the work completed at risk & cost of the contractor to achieve the objectives.

Weak financial and supervisory controls resulted in non-recovery of liquidated damages worth Rs 6,984,400.

Audit pointed out the non-recovery in August 2013. The department replied that the final notice was issued to the contractor. In case the contractor did not respond, the work would be rescinded and further action taken according to the relevant clause of the agreement but no progress was reported so far.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be completed within 30 days. The para was kept pending for recovery. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against responsible.

(DP.87 2013-14)

4.4.12.4 Executive Engineer, L.J.C Division, Rasul, allotted the work on 07.06.2013 for Rs 3,351,422 against the estimated cost of Rs 5,405,522 i.e 38 % below the estimate. The contractor after receiving payment of Rs 2,104,732 left the work incomplete and absconded. Penalty for non-completion of work or any action against the contractor was not taken.

Weak supervisory and financial controls resulted in loss of Rs 335,142.

Audit `pointed out the loss in October 2013. The department replied that date of completion was 27.06.2013 but ban was imposed on submission of contractor bills after 24.06.2013. The estimate of the work was forwarded to the competent authority for revalidation. The reply was not tenable because work was awarded on 38 % below the estimated cost in June 2013 just to utilize the funds available under M&R grant. The estimate of the work was lapsed on 30.06.2013. The Chief Engineer, Irrigation Zone, Sargodha vide No 15722/WI/99/2001 dated: 09.09.2013 also returned the case for revalidation of estimate without approval and

with the observation that "Sound reasons for non- completion of work during the time limit" be intimated. This proved the audit point of view that work was not completed without any solid reason therefore, action against contractor to be taken as per provision of agreement.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of technical probe and resultant action against the delinquents be got verified.

(DP.165 2013-14)

4.4.13 Unjustified payment due to execution of items without provision in T.S estimate - Rs 53.48 million

As per para 2.7, 2.12 and 2.86 of the Buildings and Roads Department Code, the cost, scope and specifications of a scheme involving material deviations from the original proposal once approved, cannot be modified without approval of the competent authority who granted Administrative Approval and no anticipated or actual saving on approved estimate can be utilized to carry out additional work not contemplated in the original project.

4.4.13.1 Executive Engineer, Ahmad Pur Canal Division, Bahawalpur awarded a contract in February 2010 to a contractor @ 4.45% above of the rates of T.S. Estimate after opening of tenders on 08.02.2010, wherein the item "Fabrication of mild steel reinforcement bar cage for RCC Piles including cutting bending laying in position including welding and fastening, cost of binding wire and its labour charges etc (deformed bars grade-40)" did not exist. Thus the said item was neither approved in PC-I by the PDWP nor sanctioned in T.S. Estimate and tender. The item was paid @ Rs 9,713 per 100 kg for a quantity of 348033.32 kg.

Weak supervisory and technical controls resulted in unauthorized expenditure Rs 35,308,775.

Audit pointed out unauthorized expenditure in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that revised PC-I would be got approved. Audit was of the view that the department was not authorized to change the original scope of work / design without the prior approval of PDWP. The Committee directed that the revised PC-I may be got approved by the competent authority. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early revision of PC-I or recovery.

(DP.236 2013-14)

4.4.13.2 Executive Engineer, Jampur Construction Division, D.G. Khan measured and paid the item "Earth work excavation from outside borrowpits in shingle gravel" dressed lead 250′ for a quantity of 1247543 cft and with lead 450′ for a quantity of 541866 cft instead of the item sanctioned in T.S. Estimate / Bid i.e. Earth work excavation from outside borrowpits in ordinary soil dressed lead upto 250 and 450'.

Weak supervisory and financial controls resulted in overpayment of Rs 8,597,971.

Audit pointed out overpayment in September 2013. The department replied that the quantity of earth work from outside borrowpits in shingle gravel with dressed lead for 250' and 450'was measured as per site and admitted that the item was not provided in the T.S. Estimate. The reply was not tenable because the rate of item "earth work excavation from outside borrowpits" was only available for soft, ordinary and hard soil in MRS whereas "Earth work excavation from outside borrowpits in shingle gravel" was not provided in MRS, T.S. Estimate and accepted bid. Furthermore, being an extra ordinary new item, the prior approval of rate analysis was required from the technical wing of the Finance Department. The unapproved new item was paid at high rates @ Rs 4,774.80 and 4,874.30 per ‰ cft instead of the item available in MRS, T.S. Estimate / bid at economical rates @ Rs 1,400 per ‰ cft. Thus new high rate items germinated financial benefit to the contractor and burden on public exchequer because the bid accepted rates were 16% below the estimate.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed to move the case to the Finance Department either for clarification or to effect the recovery

within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.213 2013-14)

4.4.13.3 Accounts record of Executive Engineer, Development Division-I, Lahore i.e. 14th running bill of the work "Rehabilitation of Lower Depalpur Canal System" revealed that few items had not been included in the technical sanction estimate, comparative statement and acceptance letter i.e. agreement but the executing authority executed these items without prior approval of competent authority.

Weak supervisory and financial controls resulted in undue creation of liabilities worth Rs 8,533,544.

Audit pointed out the lapse in February 2012. The department replied that the items mentioned in the para were got executed / measured at site as per requirement of site and instructions of Engineer in-charge. The payment would be made to the contractor after approval of variation statement by the competent authority. The reply of the department was not agreed because the department could not execute the items of work without approval of competent authority who sanctioned the T.S. Estimates.

The para was also discussed in the SDAC meeting held on 25 & 26.10.2013. The department explained that work had been executed at site but payment would be released after approval of variation order & T.S Estimate. The Committee pended the para for want of detailed verification. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early approval of variation order & T.S estimate besides fixing responsibility against the responsible.

(DP.33 2011-12)

4.4.13.4 Executive Engineer, CBDC Division, Lahore measured and paid the high rate item "Borrowpit excavation undressed lead upto 1 mile" @ 4564.30 per ‰ cft for a quantity of 418625 cft over the quantity 161160 cft stipulated in contract / T.S. Estimate. Furthermore, the lesser rate item was reduced and paid "Borrowpit excavation undressed lead upto 100

feet" @ Rs 2238.02 per ‰ cft for a quantity of 1269212 cft less than the quantity of 1331938 cft stipulated in contract / T.S. Estimate.

Weak supervisory and financial controls resulted in overpayment of Rs 1,034,765.

Audit pointed out the overpayment in July 2013. The department replied that no overpayment was made and an amount of Rs 2,193,765 was withheld, out of which Rs 1,034,765 against the audit observation of said item and Rs 1,159,000 due to non-availability of funds. The reply was irrelevant because in estimate 100 ft lead was sanctioned whereas 1 mile lead was measured incorrectly. Further, as per PAC's directive lead once granted could not be enhanced.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the over measured 1 mile lead would be got regularized in revised T.S. Estimate. The Committee was not convinced with the departmental reply and directed that the Chief Engineer may report on the issue in view of the PAC's directive within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.239 2013-14)

4.4.14 Unauthorized payment due to application of non-standardized items - Rs 51.53 million

As per notification of the Finance Department issued vide No. Ro(Tech)FD-2-3/2004 dated 02-08-2004, rate analysis and specification standardized by the 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. As per para 2.22(1) of PWD Code estimate should be framed in detail and no lump sum provision should be made in the estimates.

4.4.14.1 Executive Engineer, Development Division-IV, Fateh Jang, Islamabad executed a work "Construction of Shahbaz Pur Dam". The department executed an item of work i.e. PRCC pipe 30" dia and paid for Rs 7,380,000(4100 x 1800) and 18" dia for Rs 6,120,000 (6120x 1000) as non-standardized /non-standardized item not provided in the original

estimate. The original item was RCC pipe, which was subsequently changed to PRCC. The said item was neither standardized nor its change was got approved by the Finance Department. In the absence of which payment of Rs 13,500,000 stands unauthorized/ unspecified. Further, an examination of the record revealed that lump sum provision of Rs 14,051,438 on account of remedial measures have been made in the revised estimate. Neither its detailed contents were available in the estimate nor in the measurement books but full amount was released.

Weak supervisory and financial controls resulted in unauthorized / unjustified payment of Rs 27,556,438.

Audit pointed out unauthorized / unjustified payments in July, 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department pleaded that the matter was already under inquiry. The Committee kept the para pending till finalization of inquiry. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of the inquiry and resultant action be got verified.

(DP.57 2013-14)

4.4.14.2 Chief Engineer, Irrigation Zone, Faisalabad sanctioned an item which was not standardized by the Finance department and also for which no rate analysis was prepared/ approved by the competent authority for VR bridge.

Weak supervisory and financial controls resulted in loss of Rs 19,768,000.

Audit pointed out the loss in April 2013. The department replied that item was paid as per technical sanction estimate. Reply of the department was not tenable because item was not got standardized by the Finance department and no analysis of rate was approved.

The para was also discussed in the SDAC meeting held on 10.12.2013. The Committee was not convinced with the departmental reply. The Committee admitted audit contention that inclusion of 20%

contractor profit was not admissible. The Committee directed that detail / break up of rate of item may be got verified and either the expenditure / payment be justified or recovery be made within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against responsible(s).

(DP.145 2012-13)

4.4.14.3 Executive Engineer, Development Division IV, Faisalabad awarded a work "Rehabilitation of Jhang Branch upper RD 184+612 to RD 211+852 Package-4" to a contractor in December 2010. During execution a non-schedule / non-standardized item of work "Providing steel pile 9 Arcelar AU-14 including driving at site of work complete etc" was measured and paid for 25.6 Ton for Rs 4,208,640. But neither detailed analysis of rate based on input rate of Finance Department was prepared nor approved by the competent authority.

Weak technical and supervisory controls resulted in irregular expenditure of Rs 4,208,640.

Audit pointed out irregularity in October 2013. The department replied that the payment was made according to the approved tender rate by the competent authority i.e. Chief Engineer. The reply was not acceptable because as per the Finance Department, government of Punjab, analysis of rate of all non-standardized items should have been prepared and approved by the competent authority in the absence of which correctness of rate could not be evaluated.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came up with same version. The Committee was not convinced with the departmental reply and directed to prepare rate analysis within 15 days and get it verified from Audit, otherwise the case may be moved to the Finance Department for condonation. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends obtaining early condonation of irregularity from competent authority besides taking disciplinary action against the responsible(s).

(DP.191 2013-14)

4.4.15 Loss to government due to non-disposal/blockade of material - Rs 41.02 million

As per Para 2.33 of PFR volume-I read with para 4.34 every Government official would be held responsible for loss if sustained due to negligence at his part and all old material lying in any formation, should be declared un-serviceable and disposed off by auction after fulfilling the codal formalities.

4.4.15.1 Stock register of Store & Work Shop division, Sheikhupura revealed that huge store comprising of building material, vehicles parts, civil material store items, welding material, nut bolts, electrical fittings, boring parts tube well parts and electric motors parts were lying in the main store of the division since 15 years. Most of the items were usable and some were not useable. It was further learnt that this valuable store was sealed in May 2007. The XEN Store & Work Shop division, Sheikhupura neither used the items nor disposed off through auction and store was getting useless day by day.

Weak supervisory and financial controls resulted in loss of Rs 33,377,329.

Audit pointed out the loss in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013.The department explained that the store was sealed by the order of the competent authority. The Committee took serious notice of this laps and directed that a letter be written to all the Divisions of Development Zone that any procurement will not be made in future without issuance of an NOC from the XENs where store material was available. It was further directed that usage /auction of the material be ensured at the earliest besides action against the officials who sealed the valuable store. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends recovery of loss by disposal /usage of the material besides fixing responsibility.

(DP.120 2013-14)

4.4.15.2 Executive Engineer, Store & Work Shop division, Sheikhpura received spare parts of vehicle, T&P, electrical fittings and pump parts from Shahkot Sub Division of Defunct Division (South). These spare parts were in good condition and could be used but were not used. Hence these parts would be wasted and deteriorated with the passage of time.

Weak supervisory and financial controls resulted in blockage of spare parts costing Rs 3,746,459.

Audit pointed out the blockage of material in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 17.12.2013.The department explained that store was sealed by the order of the competent authority. The Committee was not convinced with the departmental reply and directed that responsibility be fixed as to why action was not taken against the person who sealed the store and caused loss to the Government. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early investigation besides fixing responsibility against sources at fault.

(DP.123 2013-14)

4.4.15.3 Stock register of Executive Engineer, Store & Work Shop Division Sheikhupura revealed that store comprising of building material, vehicles parts welding material, nuts bolts, electrical fittings and tube well parts, received from shad man sub-division were lying in the main store of the division and had been sealed in May 2007. Despite lapse of considerable time, neither efforts made to dispose of the material nor the parts were used on any other project.

Weak supervisory and financial controls resulted in loss of Rs 3,325,877.

Audit pointed out the loss in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 17.12.2013.The department explained that store was sealed by the order of the competent authority. The Committee was not convinced with the

departmental reply and directed that responsibility be fixed as to why action may not be taken against the person who sealed the store and caused loss to the government money. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early investigation into the matter besides fixing responsibility.

(DP.122 2013-14)

4.4.15.4 Executive Engineer, Store & Work Shop division, Sheikupura sealed fuel, lubricant & painting material lying in the main store of the Division in May 2007. Whereas these items were perishable and a period of 6 years had since been lapsed and material being perishable had gone waste.

Weak supervisory and financial controls resulted in loss of Rs 570,262.

Audit pointed out the loss in November 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 17.12.2013.The department explained that store was sealed by the order of the competent authority. The Committee was not convinced with the departmental reply and directed that responsibility be fixed as to why action was not taken against the person who sealed the store and caused loss to the Government. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early investigation besides fixing responsibility against the officials responsible.

(DP.121 2013-14)

4.4.16 Incorrect allocation and expenditure for development scheme out of suspense grant - Rs 37.85 million

As per administrative approval issued Vide No SO (PROG) 1-153/2012/FSD dated 20.02.2013, the scheme was approved by PDWP and the expenditure was chargeable to the Grant No PC-12037 Development (Capital).

Executive Engineer, Khanki Headworks Division, Khanki incurred expenditure of Rs 37,850,000 on a development scheme and charged the expenditure to head "042250-Others-LQ 5945- Suspense-A 14201-Suspense (Irrigation), Grant No PC 21009 (009) Irrigation and Land Reclamation" instead of correct Grant/head No PC-12037 Development (Capital). The expenditure was incurred and charged to suspense grant in violation of approval of the competent authority.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 37,850,000.

Audit pointed out the lapse in October 2013. The department offered no reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that total amount may be adjusted within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early adjustment of amount.

(DP.173 2013-14)

4.4.17 Loss due to execution of below specification work - Rs 35.33 million

As per general condition No. 6 of the contract, the ultimate responsibility for the quality of work and its conformity with the specification and drawings rests with the contractor. Further, as per clause 31 of the contract if the work was found defective or below specification, the defect would be removed from another contractor but the recovery of the expenses would be made from the original contractor.

4.4.17.1 Executive Engineer, Development Division-IV Fateh Jang, Islamabad executed a work "Construction of Taja Bara Dam (Small Dams)" in District Attock. As per inspection Committee report and another committee constituted by the Secretary Irrigation & Power Department vide No. SO(EVL) IRRI/1-07-2008 dated 10.02.2010 headed by the Director procurement, the earth work for embankment was not properly compacted and dressed. Stone pitching was wavy and without spawl. Concrete work was also not upto the mark at the outlet structure.

Compaction test register was also not maintained. During execution of work quality controls were not applied and standards of requisite specification was not maintained which caused substandard work.

Weak supervisory and financial controls resulted in substandard work amounting to Rs 29,351,325.

Audit pointed out below standard work in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that the matter was under inquiry. The Committee kept the para pending till finalization of inquiry. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry and resultant action be got verified.

(DP.58 2013-14)

4.4.17.2 Executive Engineer, Khanki Headworks Division, Khanki got approved non-standardized item "Providing and casting in situ bored reinforce cement concrete type C concrete for 30 inch dia (600 mm) pile in nominal mixture of 1:1.5:3" @ Rs 2,029.61 per running feet against which contractor quoted premium of 4.48 % above. The department measured and paid quantity of 1827 running feet bored pile in lesser specification nominal mixture of 1:2:4 but paid rate of Rs 2,120.54 per running feet, which was approved for nominal mixture 1:1.5:3.

Weak supervisory and financial controls resulted in unjustified payment of Rs 3,874,226.

Audit pointed out the lapse in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of investigation and resultant action against the delinquents be got verified.

(DP.177 2013-14)

4.4.17.3 Examination of technical sanction estimate and MB No. 2518 revealed that Executive Engineer, L.J.C Division, Rasul got approved item "Earth work excavation from outside with lead up to 2 kilometer dressed" but recorded the earth work in MB as "Undressed". The work was below specification because contractor left the earth work in loose shape. To conceal the below specification work of the contractor department recorded the work as dressed by adding a sentence in MB "Dressed through regular establishment of department".

Weak supervisory and financial controls resulted in execution of below specification work for Rs 2,104,732.

Audit pointed out the lapse in October 2013. The department replied that the work was executed by the contractor and measured undressed by the Sub Engineer as per site conditions. The undressed earth work dressed by departmental labour and reasonable amount was saved. The reply was not tenable because dressing of earth work was the responsibility of the contractor. In fact contractor had quoted his bid 38 % below the estimated rates which was not workable. The work was required to be completed up to 27.06.2013 but contractor had not completed the work and absconded. The entry in MB was made just to conceal the below specification work of the contractor.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of technical probe and resultant action against the delinquents.

(DP.167 2013-14)

4.4.18 Wasteful expenditure/Loss due to non-utilization of costly machinery - Rs 31.10 million

As per Rule 2.10 of Punjab Financial Rules Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure

from Government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

Executive Engineer, Khushab Canal Division, Khushab during April 2000 procured imported machinery amounting to Rs 31,100,000 for "Mohar Lift Irrigation Scheme (B) Mianwali". The machinery was not installed on project for last thirteen (13) years and was lying under open sky without any proper storage arrangements. The costly imported machinery was getting useless due to non-installation and wear and tear.

Weak financial and supervisory controls resulted in wasteful expenditure / loss for Rs 31,100,000.

Audit pointed out the loss in July 2013. The department replied that scheme was transferred to Thal Development Division, during June 2012 and Executive Engineer Thal Development Division, Mianwali was requested to shift the machinery and take it under its custody. The reply was not tenable because department had not explained their justification of purchase of imported machinery without any requirement. Period of thirteen years was lapsed since the import of machinery but same was not used / installed anywhere. The latest condition of machinery was that it was lying under open sky without any proper storage arrangements. Further, cost of machinery was also not depicted in stock account.

The para was also discussed in the SDAC meeting held on 04.12.2013.The Committee was not convinced with the departmental reply and directed that a technical probe be conducted and completed by the Chief Engineer concerned within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of the technical probe and resultant action.

(DP.23 2013-14)

4.4.19 Non-recovery of rent from the occupants of government property - Rs 30.04 million

As per Rule 2.33 read with Rule 4.1 every controlling officer should realize fully that he will be personally responsible for any loss sustained by Government due to his negligence and he should see that all

sums due to Government are regularly received and checked against demand.

4.4.19.1 Superintending Engineer, Haveli Circle, Multan did not recover the huge outstanding amount of rent of rest houses from civil administration using the facility since long.

Weak financial and supervisory controls resulted in non-recovery of rent for Rs 21,491,410.

Audit pointed out the non-recovery in February, 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed to take up the case with all concerned for recovery within 15 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of rent besides fixing responsibility against the responsible(s).

(DP.50 2012-13)

4.4.19.2 As per accounts record of Executive Engineer, Irrigation Research Institute, Lahore file 23-M i.e. statement of illegal occupants, 22 Nos. irrigation officers / officials were living / residing in quarters / flats in Nandipur Canal Colony unauthorizedly / without allotment. But no penal rent was being recovered from them.

Weak financial and supervisory controls resulted in non-recovery of penal rent for Rs 2,623,160.

Audit pointed out the non-recovery in July 2013. The department replied that reply would be submitted after probe and consulting the relevant record in due course. The reply of the department was not tenable because recoverable amount remained ignored till pagination by the Audit. Recovery be made from all the concerned since allotment.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department did not attend the SDAC meeting on discussion date. The Committee directed the XEN Research Institute, Lahore to explain the position within a week time and the para was kept

pending for recovery. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.44 2013-14)

4.4.19.3 Executive Engineer, Central Store Division, Lahore did not recover penal rent from seventeen unauthorized occupants of government residences in Muridke Colony of Central Store Division Lahore. Some Government servants and private persons were occupying the government residences unauthorizedly for many years without payment of normal / penal rent.

Weak supervisory and financial controls resulted in non-recovery of penal rent from unauthorized occupants of government residences for Rs 1,500,000.

Audit pointed out the non-recovery in July 2013. The department replied that letters were issued to the concerned Sub-Divisional Officer and Sub-Engineers to provide the complete list of documents of quarters at Muridke, Narang, Mangtanwala, Sharqpur, Lalian and Lahore. The reply was not tenable because the issuance of the letters did not indicate any concrete effort for ejectment and recovery of penal rent @ 60% from the basic pay of 17 unauthorized / illegal occupants of the government accommodation. Under rule 24 of the allotment policy, the ejectment and recovery of possession was required to be taken through law enforcing agencies besides initiation of disciplinary action. No such efforts under legal framework were exercised by the department for the ejectment and recovery of penal rent from unauthorized / illegal occupants.

The matter was also discussed in the SDAC meeting held on 04.12.2013. The department did not produce record during verification. The Committee took serious notice and directed to effect recovery and get the record verified from audit within 30 days. No compliance of the Committee directive was reported till the finalization of the report.

Audit recommends early recovery of penal rent besides fixing responsibility against the responsible(s).

(DP.35 2013-14)

4.4.19.4 Superintending Engineer, Depalpur Canal Circle, Lahore did not recover the penal rent of different government residences from officers since long.

Weak financial and supervisory controls resulted in non-recovery of penal rent of Rs 1,145,672.

Audit pointed out the non-recovery in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.10.2013. The Committee was not convinced with the departmental reply and directed to effect recovery and get it verified within 90 days positively. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of penal rent besides fixing responsibility against the responsible(s).

(DP.83 2012-13)

4.4.19.5 Secretary, Irrigation Department, Lahore ordered to impose penal rent upon Mr. Iftikhar Ahmad Chohan SDO and Mr. Abdul Rashid SDO owing to occupation of non-entitled accommodation. The department could not recover the same.

Weak administrative control resulted in non-recovery of penal rent amounting to Rs 1,116,566.

Audit pointed out the non-recovery in August, 2013. The department replied that matter pertained to Executive Engineer, LJC Division, Sargodha.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee directed that the para pertained to Sargodha Canal Division hence be shifted to XEN Sargodha Canal Division for recovery at the earliest. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.47 2013-14)

4.4.19.6 Examination of file No. 2-W of Executive Engineer, UCC division, Gujranwala revealed that penal rent was not recovered from an official Mr. Syed Asghar Hasnain, Sub-Engineer, who had occupied Banglow No. 2 unauthorizedly since May 2005 without any allotment order.

Weak supervisory controls resulted in non-recovery of penal rent amounting to Rs 809,160,

Audit pointed out the non-recovery in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department explained that residence was property of the Energy Department. Mr. Asghar Husnain Sub Engineer was working under UCC Division Gujranwala. The Committee directed that XEN: Gujranwala should pursue the matter personally and resolve the issue of recovery within 60 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility of the lapse.

(DP.116 2013-14)

4.4.19.7 Executive Engineer, Kasur Division DCC, Kasur neither recovered the penal rent from 5 Nos. unauthorized occupants of government residences / quarters nor got them vacated during 2009-10 to 2012-13.

Weak financial and supervisory controls resulted in loss of Rs 775,633.

Audit pointed out the loss in November 2013. The department replied that recovery from 4 Nos. occupants was under process and in 1 case quarter which was unauthorizedly occupied by a contractor was got vacated. The reply was not acceptable because neither the quarter was got vacated nor recovery for period of unauthorized occupation was made.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department replied that one officer has been expired and

recovery from remaining 03 occupants was under process. The Committee directed the department that recovery from concerned may be made within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

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

(DP.201 2013-14)

4.4.19.8 Executive Engineer, Small Dam Division Islamabad did not recover penal rent from Abdul Waheed SDO, Sub Division Rawal Dam who was transferred on 16.05.2012.

Weak financial and supervisory controls resulted in non-recovery of Rs 249,840.

Audit pointed out the non-recovery/adjustment in July 2013. The department did not reply.

The department stated that recovery of penal rent against Mr. Abdul Wahid SDO had been calculated for Rs 307,400 and forwarded to District Accounts Office, Bhawalpur for recovery at the present place of posting of the officer.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that total amount be recovered within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP. 03 2013-14)

4.4.19.9 Executive Engineer, Irrigation Research Institute, Lahore did not recover penal rent @ 60% of basic pay from Mr. Ejaz Ahmad Mughal SRO who occupied Government residence in Nandipur Canal colony illegally.

Weak financial and supervisory controls resulted in non- recovery of penal rent for Rs 174,000.

Audit pointed out the non-recovery in July 2013. The department submitted that reply would be furnished after probe and consulting the relevant record in due course. The reply of the department was not tenable because recoverable amount remained ignored which needed to be recovered from the concerned since allotment.

The para was also discussed in the SDAC meeting held on 04.12.2013. No one attended the SDAC meeting on discussion date. The Committee directed that explanation of XEN Research Institute Lahore be called within a week. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.52 2013-14)

4.4.19.10 Scrutiny of file No.4-G of the Executive Engineer, UJC Division Sargodha disclosed that the lawyer community occupied four rooms of the canal rest house Sargodha forcibly on 04.03.2013 and neither efforts were made to get vacated the rest house nor rent of Rs 990,000 was recovered from the occupants. Salaries of the employees of rest house and utility bills were also paid to the amount of Rs 158,563.

Weak financial and supervisory controls resulted in non-recovery of Rs 990,000 and unjustified payment of Rs 158,563.

Audit pointed out the non-recovery in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that the rest house was forcibly occupied by the lawyers. The Committee was not convinced with the departmental reply and directed that matter of vacation may be pursued through the Superintending Engineer/Chief Engineer concerned personally and the amount of rent and utility bills be recovered from the responsible(s) within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends investigation and recovery of loss besides fixing responsibility against the person(s) responsible.

(DP.89 2013-14)

4.4.20 Overpayment due to allowing payment at higher percentage - Rs 28.13 million

As per Finance Department's letter No. RO (TECH) 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.

4.4.20.1 Executive Engineer, Trimmu Barrage Division, Trimmu awarded a work on 26.04.2007 at 41.20 % below the cost of technical sanction estimate. Since October 2009 the contractor abandoned the work and absconded. But the department paid 10th& running bill in August 2012 without any work done and payment made was 32.77 % below the technical sanction estimate instead of 41.20 %.

Weak supervisory and financial controls resulted in overpayment of Rs 13,049,674.

Audit pointed out the overpayment in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe by the Chief Engineer concerned may be completed within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation and initiating disciplinary action against the concerned besides effecting recovery.

(DP.131 2013-14)

4.4.20.2 Executive Engineer, Thal Development Division, Mianwali awarded two works to different contractors at 30.92 % and 32.46 % below the technical sanction estimate. But the department made payment at 19.85 % and 28.87 % below the technical sanction estimate.

Weak financial and supervisory controls resulted in overpayment of Rs 6,759,024.

Audit pointed out the overpayment in August 2013. The department replied that running payments were made to the contractors

and it would be ensured in the final bill of the contractors that overall payment was 30.92% and 32.4670 below the estimated cost of the project.

The reply was not tenable because contractors had quoted rates 30.92 and 32.46% below the estimated rates and till the finalization of work payment should be made on same percentage. Besides works were required to be completed up to 08.04.2013 but contractors failed to complete the work without any proper justification. Due to violation of direction of Finance Department undue financial benefit had been extended to the contractors.

The para was also discussed in the SDAC meeting held on 04.12.2013.The department admitted the irregularity. The para was kept pending for recovery in next running bill. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.83 2013-14)

4.4.20.3 Executive Engineer, Canal Division, Muzaffargarh made payment to a contractor at 27.42% below the estimate cost put to tender instead of admissible percentage at 43.59 below than the estimated cost as quoted by the contractor while submitting his bid.

Weak supervisory and technical controls resulted in overpayment of Rs 5,810,803.

Audit pointed out the overpayment in September 2013. The department replied that the work was being executed under Para 2.89 of PWD Code. Later on during the course of execution of work, necessity was arisen to revise technical sanction estimate due to change in the scope of work and the payment was made as per Revised T.S. Estimate. The reply was not tenable because the contract was awarded at 43.59% below T.S. Estimate cost. Therefore, the final payment shall be at the same percentage at which the work was awarded on the basis of bid, whereas, upto 4th& final bill an overpayment was made for Rs 5,810,803. The amount of audit observation was reduced from Rs 8.878 million to Rs 5.811 million.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the work was awarded on

tentative quantities. Audit was of the view that on the basis of the estimated quantities the tenders were called and the final cost of the tender / payment would be the same percentage below 43.59% of the final executed items, so as to pre-empt excess payment. The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to get the matter clarified from the Finance Department.

(DP.248 2013-14)

4.4.20.4 Executive Engineer, Kot Adu Canal Division, Kot Adu awarded a work "Construction of Gujrat Disty and Sulman Minor to mitigate tail" to a contractor in October 2009 @ 31% below of the estimate cost. During execution of work various non-BOQ items of works were measured and paid without application of below quoted %age @ 31% to maintain same percentage.

Weak financial and supervisory controls resulted in overpayment of Rs 2,511,000.

Audit pointed out the overpayment in August 2013. The department replied that the scheme was presently in running position and the recovery of imbalance rate shall be worked out as and when the work would be completed. The reply of the department was not acceptable recovery needed to be made in running bill by applying quoted 31% below rate.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed the department that total amount be adjusted in next running bill and got verified from Audit. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.183 2013-14)

4.4.21 Unjustified payment due to allowing price variation - Rs 22.08 million

According to clause 55(8) of the contract agreement no escalation would be admissible to contractor for the period extended due to delay on the part of the contractor. The contractor was liable to be penalized for the delay in execution of work. Further, as per clause 55 (2) no price variation would be admissible except in respect of the items mentioned in sub-clause i.e. cement, steel, PVC pipes and RCC pipes / PCC pipes and according to Para-9 of Notification No.RO(Tech)FD-1-2/83-VI(P) dated 11.01.2007, no price variation would be admissible on such items in respect of the quantity or quantities for which the secured advance was paid to the contractor.

4.4.21.1 Executive Engineer, Kot Adu Canal Division, Kot Adu awarded a work "Construction of Gujrat Disty and Sulman Minor to mitigate tail shortage in Basira Sub Division" to a contractor in October 2009. The work was started on 30.10.2009 and was to be completed in six months i.e. upto 30.04.2010. The contractor did not complete the work as yet. He was allowed/paid price variation of Rs 15,446,022 beyond stipulated period which was not admissible to him.

Weak financial and supervisory controls resulted in overpayment of Rs 15,446,022.

Audit pointed out the overpayment in August 2013. The department replied that price variation had been paid as per rules and was admissible during extended period under the obligation of clause 55 of the contract. The reply of the Department was not acceptable because as per XEN letters dated 09.04.10 and 23.04.10 the pace of work was slow by contractor. Hence, no price escalation was admissible in extended period.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came up with same version. The Committee was not convinced with the departmental reply and directed that a technical probe be completed by the Superintending Engineer concerned within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry and recovery be made good.

(DP.179 2013-14)

4.4.21.2 Executive Engineer, Development Division, Bahawalpur, in the execution of work "Rehabilitation of 6L/Ahmedpur Branch System" awarded to "M/s Al Memar Associates" paid price variation of Rs 8,573,975 to the contractor upto 19th & Running bill. Out of which an amount of Rs 3,123,391 was paid within the stipulated period while balance amount of price variation Rs 5,450,584 was paid after the expiry of stipulated period which was not admissible as per clause referred above.

Weak supervisory and financial controls resulted in unjustified payment of Rs 5,450,584.

Audit pointed out the irregularity in September 2012. The department replied that acceptance letter for the work was issued on 04.02.2010 with the completion date of the project as 30.06.2011. During the year 2010, the channel 6L/Disty was allowed to run from April 2010 to December 2010 continuously. Thus the contractor was helpless and unable to do the prism work in the absence of diversion channel. The reply of the department was not tenable because a huge amount of price variation was paid to the contractor without provision in technical sanction estimate. Funds released for execution of work were utilized towards price variation which was not justified.

The para was also discussed in the SDAC meeting held on 23.10.2013. The department submitted that the matter was under an inquiry by a Committee which was constituted by the Secretary, Irrigation Punjab for probing into the matter. The para was kept pending till the decision of inquiry. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early finalization of inquiry / recovery besides fixing responsibility against the responsible(s).

(DP.75 2012-13)

4.4.21.3 Executive Engineer, Construction Division, Dera Ghazi Khan paid price variation on labour & diesel on the amount of secured advance for item fabrication of mild steel for a quantity of 27096 cft for Rs 124.027 million, whereas the amount of secured advance was required to be deducted from value of work done for calculating the price variation @ 0.15 and 0.07 for labour & diesel.

Weak supervisory and financial controls resulted in overpayment of Rs 611,311.

Audit pointed out overpayment in August 2013. The department replied that as per measurement book No. 3511 and voucher No. 49 dated 18.06.2013 there was no payment of price variation for steel. The reply was not tenable because the amount of secured advance paid on steel was required to be deducted from the value of work done, while calculating the price variation for labour & diesel. Due to non-deduction of the value of secured advance on steel, the price variation on labour & diesel was overpaid.

The matter was also discussed at length in the SDAC meeting held on 04.12.2013. The department admitted view point of Audit and promised to effect the recovery. The Committee directed to recover the total amount from the contractor within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.78 2013-14)

4.4.21.4 Executive Engineer, Greater Thal Canal Project, Adhikot awarded a work on 18.09.2009 and paid price variation on H.S Diesel and labour. No price variation was admissible because the Finance Department had allowed price variation on diesel and labour for Irrigation Department w.e.f 28.04.2010 whereas work was awarded during 2009.

Weak financial control resulted in unjustified payment of Rs 573,603.

Audit pointed out the unjustified payment during July, 2013. The department replied that price variation was paid because it was allowed on the construction of building work as per provision of technical sanction estimate. The reply was not tenable because as per F.D NO RO (Tech) FD 1-22007 (Provl) dated 28.04.2010, price variation on diesel for Irrigation Department was allowed w.e.f 28.04.2010 whereas work was awarded during 2009. Hence, no price variation on diesel was admissible to the contractor.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department replied that the price variation on diesel was allowed as per provision of T.S.E. The Committee was not convinced with the departmental reply and directed that total amount involved in the para

be recovered within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.26 2013-14)

4.4.22 Loss due to unjustified advance payment without any work - Rs 21.30 million

As per Rule 2.20 of PFR Vol-1 every payment including re-payment of money previously lodged with Government for whatever purpose must be supported by a voucher setting forth full and clear particulars of claim.

4.4.22.1 Executive Engineer, U.C.C Division, Sheikhupura paid two advance bills amounting to Rs 20.212 million to Machinery Division Irrigation, Lahore on 14.06.2013 for 2414385 cubic feet earth work and to XEN Shahpur Division LJC, Sargodha on 22.06.2012 for supply of 1278981 cft stone. Huge amount at the close of financial year was paid just to avoid the lapse of funds because neither machinery division executed any earth work nor LJC Division supplied any stone without giving any justification.

Weak supervisory and financial controls resulted in unjustified advance payment of Rs 20,212,681.

Audit pointed out the lapse in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe be got completed by the Superintending Engineer concerned within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation alongwith fixing of the responsibility against the officers concerned besides effecting recovery from the person(s) at fault.

(DP.139 2013-14)

4.4.22.2 Executive Engineer, Islam Headworks Division, Pallah made payment of Rs 730,500 to Executive Engineer, Development Division No. II Multan and Rs 354,310 to Executive Engineer, Irrigation Workshop Division, Mughalpura Lahore for "Manufacturing and fixing covers of hoist machines on regulation gates" and "Fabrication of antique benches". The divisions neither completed the job nor refunded the amounts despite lapse of more than 18 months.

Weak administrative and supervisory controls resulted in loss of Rs 1,084,810.

Audit pointed out the loss in February 2013. The department replied that efforts were being made to get the work done.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer concerned did not attend the SDAC meeting. It was directed that Executive Engineer Islam Head Works should submit his reply alongwith comments by the Chief Engineer, Multan for non-attending the scheduled meeting within 07 days. The para was kept pending for inquiry by the Chief Engineer Sargodha. However, the Committee took it seriously and directed that recovery be made besides inquiry by the Chief Engineer within 30 days. No progress towards recovery was reported till finalization of the report.

Audit recommends early completion of inquiry / recovery.

(DP.125 2012-13)

4.4.23 Loss due to non-recovery of penalties imposed on government officials - Rs 20.55 million

As per rule 4.1 of Punjab Financial Rules Volume-I, Departmental controlling officers should accordingly see that sums due to government are regularly received and checked against demands, and that they are paid into treasury.

4.4.23.1 Superintending Engineer, Machinery Circle, Lahore being controlling officer could not implement the orders of the Government and did not recover the amount of penalties imposed on account of incurring excess expenditure on the repair and maintenance of machinery and vehicles against the sanctioned estimate.

Weak supervisory and financial controls resulted in loss of Rs 15,611,905.

Audit pointed out the loss in March 2013. The department furnished no reply so far.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed that total amount involved in the para be recovered at the earliest. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.04 2012-13)

4.4.23.2 Executive Engineer, Bhakkar Canal Division, Bhakkar did not recover the huge amount of penalty from a sub-engineer which was imposed by the competent authority after conducting of inquiry on the charges of inefficiency and misconduct / corruption.

Weak supervisory and financial controls resulted in non-recovery of Rs 4,295,344.

Audit pointed out the non-recovery in March 2013. The department replied that the sub-engineer had lodged an appeal to the Chief Engineer against the imposed recovery and it was under process of finalization. The reply of the department was not tenable as the decision for imposition of penalty was also finally approved by the same authority after the inquiry.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer, concerned did not attend the SDAC meeting. The Committee directed that Executive Engineer, Bhakkar should submit his reply alongwith comments by the Chief Engineer, Sargodha for non-attending the scheduled meeting within 07 days. The para was kept pending till finalization of the inquiry. No progress was reported towards recovery to audit till the finalization of report.

Audit recommends early completion of inquiry / recovery.

(DP.129 2012-13)

4.4.23.3 Executive Engineer, Bhakkar Canal Division, Bhakkar did not recover the minor penalty of stoppage of one increment from the defaulters on account of shortage of material proved against them.

Weak supervisory and financial controls resulted in non-recovery of Rs 640,359.

Audit pointed out the non-recovery in March 2013. The department replied that the Executive Engineer, Bhakkar was appointed as an inquiry officer who had submitted his fact finding report. The recoverable amount was due from the defaulters of Gujrat Canal Division Gujrat. The reply was not tenable as it was the primary duty of any officer to watch the government interests at all levels.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer concerned did not attend the SDAC meeting. The Committee directed that XEN, Bhakkar should submit his reply alongwith comments by the Chief Engineer, Sargodha for non-attending the scheduled meeting within 07 days. Para was kept pending for recovery within 30 days. No progress towards recovery was reported till finalization of report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.131 2012-13)

4.4.24 Overpayment due to excess lead - Rs 19.86 million

As per Specification No. 16.5 (Specifications for execution of works 1967 Volume-I Part-II), carriage/distance shall be measured by the nearest practicable route.

4.4.24.1 Examination of technical sanction estimate of the scheme revealed that Executive Engineer, U.C.C Division, Sheikhupura measured and paid lead of 163 km from Sargodha Pull 11 to site of work via Faisalabad, Jaranwala, Syedwala, Fridabad. Whereas, the shortest route from source quarry to site of work was 129 kilometers via Chiniot, Chak Jhumra, Khurdianwala, Jaranwala, Syedwala and Fridabad.

Weak supervisory and financial controls resulted in loss of Rs 9,789,704.

Audit pointed the loss in October 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that provision of lead be justified through feasibility and record within 30 days otherwise recovery be effected from the contractor. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officers concerned.

(DP.142 2013-14)

4.4.24.2 Examination of technical sanction estimate of the scheme revealed that Executive Engineer, Bhakkar Division, Bhakkar measured and paid lead of 95 Km from Chashma quarry to site of work via Dera Ismail Khan for carriage of stone. Whereas, the shortest distance from source quarry to site of work was 83 Km.

Weak supervisory and financial controls resulted in overpayment of Rs 8,614,821.

Audit pointed the overpayment in September 2013. The department replied that lead calculated by audit from Chashma quarry to Bhakkar Flood Bund was not correct. The actual distance from Chashma quarry to RD 0+000 of Bhakkar Flood Bund was 77 km which was approved by the competent authority. The reply was not tenable because in the lead chart department had not mentioned the name of source quarry and it was only mentioned as "Chashma Quarry". This was not correct because "Kotia Quarry" of Chashma hills range was the approved quarry by the Irrigation Department Vide No SO (Floods) VII/6/2010 Dated 13.09.2011. The correct distance from Kotia Quarry to Bhakkar Flood Bund comes to 65 KM instead of 77 kilometers as calculated by the department

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a certificate by the Superintending Engineer concerned be obtained to the effect that lead diagram was correct and get it verified from Audit within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation and responsibility be fixed against the concerned officers responsible besides effecting recovery.

(DP.156 2013-14)

4.4.24.3 Examination of technical sanction estimate of the scheme revealed that Executive Engineer, U.C.C Division, Sheikhupura measured and paid lead of 163,158 and 155 kilometers from Sargodha Pull 11 to sites of work via Faisalabad, Jaranwala, Syedwala, Faridabad. Whereas, the shortest routes from source quarry to site of work was 129 km, 130 km and 155 kilometers via Chiniot, Chak Jhumra, Khurdianwala, Jaranwala, Syedwala and Faridabad.

Weak supervisory and financial controls resulted in loss of Rs 1,033,064.

Audit pointed the loss in October 2013. The department did not reply despite of repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that provision of lead be justified and record be got verified from audit within 30 days otherwise recovery be made from the contractor. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation and responsibility be fixed against the concerned officers responsible besides effecting recovery.

(DP.145 2013-14)

4.4.24.4 Executive Engineer, UJC division, Jhelum enhanced the lead for carriage of stone from 220 km to 248 km and also adopted longer route i.e. from Sikhanwali quarry to site of work via Dina by pass instead of via Jada more from where the total distance worked out to 212 km.

Weak supervisory and financial controls resulted in overpayment of Rs 419,112.

Audit pointed out the overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that lead was changed in the best

interest of public. The Committee was not convinced with the departmental reply and directed that detailed verification be completed from Audit within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.103 2013-14)

4.4.25 Non-recovery of outstanding dues - Rs 19.54 million

As per rule 4.1 of Punjab Financial Rules Volume-I Departmental controlling officers should accordingly see that sums due to Government are regularly received and checked against demands, and that they are paid into treasury.

4.4.25.1 Superintending Engineer, Mailsi Canal Circle, Multan did not recover the long outstanding amount on account of illegal using of river water from Mr. Jalal Khan and Mr. Muhammad Ashiq.

Weak supervisory and financial controls resulted in non-recovery of Rs 6,307,000.

Audit pointed out the non-recovery in February 2013. The department did not reply despite issuing several reminders.

The para was also discussed in the SDAC meeting held on 10.12.2013. No person attended the verification as well as discussion. The Committee directed that Superintending Engineer concerned should submit his reply alongwith comments of the Chief Engineer concerned for non-attending the scheduled meeting within 15 days. No progress was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.138 2012-13)

4.4.25.2 Executive Engineer, Islam Headworks Division, Pallah could not manage to recover the rent of pond area from various lessees during the currency of lease period.

Weak supervisory and financial controls resulted in non-recovery of Rs 5,564,650.

Audit pointed out the non-recovery during February 2013. The department replied that amount had been declared recoverable as arrear of land revenue. The reply was not tenable as period of more than nine years had been elapsed and no action on the part of the department was taken for recovery of outstanding dues. This resulted in accumulation of dues and loss to government.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer concerned did not attend the SDAC meeting. The Committee directed that Executive Engineer, Islam Head Works should submit his reply alongwith comments by the Chief Engineer, Multan for non-attending the scheduled meeting within 07 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of rent besides fixing responsibility against the responsible(s).

(DP.124 2012-13)

4.4.25.3 Superintending Engineer, Mailsi Canal Circle, Multan did not recover the lease money from the lessee of plot No. D-2 & C-3 for the lease period and illegal cultivation being done by them after the expiry of lease period.

Weak supervisory and financial controls resulted in non-recovery of Rs 3,673,000.

Audit pointed out the non-recovery in February 2013. The department did not reply despite issuance of repeated reminders.

The para was also discussed in the SDAC meeting held on 10.12.2013. No person attended the verification as well as discussion. The Committee directed that S.E concerned should submit his reply alongwith comments of the Chief Engineer concerned for non-attending the scheduled meeting within 15 days. No progress was reported till finalization of the report.

Audit recommends early recovery of lease money besides fixing responsibility against the responsible(s).

(DP.139 2012-13)

4.4.25.4 Superintending Engineer, Q.B Link Circle, Farooqabad did not recover Toll Tax amounting to Rs 2,391,727 from the defaulter lessee in respect of lease of Qadirabad as barrage toll plaza for the period 15.07.2010 to 03.02.2011.

Weak financial and supervisory controls resulted in loss of Rs 2,391,727.

Audit pointed out the non-recovery in February 2013. The department replied that the recovery process had been taken up with District Administration Mandi Baha-ud-Din by the Executive Engineer, Qadirabad Barrage Division, Qadirabad and Arrears of Land Revenue and progress would be intimated accordingly. The department admitted the recovery but no progress was reported so far.

The para was also discussed in the SDAC meeting held on 04.09.2013. The Committee was not convinced with the departmental reply and directed to recover the total amount and get it verified by Audit within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of toll tax besides fixing responsibility against the responsible(s).

(DP.01 2012-13)

4.4.25.5 Executive Engineer, Kalabagh Irrigation Division, Kalabagh did not recover the penalty @ Rs 100,000 per day amounting to Rs 1,600,000 from lessee of toll plaza at Jinnah Barrage. The contract period of the lessee was expired on 30.06.2013 but he continued un-authorized occupation of toll plaza and unlawfully collected toll tax for sixteen day from 01.07.2013 to 16.07.2013 as reported by the SDO Headworks Sub-Division, Daudkhel vide NO 1/15-A Dated 01.07.2013.

Weak supervisory and financial controls resulted in non-recovery of Rs 1,600,000.

Audit pointed out the non-recovery in August 2013. The department replied that notices were served to the lessee for recovery of amount. The reply was not tenable because no recovery was effected.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department replied that efforts were being made for

recovery. The Committee was not convinced with the departmental reply and directed that total amount involved in the para be recovered within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery of amount involved besides fixing responsibility against the responsible(s).

(DP.30 2013-14)

4.4.26 Loss to government due to non-awarding of work to 1st lowest bidder - Rs 17.43 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.

4.4.26.1 Superintending Engineer, Thal Canal Circle, Mianwali awarded a work "Restoration of left guide bank of Jinnah Barrage" to the 2nd lowest bidder M/s Al Abbas who quoted rates15.311% below against the 1st lowest rates. Who quoted 31.98% below the TS estimated rates. The 1st lowest contractor neither started the work nor deposited Rs 34,196,813 on account of additional performance security. But no inquiry was conducted or FIR was lodged against this person who submitted forged earnest money and participated in bidding process by depositing dummy call deposit/ earnest money.

Weak supervisory and technical controls resulted in loss to government for Rs 17,098,406.

Audit pointed out the loss in February 2013. The department replied that approval of tender rates of second lowest bidder was accorded by the Chief Engineer, Sargodha vide letter No.585/W-II/18/2011 dated 12.01.2011 and work was executed at site accordingly. Reply given by the department was not accepted as lowest bidder M/s Virk Trader gave statement that he never participated in the bidding process. This was not possible as without enlistment of firm, tender form could not be given to any person.

The para was also discussed in the SDAC meeting held on 10.12.2013. Audit contented that under the rules, 2nd lowest bidder was to be offered the work at the rates of first lowest. The Committee was not

convinced with the departmental reply as the same was submitted earlier and directed that a technical probe by the Additional Secretary (Operation& Budget) Irrigation Department be got conducted besides taking action against the contractor under the rule. The award of work to 2nd lowest contractor at his quoted rates was irregular.

Audit recommends early completion of the technical probe besides effecting recovery.

(DP.109 2012-13)

4.4.26.2 Executive Engineer, Marala UCC division, Marala called tenders and awarded the work "construction of relocated workshop package-I:" for Rs 6,486,809 against the estimated cost of Rs 7,251,840 i.e. 11% below the estimated rates. Later on the tenders were again called on 28.12.2012 and work was allotted to another contractor i.e. M/S Muhammad Manzoor Iqbal for Rs 6,816,730 vide No. 535/30-A dated 24.04.2013 i.e. 6% below.

Weak supervisory and financial controls resulted in loss of Rs 329,921.

Audit pointed out the loss in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department explained that original contractor did not start the work due to bank guarantee .Therefore fresh tenders were called and there was no loss to government. The Committee was not convinced with the departmental reply and directed that technical probe be got completed by the Superintending Engineer concerned within 60 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends investigation and recovery of loss from the person(s) responsible.

(DP.106 2013-14)

4.4.27 Overpayment due to non-utilization of available earth / road crust - Rs 15.33 million

According to B & R specification Vol-I 2-1-7 read with Specification NO 17.1 (A) (11) of Book of Specifications (specifications for execution of works 1967 Volume-I Part-II) where there is both cutting

and filling of earth is involved the soil from cutting as for as economical shall be utilized.

4.4.27.1 Executive Engineer, Jampur Construction Division, D.G. Khan made advance payment to Machinery Division Multan for Rs 25,323,057 in June 2013 for items i.e. earth work excavation in irrigation channels for a quantity of 5996705 cft, and earth work excavation from outside borrow pit with 1 mile lead and with 100 ft lead for a quantity of 2868265 cft and 129600cft respectively. The area of cutting was 5996705 cft against the area of filling for 1294055 cft. Therefore, a huge volume of earth excavated from irrigation channels and drains was not utilized in filling.

Weak supervisory and financial controls resulted in loss to government for Rs 12,993,832.

Audit pointed out overpayment in September 2013. The department replied that the items outside borrowpit with lead 3 mile was provided / sanctioned after deduction of excavated earth from outside borrow pits and the work was in progress. The reply was not tenable because the volume of earth cutting was too much huge than the volume of earth filling. The quantity of the earth available by cutting was not utilized for filling in nearby RD's. Therefore, the new earth obtained from outside borrow pits in the presence of excavated earth caused loss to the government.

The matter was also discussed in the SDAC meeting on 17.12.2013. The department replied that the utilization of the excavated earth was impossible because it was in the shape of slush. The Committee was not convinced with the departmental reply and directed to recalculate the actual quantities of non-filling of excavated available earth on nearby RDs and to get the verification of record within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.211 2013-14)

4.4.27.2 Executive Engineer, Canal Division, D.G. Khan did not deduct the road crust, side slopes @ Rs 4% and camber @ 2% for a quantity of 72945 cft and 55373 cft from the item of earth work respectively in T.S.

Estimate. Thus a quantity of 128318 cft was overpaid @ Rs 8771.36 per ‰ cft.

Weak supervisory and technical controls resulted in overpayment of Rs 1,125,523.

Audit pointed out the less recovery in August 2013. The department replied that the running payments were made for earth work and all deductions would be made in final bill. The reply was not tenable because the road crust, side slopes and cambers were actually required to be deducted side by side while making the record entries of the earth work.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department admitted the view point of Audit and promised to make the requisite deductions from the quantities of the earth and the record thereof would be produced while finalization of the work. The Committee directed that total amount may be recovered within 60 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.229 2013-14)

4.4.27.3 Executive Engineer, Kot Adu Canal Division, Kot Adu awarded work "Concrete lining of 1-L Dingi Minor RD 0 to 19500 Tail" to a contractor. During execution of work an item "Earth work excavation in irrigation channels drains etc" for quantity of 252161 cft @ Rs 2,200 ‰ cft amounting to Rs 554,754 vide item No. 3. The department measured and paid item No. 01 "B/pit excavation lead upto 1 mile" for 390005 cft but available earth obtained from "Earth work excavation in irrigation channels drains etc" was not utilized.

Weak technical control resulted in overpayment of Rs 756,483.

Audit pointed out the overpayment in August 2013. The department replied that as per report of the estimate, the entire reach of the work was sandy and earth received as a result of cutting of inner prism had been utilized for strengthening of embankment without making any payment to contractor. The reply of the department was not acceptable

because utilization of available earth was neither got verified nor it was supported with estimate or MBs.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came with same version but this was not proved from record entries of any M.B. The Committee was not convinced with the departmental reply and directed that detailed verification be got carried out within 15 days, otherwise recovery be effected. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.181 2013-14)

4.4.27.4 Executive Engineer, Mankera Canal Division, Adhikot paid quantity of 897163 cubic feet of item earth work excavation from outside borrow pit undressed lead upto 100 feet. But disposed of 228789 cubic feet earth upto 50 feet, available at site from excavation in irrigation channels, drain etc. The available earth should be deducted from earth brought from outside and balance quantity was to be paid.

Weak supervisory and financial controls resulted in overpayment of Rs 456,628.

Audit pointed out overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be completed within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.148 2013-14)

4.4.28 Unjustified expenditure due to allowing cushion beyond permissible limit 4.5% - Rs 11.95 million

As per Serial No 1 (ii) of Delegation of Financial Power Rules, 2006 read with para 1 (ii) and 3 of Finance Department's letter No.

RO(TECH) FD 2-3/85 Vol-IV 07.01.1992 acceptance of tender shall be subject to the conditions that the rates quoted and / or amount tendered are such that, total cost of the project will not exceed the amount for which technical sanction has been accorded by more than 4.5%.

4.4.28.1 Executive Engineer, Bhakkar Canal Division, Bhakkar accepted the tenders and made agreement with the contractor in August 2009 by allowing premium up to 40 % above on the carriage charges of stone. The, tender was accepted @ 40 % above the estimated amount instead of permissible limit of 4.5 percent.

Weak supervisory and financial controls resulted in loss of Rs 4,987,742.

Audit pointed out the lapse in September 2013. The department replied that tenders up to 40% above the technical sanction estimate for the carriage of stone for recouping reserve stock were accepted according to the government notification No. SO (Floods) VII-5/20102 dated 13.09.2011.The reply was not tenable because notification mentioned in the reply was issued by the Irrigation Department in violation of Delegation of Financial Power Rules, 2006 and concurrence of Finance Department was not obtained.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a case may be moved to the Finance Department for seeking clarification within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation besides initiating disciplinary action against the concerned and recovery thereof.

(DP.158 2013-14)

4.4.28.2 Executive Engineer, Bhakkar Canal Division, Bhakkar added extra ordinary premium @ 39.25% while sanctioning the revised T.S estimate whereas the original T.S estimate was approved without any extra premium.

Weak supervisory and financial controls resulted in incorrect payment of premium for Rs 3,039,499.

Audit pointed out the incorrect payment of premium in March 2013. The department replied that the payment of premium was paid by the approval of competent authority. The reply was not tenable as the original T.S estimate was sanctioned without any additional premium on 01.03.2012 but later on, it was revised after 03 months on 16.06.2012 by adding premium on the basis of notification dated 13.09.2011.The notification was issued well prior to the submission / approval of the original T.S estimate. The approval of revised T.S estimate on the basis of said notification was irregular.

The para was also discussed in the SDAC meeting held on 10.12.2013. Executive Engineer concerned did not attend the SDAC meeting. The Committee directed that Executive Engineer, Bhakkar should submit his reply alongwith comments by the Chief Engineer, Sargodha for non-attending the scheduled meeting within 07 days. The para was kept pending for detailed verification. No verification was got done till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.130 2012-13)

4.4.28.3 Executive Engineer, Thal Development Division, Mianwali accepted / awarded work "Restoration of Bhakkar Flood Protection Bund RD 42+000 to 78+000" for Rs 19.906 million @ 12.15% above the approved TSE cost of Rs 17.758 million, which was well beyond the admissible cushion upto 4.5%. Further, the work was also finalized within the cost of Rs 16.895 million against the agreement cost of Rs 19.906 million. Non-execution of remaining work of Rs 3.016 million required justification.

Weak supervisory and financial controls resulted in loss to the government for Rs 1,358,000.

Audit pointed out the loss in November 2012. The department replied that the work was carried out under para 2.89 of PWD Code and tenders were called and the lowest bid was 1.757% below the tender amount of Rs 19,906,000. The reply of the department was not tenable as the Technical Sanction Estimate of the work was got approved for Rs 17,758,000 and work was tendered on Rs 20.262 million and accepted for Rs 19,906,000 which was 12.15% above the TSE cost.

The para was also discussed at length in the SDAC meeting held on 31.12.2012 & 01.01.2013. Viewpoint of the department that the acceptance letter was issued for the same amount and work stood completed was not accepted. The Committee directed the department that financial statement as per approved format of the Finance Department be prepared and produced to audit for verification. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.388 2011-12)

4.4.28.4 Executive Engineer, U.C.C Division, Sheikhupura accepted the tenders and made agreement with the contractor in June 2013 by allowing premium up to 40 % on the carriage charges of stone. The tender accepted @ 4.1 % below the estimated amount was actually 19.26 % above the estimated cost which was beyond the permissible limit of 4.5 percent.

Weak supervisory and financial controls resulted in loss of Rs 1,306,647.

Audit pointed the loss in October 2013. The department did not reply despite of repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for seeking clarification within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early regularization of the matter or loss be made good from person(s) at fault.

(DP.143 2013-14)

4.4.28.5 Scrutiny of Technical Sanction Estimate of work "Procurement of reserve stock at J- Head Spur RD 38+000 LMB" revealed that 40 % cushion on the rates of carriage of stone from Sakhi Sarwar Quarry to site of work was sanctioned in addition to the rates provided in the MRS 1st Biannual 2013.

Weak supervisory and financial controls resulted in unjustified inclusion of inadmissible cushion amounting to Rs 971,584.

Audit pointed out the irregularity in April 2013. The department replied that 40 % cushion in the estimate was added as per direction of Secretary Irrigation Department. The reply was not tenable because Secretary was not empowered to supersede the provisions of MRS.

The para was also discussed in the SDAC meeting held on 23.10.2013. The department explained that the estimate was technically sanctioned by the competent authority with 40% special dispensation as allowed by Secretary, Irrigation dated 13.6.2011 but concurrence of Finance Department and the summary approved by Chief Minister on the issue were not got verified. The Committee was not convinced and kept the para pending for want of Finance Department permission for 40% cushion on the rates. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early permission from the Finance Department for giving 40% cushion on the rates besides fixing responsibility against the responsible(s).

(DP.59 2012-13)

4.4.28.6 Executive Engineer, Trimmu Barrage Division, Trimmu issued acceptance letter and made agreement with the contractor in February 2013 for Rs 5.679 million against the estimated / DNIT amount of Rs 5.437 million (including contingency) instead of correct estimated cost of Rs 5.162 million. Thus, tender was accepted @ 10 % above the estimated amount instead of permissible limit of 4.5 percent.

Weak supervisory control resulted in loss of Rs 284,159.

Audit pointed out the loss in September 2013. The department did not reply despite of repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that PC-1 / TS estimate be got revised and final bill of the contractor be produced to Audit for verification at the earliest. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends investigation and recovery from the sources at fault.

(DP.132 2013-14)

4.4.29 Overpayment due to excess measurement of area of wire crate - Rs 11.35 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.

4.4.29.1 Executive Engineer, Bhakkar Canal Division , Bhakkar measured and paid quantity of 1228800 cubic feet "Supplying and filling stone in wire crates including sewing of crates" and quantity of 3773568 square feet "Providing and weaving G.I Wire netting for wire crates, with G.I wire of approved size". Whereas, keeping in view the quantity of stone filling in wire crates measured and paid to the contractor, total area of crates came to 3276800 square feet instead of 3773568 square feet as measured and paid by the department.

Weak supervisory and financial controls resulted in overpayment of Rs 9,223,243.

Audit pointed out the overpayment in September 2013. The department replied that work was in running position and contractor had prepared more wire crates than wire crates filled with stone. The payment was made item wise quantity at site. The reply was not tenable because the department could not justify the payment for extra wire crates without use in work. No filling of stone in wire crates was done. The unjustified /superfluous measurement of wire crates were recorded just to provide the financial benefit to the contractor and avoid the lapse of funds. Further, no material at site account was shown to audit for verification and authenticity.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that material at site register and final bill be got verified from Audit within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends investigation for fixing responsibility against the officer(s) concerned besides recovery.

(DP.157 2013-14)

4.4.29.2 Executive Engineer, Construction Division, D.G. Khan paid a quantity of providing and weaving G.I wire etc. 6" mesh 8 SWG for a quantity of 635958 sft instead of the actual quantity of 524556 sft. As per standard 27 cft stone was to be refilled in one G.I wire crate.

Weak supervisory and financial controls resulted in overpayment of Rs 2,129,004.

Audit pointed out overpayment in August 2013. The department replied that stone in wire crates for 347828 cft with 27 cft stone was filled in G.I wire crates. Number of wire crates came to be 12884 Nos. while stone filled in wire crates for 5146 cft with 62 cft stone in G.I wire crates came to be 83 numbers. The reply was not tenable, because weaving G.I wire more than the standard capacity of 27 cft stone in one wire crate was pointed out on 6th running bill. The record in respect of the measurements upto 7th running bill showing the size of crate for capacity of filled stone 62 cft was not produced. The filling of 62 cft stone in G.I wire crate instead of 27 cft appears implausible.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the scheme was on going and adjustment would be made in final bill. The Committee directed that the record for consumption of G.I wire crate with 27 cft stone filling in one crate may be got verified on final bill.

Audit recommends early verification of record.

(DP.223 2013-14)

4.4.30 Undue financial benefit due to imbalance rate - Rs 11.35 million

As per Finance Department letter No SRO(Tech)FD 1-2/83(VI)(p) dated 06.04.2005 read with contract clause 47-a if the contractor quotes disproportionate rates in his tender which deviate from the rates approved in estimate the items of higher rate will be paid as per T.S rates in the running bill. Balance payment will be made at the completion of the work.

4.4.30.1 Executive Engineer, UJC Jhelum Division, Jhelum made payment of some items of works with full quoted rates instead of estimated rates in the running bills in violation of rule ibid.

Weak supervisory and financial controls resulted in overpayment of Rs 7,921,727.

Audit pointed out the overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that rates were approved by the Chief Minister. The Committee was not convinced with the departmental reply and directed that total amount be recovered from next 04 running bills. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.98 2013-14)

4.4.30.2 Executive Engineer, UCC division, Gujranwala made payment of certain items of work with full quoted rates instead of estimated rates during currency of the work in violation of the rules ibid.

Weak financial control resulted in undue financial benefit of Rs 2,402,085.

Audit pointed out the undue financial benefit in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that clause 47-A of contract agreement puts a bar on the payment of items with imbalance rates but practically it becomes very difficult to make payment with Technical Sanction rate instead of quoted rate. The Committee directed to make recovery/adjustment in the next running bills. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early investigation alongwith fixing responsibility.

(DP.111 2013-14)

4.4.30.3 Executive Engineer, Drainage division, Sargodha executed an item "pacca brick work other than building 10″ height cement sand mortar

1:5" which was being a disproportionate rate item required to be paid at Rs 8,921.05% cft against approved rate/tender rate of Rs 11,040.13 %.

Weak supervisory and financial controls resulted in undue financial benefit of Rs 611,433.

Audit pointed out undue financial benefit in August 2013. The department replied that imbalance item rate was put by the contractor and rates were sanctioned by the competent authority and paid to contractor as per acceptance letter/tender rate. The department admitted the Audit version.

The para was also discussed in the SDAC meeting held on 04.12.2013.The department admitted the non-adjustment. The para was kept pending for adjustment in next bill at the earliest.

Audit recommends early recovery besides fixing responsibility.

(DP.53 2013-14)

4.4.30.4 Executive Engineer, UCC Division, Gujranwala executed an item of work "providing and placing cement sand and bitumen in joints 1:2:3 ½" wide, 1" thick" and paid at the rate of Rs 15 per rft whereas it was to be paid at the rate of Rs 4.95 per rft i.e. with technical sanction rate.

Weak financial controls resulted into undue financial benefit of Rs 410,964.

Audit pointed out the excess payment in September 2013. The department did not reply.

The para also discussed in the SDAC meeting held on 16.12.2013. The department explained that no doubt class 47-A puts bar on payment with imbalance rates but practically it becomes quite difficult to make payment at T.S. rates. The Committee directed to make necessary adjustment / recovery and get it verified within 30 days. No compliance of the Committee directive was reported till finalization of the report.

Audit recommends early recovery/adjustment of the amount besides fixing responsibility.

(DP.115 2013-14)

4.4.31 Irregular payment on account of incorrect provision of contingency in M&R, T.S. estimate - Rs 11.16 million

As per para 2.45 of B&R code in estimates for repair and maintenance, no provision is needed for general and administrative charges for plant and tool like those in original works. Further, 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.

4.4.31.1 Executive Engineer, Development Division-III, Sahiwal provided contingencies in the estimate of work "Construction of Sukhnai Drain-III RD 625+000 to 1215+000 (Package B RD 665+000 to 795+000)" for Rs 70,14,383 @ 3% of Rs 233,812,750 instead of correct rate of 2% for Rs 46,76,255.

Weak supervisory and financial controls resulted in excess provision of contingencies for Rs 2,338,128.

Audit pointed out the irregularity in August 2013. The department replied that the provision of contingencies @ 3% was made in the PC-I and the T.S. Estimate which was approved by the competent authority. This provision was not made for adjustment of the expenditure of running government vehicles. The expenditure incurred under contingency of the Project was according to the sanctioned estimate and approval of competent authority. The reply of the department was not acceptable because the provision of contingency was made more than the permissible limit of 2% of TS estimate cost.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that a case be moved to the Finance Department for clarification within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get early clarification from the Finance Department.

(DP.85 2013-14)

4.4.31.2 Executive Engineer, Development Division-III, Sahiwal provided contingencies in the estimate of work "Construction of Sukhnai Drain-III RD 625+000 to 1215+000 (Package D RD 965+000 to 1135+000)" @ of 3%instead of 2%. The 1% provision amounting to Rs 2,141,644 (T.S Rs 214,164,367 x 1%) was unjustified as the cost of running of the inspecting vehicles would be charged to the current establishment.

Weak financial and supervisory controls resulted in excess provision of contingencies for Rs 2,141,644.

Audit pointed out the irregularity in August 2013. The department replied that the provision of contingencies @ 3% was made in the PC-I and the Technical Sanction Estimate which was approved by the competent authority. This provision was not made for adjustment of the expenditure of running Government vehicles. The expenditure incurred under contingency of the Project was according to the sanctioned estimate and approval of Competent Authority. The reply of the department was not acceptable because the provision of contingency was made more than the permissible limit of 2% of TS estimate cost.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the department reply and directed that a case be moved to the Finance Department for clarification within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early regularization of the case from the Finance Department.

(DP.86 2013-14)

4.4.31.3 Scrutiny of Technical Sanction Estimate of work "Restoration of Minchin Flood Bund R.D. 0-122 (Package-III)" revealed that Superintending Engineer, Rahim Yar Khan Circle, recommended sanction estimate of the work with the provisions of 3% contingencies instead of 2% as warranted in the light of instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in unjustified provision of contingencies amounting to Rs 1,979,263.

Audit pointed out the excess estimation in April 2013. The department replied that estimate was sanctioned with the provision of 3%

contingencies but no expenditure was incurred on account of contingencies. The reply was not accepted because details of expenditure incurred on account of contingencies were not available with the circle.

The para was also discussed in the SDAC meeting held on 04.09.2013. The department pleaded that the case had already been under process in the Finance Department for technical advice. The Committee kept the para pending till the decision of the Finance Department. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get early regularization of the case from the Finance Department.

(DP.19 2012-13)

4.4.31.4 Executive Engineer, Development Division IV Faisalabad provided contingency @ 3% for Rs 5,731,440 on civil works "Rehabilitation of Jhang Branch upper RD 38+000 to RD 100+000 Package-2" instead of @ 2% for Rs 3,820,960. The 1% provision amounting to Rs 1,910,480 was unjustified.

Weak financial and supervisory controls resulted in unjustified provision of 1% contingency for Rs 1,910,480.

Audit pointed out irregularity in October 2013. The department replied that the provision of contingencies and work charged was made at 3% on civil work in the estimate as per policy. The reply was not acceptable because 2% contingencies were to be provided and cost of running of vehicles was needed to be met from regular budget of the office.

The matter was also discussed in the SDAC meeting held on 16.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for seeking clarification within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get early clarification from the Finance Department.

(DP.189 2013-14)

4.4.31.5 Scrutiny of Technical Sanction Estimate of work "Extension of Minchin Flood Bund from RD 315+500(Tail) to Bhong Bund Guddu Barrage" revealed that Chief Engineer Irrigation Bahawalpur, sanctioned estimate of the work with the provisions of 3% contingencies instead of 2% as warranted in the light of instructions issued by the Finance Department.

Weak supervisory and financial controls resulted in unjustified provision of contingencies amounting to Rs 1,903,151.

Audit pointed out the excess estimation in April 2013. The department replied that contingency provided in the estimate was 2% for work charge establishment and 1 % was for purchase of supply and services. The reply was not accepted because provision contingencies was made more than the permissible limit.

The para was also discussed in the SDAC meeting held on 04.09.2013. The department pleaded that the case was already under process in the Finance Department for technical advice. The Committee kept the para pending till the decision of the Finance Department. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get early regularization of the case from the Finance Department.

(DP.24 2012-13)

4.4.31.6 Superintending Engineer, Project DG Khan approved 2% contingency in M&R works where as it was not admissible under the above rule.

Weak supervisory and financial controls resulted in irregular provision of contingency amounting to Rs 738,512.

Audit pointed out the irregularity in January 2013. The department admitted in reply that contingency @ 2% was utilized in shape of pay of 02 No. beldars.

The para was also discussed in the SDAC meeting held on 23.10.2013.The Committee was not convinced with the departmental reply. The Committee directed that the matter may be got regularized from

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

Audit recommends to get early regularization of the case from the Finance Department.

(DP.61 2012-13)

4.4.31.7 Executive Engineer, Upper Jhelum Canal Jhelum got sanctioned contingency of the work "protecting agricultural land and village abadies of Pakhwal" at the rate of 3% instead of 2% of the estimated cost.

Weak supervisory and financial controls resulted in irregular and excessive sanction of contingency Rs 144,754.

Audit pointed out the irregularity in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013.The department explained that S.E was competent to sanction contingency. The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for seeking clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to get early regularization besides fixing responsibility.

(DP.206 2013-14)

4.4.32 Irregular expenditure due to non-obtaining of vouched account - Rs 10.64 million

As per rule 2.20 of PFR Vol-I as a general rule every payment including repayment of money previously lodged with government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of claim.

4.4.32.1 Executive Engineer, Drainage Division, Lahore issued special cheques to other division but the vouched account thereof was not obtained by the concerned division in the absence of which expenditure on account of issue of special cheques for Rs 7.188 million was irregular / unauthentic.

Weak supervisory and internal controls resulted in irregular expenditure of Rs 7,188,802.

Audit pointed out the irregularity in July 2013. The department did not reply the observation despite issuance of reminders.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department neither attended the verification process nor held discussion. The Committee took serious notice and directed to get the record verified from audit within 15 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early adjustment of account.

(DP.33 2013-14)

4.4.32.2 Executive Engineer, Kot Adu Canal Division, Kot Adu paid an amount of Rs 3,451,375 to the District Collector Muzaffargarh on account of land compensation constructing of Gujrat Disty and Salman Minor. But neither the vouched account obtained nor land was muted to Irrigation Department.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 3,451,375.

Audit pointed out the irregularity in August 2013. The department replied that the payment impugned by the audit had actually been made in advance to District Collector Muzaffargarh for acquisition of land. Vouched account would be submitted to Audit for verification as and when received. The reply was not acceptable because considerable time had been expired but no progress towards adjustment was reported.

The matter was also discussed in the SDAC meeting on 16.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed that vouched account of total amount may be obtained within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early submission of the vouched account / mutation of land to Irrigation Department.

(DP.182 2013-14)

4.4.33 Non-forfeiture of security deposit/earnest money due to non-removal of defects / start of work - Rs 10.54 million

According to clause 60 & 61 (a) of agreement read with clause 64 if the contractor failed to complete the work, the balance work awarded to the 2nd contractor will be executed at the risk and cost of the original contractor. The difference of cost will be recovered from the original contractor. Further, as per general condition No.15 of the agreement and terms and conditions of the acceptance letter issued by the Executive Engineer if the contractor fails to start the work on the date decided in the agreement, his call deposit / earnest money would be forfeited.

4.4.33.1 Executive Engineer, Development Division, Bahawalpur in the execution of work "Rehabilitation of 6L/Ahmedpur Branch System" awarded to M/s Al Memar Associates neither got rectified the defective / damaged side protection work nor took any action against the contractor by forfeiting the earnest money and security deposit or by withheld amount from running bills till rectification of the defect.

Weak administrative and financial controls resulted in loss to the government for Rs 9,794,055.

Audit pointed out the lapse in September 2012. The department replied that the security forfeited would be utilized for repair / reconstruction of damaged panels. The reply was not tenable because neither the contractor removed the defects found during inspection of work when work was still in progress nor the department took any action against the defaulter contractor.

The para was also discussed in the SDAC meeting held on 23.10.2013. The department stated that the matter was under inquiry ordered by the Secretary Irrigation Punjab. The Committee kept the para pending till the decision of inquiry. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early forfeiture of the earnest money / security deposit besides rectification of defects in the work.

(DP.74 2012-13)

4.4.33.2 Executive Engineer, Development Division-IV, Fateh Jang awarded the work "Rehabilitation improvement of Irrigation Channel of

Tehai Sadian Dam (Package-C) to the contractor M/s GKG on 01.04.2010 but. The contractor did not start work but his earnest money Rs 247,000 was released in May 2010 vide item No-2/3 of deposit register. Tenders were recalled on 19.01.2013 and the work was awarded to M/s Arshad & Co. who did not start the work but his earnest money was also refunded instead of forfeiture.

Weak supervisory and financial controls resulted in irregular release of earnest money amounting to Rs 494,000.

Audit pointed out irregularity in July 2013 but the department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department replied that acceptance letters were not issued to the contractors. The Committee directed to produce tender register within 10 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get condonation from the Finance Department besides fixing responsibility against the responsible(s).

(DP.15 2013-14)

4.4.33.3 Executive Engineer, Development Division-IV Fateh Jang at Islamabad awarded a work to the contractor on 20.03.2012. The contractor did not start the work and his earnest money was not forfeited.

Weak supervisory and financial controls resulted in non-forfeiture of earnest money of Rs 247,000.

Audit pointed out the lapse in July 2013 but the department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that efforts were being made with the contractor to start the work. The Committee was not convinced with the departmental reply and directed that total amount of earnest money be forfeited within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early forfeiture of earnest money besides fixing responsibility against the responsible(s).

(DP.13 2013-14)

4.4.34 Irregular expenditure due to allotment of work without calling tenders - Rs 5.86 million

As per paragraph 6.1(2), (7), 2.8 & 3.13 of IMO, tenders must be called for in the case of all estimates only from contractors whose names are listed in circle list of approved contractors. The Superintending Engineer may at his discretion for reasons to be recorded by him permit the issue of work orders without recourse to calling for tenders. Record of procured store should be properly maintained.

4.4.34.1 Executive Engineer, L.J.C Division, Rasul incurred expenditure of Rs 3,150,686 on purchase/replacement of lubricants for running of generator at Rasul Barrage and gates & gearing of head works. The procurement was made from single supplier without calling quotations / rates from open market. Basis of rate paid and record showing accountal / consumption of material procured i.e. stock register, material at site account was not produced to Audit for verification.

Weak supervisory and financial controls resulted in unauthentic / doubtful expenditure of Rs 3,150,686.

Audit pointed out the lapse in October 2013. The department replied that accountal / consumption of material was properly recorded in stock register and material at site account register. Necessary estimate were prepared and sanctioned on the basis of calling the quotations from open market. Log books of generator and other machinery were completed showing consumption / utilization of material at site account register. The reply was not tenable because during audit department did not produce record to audit for verification/scrutiny. The discussion with XEN on the contents of observation was also arranged in the office of S.E LJC Circle, Sargodha but department did not produce any record in support of reply.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 03 days and responsibility be fixed against the sources at fault for

non production of record. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends to get early verification of record and action against the sources at fault.

(DP.169 2013-14)

4.4.34.2 Executive Engineer, L.J.C Division, Rasul allotted thirty two (32) works regarding "Filling rain cuts and Gharas" to one contractor by splitting in piece meal through work orders without calling any tenders. All work orders were issued almost on same dates i.e. 05.10.2012, 08.10.12 and 11.10.2012 by keeping the amount within the competency of Executive Engineer just to avoid the approval of competent authority.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 1,593,232.

Audit pointed out the irregularity in October 2013. The department replied that the works were allotted to different contractors through work order system. No splitting was made. The measurements were made by the Sub Engineers and checked by the SDO after execution. The reply was not tenable being irrelevant. The works were awarded in violation of provision of IMO. The discussion with XEN was arranged in the office of S.E LJC Circle, Sargodha and during discussion audit demanded the Tenders / Quotations, estimates of the works, advertisement, approval of SE for allotment of works without calling tenders and MBs showing measurement of opening of rain cuts/gharas on the basis of which estimates were prepared, but department could not produce any documentary proof.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of technical probe and resultant action against the delinquents be got verified.

(DP.168 2013-14)

4.4.34.3 Executive Engineer, L.J.C Division, Rasul incurred expenditure of Rs 1,118,000 on account of purchase/replacement of various electric

and mechanical parts at Rasul Barrage. The costly electric and mechanical parts were procured on market rates but neither rate analysis of said items / parts were prepared nor got them approved from the competent authority. The estimates of all twelve number works were approved by the Executive Engineer on same date 01.04.2013, by keeping the amount of estimates below Rs 100,000 and works were allotted to only two contractors by splitting, in piece meal without calling any tenders just to avoid the approval of higher authority.

Weak supervisory and financial controls resulted in unauthentic / doubtful expenditure of Rs 1,118,000.

Audit pointed out the lapse in October 2013. The department replied that estimates for purchase / replacement of various electrical and mechanical parts were prepared on the basis of calling the quotations from open market. The estimates were sanctioned by the competent authority and accountal/consumption of same was available. The reply was not tenable because during audit no record was produced to Audit for verification/scrutiny. The discussion with XEN Rasul Head Works, Rasul on the contents of observation was also arranged in the office of S.E LJC Circle, Sargodha but department again did not produce any record in support of reply during discussion.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed from Audit within 03 days and responsibility be fixed against the sources at fault for non-production of record. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation and disciplinary action be taken against the officers concerned for negligence.

(DP.171 2013-14)

4.4.35 Overpayment due to allowing inadmissible / irrelevant item having higher rate - Rs 5.86 million

As per Finance Department 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.

4.4.35.1 Executive Engineer, Drainage division, Sargodha in the execution of work "Rehandling of Mona Drainage System" sanctioned an item of work "Rehandling of earthwork lead upto 50′ undressed" at the rate of Rs 905.50 per ‰ cft. The department executed, measured and paid for the quantity of 4471005 cft accordingly instead of rate of Rs 186.80 per ‰ cft under relevant item No.18 "Leveling and dressing" of MRS-Chapter "Earthwork" 3rd quarter, 2004 for District Sargodha.

Weak supervisory and financial controls resulted in loss of Rs 3,213,312.

Audit pointed out the loss in August 2013. The department replied that a bulk quantity received from site was utilized for providing ramps to these bridges on each site. The earth was utilized for construction of ramps instead of earth from outside barrow pits with minimum lead of 2 to 3 miles as per site conditions. The reply of the department was not acceptable as no economy measures were taken.

The para was also discussed in the SDAC meeting held on 04.12.13. The department came up with the same version. The Committee directed that matter may be got regularized and verified. No compliance of the directive of Committee was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.51 2013-14)

4.4.35.2 Executive Engineer, Flood Bund Division, Narowal in the execution of work "Construction of Cunnette opposite site spur RD.89000 to Rayyah Flood Protection Bund" made provision for rehandling of excavated earth upto to 100 feet lead for the quantity of 1833190 cft @ Rs 996 per ‰ cft separately. The department measured and paid accordingly whereas rehandling of earth upto 100 ft was already included in the composite rate of the item.

Weak supervisory and financial controls resulted in overpayment of Rs 1,825,857.

Audit pointed out the overpayment in January 2013. The department replied that the rehandling was paid as per site requirement and duly in accordance with provisions in the estimate sanctioned by the Chief Engineer, Irrigation Lahore zone. The reply was not tenable as the

rate for excavation included 100 ft lead and further 100 feet lead was required to be paid vide item No.24 of Chapter Earthwork rehandling.

The para was also discussed in the SDAC meeting held on 23.10.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be completed within 15 days positively. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.77 2012-13)

4.4.35.3 Executive Engineer, Construction Division, D.G. Khan approved the rate of item "Cement Concrete plain including placing, compacting, finishing and curing complete ratio 1:3:6 with shuttering for construction of wall" @ Rs 20402.90 per % cft in T.S. Estimate / bid, by incorporating the rate of roof shuttering instead of the rate of wall shuttering.

Weak supervisory and financial controls resulted in overpayment of Rs 416,520.

Audit pointed out the overpayment in August 2013. The department replied that the payment was made on the basis of rate analysis approved by the competent authority. The reply was not tenable because in rate analysis of the same item in Jampur Construction Division D.G. Khan was approved wherein the component of wall shuttering was reduced to the extent of 897.40 % cft. The roof shuttering is quite complicated than wall shuttering, ultimately the rate of wall shuttering was required to be reduced accordingly. The realistic payable rate of the complete item came to Rs 19,402.90 per % cft instead of Rs 20,402.90 per % cft.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came up with the same version. The Committee was not convinced with the departmental reply and directed that the rate may be got revised as per audit contention from the competent authority and the recovery be effected within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.221 2013-14)

4.4.35.4 Executive Engineer, Drainage division, Sargodha in the execution of work "Rehabilitation of drainage system in Sargodha" sanctioned an an item of work "Rehandling of earthwork" at the rate of Rs 905.50 per ‰ cft. The department executed, measured and paid for quantity 367470 cft accordingly, instead of rate of Rs 186.80 per ‰ cft under relevant item No. 18 "Levelling and dressing" Chapter-Earthwork of MRS, 3rd quarter 2009 for District Sargodha.

Weak supervisory and financial controls resulted in loss of Rs 275,985.

Audit pointed out the loss in August, 2013. The department replied that a bulk quantity received from site was utilized for providing ramps to these bridges on each site. The earth was utilized for construction of ramps instead of earth from outside barrow pits with minimum lead of 2 to 3 miles as per site conditions. The reply of the department was not acceptable as no economy measures were taken.

The para was also discussed in the SDAC meeting held on 04.12.13 where in the department came up with the same version. The Committee was not convinced and directed to make the loss good and get it verified. No compliance of the directive of Committee was reported till finalization of the report.

Audit recommends early recovery of loss besides fixing responsibility.

(DP.49 2013-14)

4.4.35.5 Executive Engineer, Ahmad Pur Canal Division, Bahawalpur sanctioned, measured and paid item "Earthwork excavation in ashes, sand and soft soil or silt clearance, undressed lead upto 50 ft (15 meter)" @ Rs 2,148.95 per ‰ cft for smaller and minor width alongwith 50 ft lead instead of relevant item "Earthwork excavation undressed lead upto a single throw of Kassi, Phaorah or shovel in ashes, sand, soft soil or silt clearance" @ Rs 1,465.20 per ‰ cft. Thus the irrelevant and expensive item was paid at the excess rate of Rs 683.75 per ‰ cft.

Weak supervisory and financial controls resulted in overpayment of Rs 124,773.

Audit pointed out the overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that lead upto 50 feet was justified. The Committee was not convinced with the departmental reply and directed that total amount may be recovered within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.234 2013-14)

4.4.36 Unjustified payment due to non-approval of job mix formula - Rs 4.13 million

As per the instruction of Finance Department issued vide No. Ro(Tech)FD-2-3/2004 dated 02-08-2004 payment shall be made to the contractor as per job mix formula or actual bitumen used in the work.

4.4.36.1 Executive Engineer, Development Division-IV, Fateh Jang at Attock made payment for the item providing and laying plant premixed bituminous including compaction and finishing require camber grade and density 4.50% bitumen without approval of job mix formula by the Road Research and Material Testing Institute, Lahore.

Weak supervisory and financial controls resulted in unjustified payment of Rs 3,168,268.

Audit pointed out the unjustified payment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. It was stated that the matter was already under an inquiry in the department. The Committee kept the para pending till the outcome of the inquiry report. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry and verification of resultant action.

(DP.16 2013-14)

4.4.36.2 Executive Engineer, UJC Division, Jhelum paid an item "Providing and laying plant premixed bituminous carpet 3″ thick including

compaction and finishing to required camber grade and density "5% bituminous" without approval of the job mix formula.

Weak supervisory control resulted in irregular/unjustified payment of Rs 964,619.

Audit pointed out the irregular payment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department explained that item of carpeting was sanctioned by the S.E concerned. The Committee was not convinced with the departmental reply and directed that lab tests/JMF be got verified within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.101 2013-14)

4.4.37 Overpayment due to incorrect analysis of rate - Rs 3.22 million

According to Notification issued by Finance Department vide No. RO (Tech) FD 2-3/2004 dated 02.08.2004, rate analysis of non-standardized items should be prepared by applying input rates notified by the Finance Department for the relevant quarter.

4.4.37.1 Executive Engineer, Canal Division, D.G. Khan in the execution of work "Construction of alternate building in D.G Khan (Package-B)" approved rate analysis of item of work "Providing & laying tuff tile 60 mm thick for Rs 85 per sft against the admissible rate of Rs 49 per sft as per MRS for relevant quarter and district. The department paid secured advance on the incorrect high rate. Audit observed that higher rate was approved due to inclusion of carriage, excess sand grouting and labour against the provision of MRS / input rates.

Weak supervisory and financial controls resulted in incorrect rate analysis in T.S. Estimate leading overpayment of Rs 2,521,584.

Audit pointed out the incorrect rate analysis in August 2013. The department replied that carriage was provided in analysis of rates from

factory to site and due to computer mistake it was written Rs 20 for labour and Rs 5 for sand, cushion / grouting. The reply was not tenable because the rate of tuff tile was at site, therefore the carriage was not admissible. The rate for sand cushion / grouting provided in T.S. Estimate was incorrect, because as per actual calculations the rate came to Rs 2.8 per cft instead of Rs 20. Thus, the actual rate of tuff tile came for Rs 49 per sft therefore the component of material for grant of secured advance was based upon incorrect rate analysis i.e. Rs 85 per sft, which needs to be corrected to the actual rate of Rs 49 per sft.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department agreed with the rate of tuff tile @ Rs 49 per sft. The Committee directed that the rate of tuff tile be paid @ Rs 49 per sft instead of Rs 85 per sft uptill final bill and record be got verified. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends correction of rate of tuff tile besides its verification from Audit.

(DP.228 2013-14)

4.4.37.2 Executive Engineer, Canal Division, Muzaffargarh prepared rate analysis of item "P/L graded bajri ½″ to 2″ and 1/8″ to ½″" by including rate of "P/L spawl filling item 30 of Chapter-16 and item 43 of Chapter-6 of MRS breaking of stone ballast screened and stacked for Rs 3,251.05 per % cft, Rs 3,143.25 per % cft, Rs 2,164.03 per % cft and Rs 2,056.23 per % cft respectively against the admissible rate of Rs 1,581.35 per % cft for slope and Rs 1,473.55 per % cft for level as per input rates of relevant quarter and district.

Weak supervisory and technical controls resulted in overpayment of Rs 242,941.

Audit pointed out the overpayment in September 2013. The department replied that the rates of P/L spawl filling item 30 of Chapter-16 and breaking of stone ballast screened and stacked item 43, Chapter-6 were exactly paid to the contractor as per Market Rate System duly approved by the Finance Department. The work was tendered and awarded during the currency of 2011. Hence, the rates of MRS 2009 was not applicable. The reply was not tenable because the both items "Providing/laying graded bajri 1/2 inch to 2 inch" and "1/8 inch to 1 ½

inch" were also available on quarries @ Rs 1,100 per % cft. The rate analysis by adding the cost of broken component by the contractor caused the expensive rates than the economical rate of same item at quarry.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with the same version. The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to get early clarification from the Finance Department and resultant recovery be effected.

(DP.247 2013-14)

4.4.37.3 Executive Engineer, UJC Division, Jhelum included and paid an extra component of loading/unloading for Rs 995 and Rs 900 respectively in the analysis of rate alongwith carriage in the item "Supplying and fixing girder"

Weak supervisory and financial controls resulted in overpayment of Rs 227,400.

Audit pointed out the overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that loading/unloading was rightly incorporated in the rate analysis. The Committee was not convinced with the view point of the department and directed to effect recovery and get it verified from audit. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.102 2013-14)

4.4.37.4 Executive Engineer, Khanki Headworks Division, Khanki got technical sanction estimate from Chief Engineer with provisions of non-MRS item "Providing and casting in situ bored reinforce cement concrete with type C concrete nominal mix of 1:1.5:3 for 30 inch dia (600 mm) pile" @ Rs 2,029.61 per running foot against admissible rate of Rs 1,911 per running foot as per input rate of relevant quarter and district. Audit

observed that the department sanctioned and paid higher rate taking extra number of labour in the rate analysis.

Weak supervisory and financial controls resulted in overpayment for Rs 226,564.

Audit pointed out the overpayment in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that a technical probe may be completed by the Superintending Engineer concerned within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of investigation and resultant action against the delinquents.

(DP.178 2013-14)

4.4.38 Overpayment on account of unexecuted items - Rs 2.95 million

As per direction of the Committee constituted by the Secretary Irrigation vide No. SO(EVL) 11 RR 1-07/2008 headed by Ch. Jamil Ahmed Director Procurement, Sand Filter was not to be laid in the main dam embankment.

Executive Engineer, Development Division-IV, Fateh Jang at Attock made payment of an item "supplying clean and screened river or pit sand" for horizontal filter and chimney filter (sand filter) which was neither required to be laid in the main dam embankment nor executed as per above sited directions of the Committee. However, as per 9th running bill payment for filtration work was made.

Weak financial and supervisory controls resulted in overpayment of Rs 2,949,320.

Audit pointed out overpayment in July 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department explained that the matter was already under

an inquiry. The Committee directed to complete inquiry within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of inquiry and verification of resultant action.

(DP.18 2013-14)

4.4.39 Loss due to bulk supply of electricity and non-installation of electric meters - Rs 2.92 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.

4.4.39.1 Executive Engineer, Trimmu Barrage Division, Trimmu made payment of Rs 2,248,690 to WAPDA on account of charges for bulk supply of electricity, which was utilized in houses of canal colony, allotted to various officers and officials of the department. Neither individual meters were installed in each residential unit nor any recovery of electricity charges from the occupants of houses was made. Whereas, the department was paying millions of rupees on account of cost of bulk supply of electricity each year.

Weak administrative and financial controls resulted in loss of Rs 2,248,690.

Audit pointed out the loss in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that total amount be recovered within 90 days and got verified from audit. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation to fix responsibility against the officer(s) concerned besides effecting recovery from the sources at fault.

(DP.135 2013-14)

4.4.39.2 Executive Engineer, Bhakkar Canal Division, Bhakkar could not recover electricity dues from officers and staff of the department who used bulk supply in their residences.

Weak supervisory and financial controls resulted in loss of Rs 666,620.

Audit pointed out the loss in September 2013. The department replied that notices to the defaulter staff of Canal Division, Bhakkar for early payment of outstanding electricity dues were issued and after recovery of complete amount Audit would be intimated. The reply was not tenable because the amount was outstanding since 1998 and recovery rates were applied ranging from 500 per month to Rs 1,000 per month without any justification.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that total amount may be recovered within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early investigation to fix responsibility besides effecting recovery of amount involved.

(DP.159 2013-14)

4.4.40 Overpayment due to application of higher rate - Rs 1.93 million

According to clause-4 apendix-05 of Punjab Finance rules Volume-II terms of contract once agreed cannot be materially varied without prior approval of competent authority.

Executive Engineer, Ahmadpur Canal Division, Bahawalpur awarded a contract in February 2010 to a contractor @ 4.45% above of the rates of T.S. Estimate after opening of tenders on 08.02.2010. As per revised T.S. Estimate for the work "Providing drainage system with the Command Area 3-R Abbasia Canal" based on 4th quarter 2008, the department was required to pay the item of work "Fabrication of mild steel reinforcement for cement concrete including cutting bending laying in position making joints etc. included removal of rust from bars for deformed bars" @ Rs 9415.45 per % kg, whereas incorrect rates @ Rs 9,713 per % kg and Rs 9,805.20 per % kg for WC X-ing were paid.

Weak supervisory and financial controls resulted in overpayment of Rs 1,932,834.

Audit pointed out the overpayment in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the concrete work for slab and RCC based pile were two different types and the concrete work was taken according to the approved drawings. Audit was of the view that in TS estimate / agreement the item was sanctioned @ Rs 9,415.45 per % kg whereas the item was paid over the approved rate. The Committee was not convinced with the departmental reply and directed that total amount may be recovered within 90 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery.

(DP.237 2013-14)

4.4.41 Irregular expenditure on account of payment of past liabilities - Rs 1.85 million

As per rule 17.8 read with 2.25 of PFR Vol-I Budget of one year cannot be expended to clear past / last year liabilities of another year without permission of the competent authority.

4.4.41.1 Superintending Engineer, Depalpur Canal Circle, Lahore released the past liabilities of POL charges which pertained to the year 2008-09 to 2010-2011.

Weak supervisory and financial controls resulted in irregular release / clearance of past liabilities of Rs 1,100,000.

Audit pointed out the irregularity in February 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 23.10.2013. The Committee was not convinced with the departmental reply and directed that case be moved to the Finance department for regularization. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early condonation of irregularity from the Finance Department besides fixing responsibility against the responsible(s).

(DP.85 2012-13)

4.4.41.2 Executive Engineer, Kasur Division DCC, Kasur incurred an expenditure of Rs 548,729 during 2012-13 to clear liabilities / bills of period 2011-12.

Weak financial and supervisory controls resulted in irregular expenditure of Rs 548,729.

Audit pointed out irregularity in November 2013. The department replied that POL and various other items were purchased during 2011-12 on credit basis. The said bills were cleared in 2012-13. The reply of the department was not as per rules and without permission of competent authority.

The matter was also discussed in the SDAC meeting on 16.12.2013. Wherein the department came up with same version. The Committee was not convinced with the departmental reply. The Committee directed the department that the case may be forwarded to the Finance Department for condonation within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early condonation of expenditure from the Finance Department besides disciplinary action against responsible(s).

(DP.203 2013-14)

4.4.41.3 Executive Engineer, UJC Division, Gujrat incurred expenditure on account of purchase of POL from the grant of current financial year 2012-13.The expenditure was related to the financial year 2010-11 and 2011-12.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 197,795.

Audit pointed out the irregular expenditure in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 17.12.13. The department explained that funds for POL were so meager.

The Committee was not convinced with the departmental reply and directed that the case may be moved to the Finance Department for seeking clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early regularization from the Finance Department bedsides fixing responsibility against the responsible(s).

(DP.95 2013-14)

4.4.42 Non-recovery of effluent charges - Rs 1.44 million

According to rule 4.1 of PFR Vol-I every controlling officer should see that government dues are promptly realized and credited to government revenue.

4.4.42.1 Executive Engineer, Drainage Division, Lahore did not recover sum of Rs 882,370 as per progress report of demand and recovery on account of effluent charges irrecoverable as on June, 2013.

Weak supervisory and financial controls resulted in non-recovery for Rs 882,370.

Audit pointed out the non-recovery in July 2013. The department did not bother to submit the reply of the observation despite issuance of reminders.

The para was also discussed in the SDAC meeting held on 04.12.2013. The department stated that Rs 2,251,100 was recovered but no record in support of recovery was produced to audit for verification. The Committee directed that total amount be recovered within 90 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.42 2013-14)

4.4.42.2 Executive Engineers, Drainage Division, Mandi Bahaudin did not pursue the recovery on account of levy of effluent charges from different agencies/ factories.

Weak supervisory and financial controls resulted in non-recovery of government revenue to the tune of Rs 555,500.

Audit pointed out the non-recovery in January 2013. The department replied that efforts were being made to recover the amount. The reply was not accepted as no efforts were made to recover the effluent charges.

The para was also discussed in the SDAC meeting held on 10.12.2013. The department reiterated its previous reply. The Committee was not convinced with the departmental reply and directed that total amount involved in the para be recovered within 90 days.

Audit recommends early recovery besides fixing responsibility against the responsible(s).

(DP.105 2012-13)

4.4.43 Overpayment due to wrong calculation - Rs 1.42 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.

4.4.43.1 Executive Engineer, UCC Division, Gujranwala executed the quantity of 132145 square feet of item "Cement plaster 1.5″ thick ratio 1:6 in slope" at the rate of Rs 1,000 per % sft. However, the amount was wrongly recorded in the measurement book and paid as Rs 1,821,450 (M.B page 145/2656) instead of Rs 1,321,450.

Weak supervisory control resulted in overpayment of Rs 500,000.

Audit pointed out the overpayment in September 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department admitted the recovery during the discussion. The Committee directed that total amount be recovered within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides initiating disciplinary action against the person(s) involved.

(DP.113 2013-14)

4.4.43.2 Executive Engineer, Construction Division, D.G. Khan carried forward the incorrect quantities of item of work bailing out water by pump for 5795999 cft and 18583981 cft instead of the actual quantity of 2395999 cft and 7293981 cft respectively. Thus a quantity of 14690000 cft @ of Rs 20 per ‰ cft was overpaid due to arithmetic mistake.

Weak supervisory and financial controls resulted in overpayment of Rs 293,000.

Audit pointed out overpayment in August 2013. The department replied that the recovery would be effected from the next running bill but no progress was reported.

The matter was also discussed in the SDAC meeting held on 04.12.2013. The department replied that overpayment was recovered from security deposits. The Committee directed that security may be recouped from the running bill and record thereof be got verified within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early verification of record besides disciplinary action against the person(s) concerned.

(DP.74 2013-14)

4.4.43.3 Executive Engineer, Thal Development Division, Mianwali measured and paid the excess measurement than already recorded through manipulation of length by adding figure (one) on left side of the figure at Page-31, 32 and 33 of MB 149-L. Thus quantity was enhanced from 29741 cft to 37951 cft.

Weak supervisory and financial controls resulted in overpayment due to wrong calculation for Rs 259,864.

Audit pointed out the overpayment in November 2012. The department admitted in reply that miscalculated record entries were corrected. The reply was not tenable because the record measurement

particularly at page 31, 32 and 33 of MB 149-L depicted two types of measurement i.e. first original contents calculated and then manipulated the length only by adding figure (one).

The para was also discussed in the SDAC meeting held on 31.12.2012 and 01.01.2013. The department stated that record entries were corrected by the SDO. The Committee was not convinced with the departmental reply and directed that a technical probe by the Superintending Engineer concerned be got conducted and completed within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early completion of technical probe / recovery.

(DP.389 2011-12)

4.4.43.4 Executive Engineer, Tounsa Barrage, Kot Adu paid the item "Carriage of stone from Sakhi Sarwar to site of work average lead for a quantity of 761900 cft in 2nd running bill whereas the quantity recorded and measured was 753380 cft. Thus a quantity of 8520 cft was overpaid.

Weak supervisory and financial controls resulted in overpayment of Rs 236,430.

Audit pointed out the overpayment in September 2013. The department replied that the record was scrutinized and no arithmetic error found. The reply was not tenable because the record entry in MB depicted the carriage of stone for a quantity of 753380 cft whereas in 2nd running bill the paid quantity was 761900 cft.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that the recovery was effected vide TE No. 1 dated 10/12/2013 but the prescribed accounts formats for accountal of the recovery were not produced for verification. The Committee directed the department for accountal of recovery and its verification within 15 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early accountal of recovery and its verification.

(DP.241 2013-14)

4.4.43.5 Executive Engineer, Mankera Canal Division, Adhikot executed and paid quantity of 170460 cft for the item of "Earth work excavation from outside borrow pits dressed lead upto 100 feet up to 6th Running bill. While carrying forward the above quantity to the 7th Running bill it was taken as 233660 cft instead of 170460 cft.

Weak supervisory control resulted in overpayment of Rs 126,138.

Audit pointed out overpayment in October 2013. The department offered no reply.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that total amount may be recovered within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the concerned officer(s).

(DP.150 2013-14)

4.4.44 Overpayment due to non-crediting of dismantled material - Rs 1.33 million

As per remarks given in the MRS against the item "Making and removing false masonry on well" credit should be given for the material i.e. bricks obtained as a result of removing such masonry.

4.4.44.1 Executive Engineer, Drainage division, Sargodha paid quantity of 11305 cubic feet for removing false masonry at the rate of Rs 8,513.10 per ‰ cubic feet but credit was not given to the work.

Weak supervisory and engineering controls resulted in loss of Rs 686,792.

Audit pointed out the loss in August 2013. The department replied that false masonry was converted into brick bats and credit of false masonry/brick bats would be recovered from the contractor. The reply of the department was not acceptable as it was beyond standardized specification and was just to avoid recovery or credit.

The para was also discussed in the SDAC meeting held on 04.12.13 wherein the department came with the same version. The Committee was not convinced and directed to get clarification from the Finance Department and effect recovery in light thereof. No compliance of the directive of Committee was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.50 2013-14)

4.4.44.2 Executive Engineer, Drainage Division, Sargodha executed an item "Making / removing false masonry on well" for the quantity of 7984.80 cft but neither the old bricks were credited to work nor the cost of old bricks was recovered from the contractor.

Weak engineering and supervisory controls resulted in overpayment of Rs 485,076.

Audit pointed out overpayment in August 2013. The department replied that the quantity of 7984.80 cft of making and removing false masonry was paid to the contractor. The false masonry was laid with cement sand mortar. After sinking of well the false masonry had to be removed after dismantling, hence it was converted into brick bats. The reply of the department was not tenable because it was beyond standardized specification just to avoid the recovery.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that a case may be moved to the Finance Department for clarification / decision of the percentage to be applied on account of dismantling of false masonry within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early clarification and resultant recovery.

(DP.54 2013-14)

4.4.44.3 Executive Engineer, Small Dam Division, Jhelum dismantled brick work of 4275 cft but the material received from dismantling was neither recovered nor credit thereof given to work.

Weak supervisory and financial controls resulted in overpayment of Rs 155,610.

Audit pointed out the overpayment in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013.The department explained that dismantled material was the property of zamindars and they took away the said material. The Committee was not convinced with the departmental reply and directed that detailed verification be completed from Audit within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against person(s) involved.

(DP.205 2013-14)

4.4.45 Loss due to non-recovery of general sales tax - Rs 1.14 million

As per Government of Pakistan Ministry of Finance, (Revenue Division) No S.R.O 660(1)/2007, procurement should be made through firms/person duly registered under the Sales Tax Act 1990, provided that under unavoidable circumstances and for reasons to be recorded in writing, purchases could be made from unregistered persons, the withholding agent would deduct sales tax @ 17% of the value of taxable supplies made to him from the payment due to the supplier.

4.4.45.1 Superintending Engineer, Haveli Circle, Multan could not recover the due sales tax on the auction of dead and fallen trees in "Kukar Hatta Canal Rest House".

Weak supervisory and financial controls resulted in non-recovery of sales tax of Rs 320,084.

Audit pointed out the non-recovery in February 2013. The department did not reply. However, the clarification regarding sales tax on sale of standing trees vide office No. RTO/II/6503 dated 27.01.2011 clearly disclosed that if the contractor put these items to any process of cutting or logging, the supplies of such products would be liable to levy and collection of sales tax.

The para was also discussed in the SDAC meeting held on 23.10.2013.The Committee was not convinced with the departmental reply

and directed that a case may be moved to the Finance Department for clarification at the earliest. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early clarification from the Finance Department and resultant recovery.

(DP.63 2012-13)

4.4.45.2 Executive Engineer, Development Division No.Vl, Fateh Jang, neither deducted the 1/5th portion of total GST for Rs 305,324 at source from suppliers on account of various supplies nor were the monthly returns submitted by the contractors.

Weak supervisory and financial controls resulted in loss of Rs 305,324.

Audit pointed out the non-recovery in February 2012. The department replied that the office equipment and furniture etc. were purchased through approved government contractors and rates paid to the contractors were economical as per prevailing market rates. The general sale tax was not included in the rates paid to contractors. The reply was not tenable as general sales tax was due to be recovered from the suppliers.

The para was also discussed in the SDAC meeting held on 25 & 26.10.2012. The department replied that equipment and furniture etc. were purchased through approved government contractors. The rates quoted by the contractors / firms were without G.S.T. The Committee did not agree with the departmental reply and directed that total amount involved in the para be recovered within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the officials concerned.

(DP.53 2011-12)

4.4.45.3 Executive Engineer, Trimmu Barrage Division, Trimmu incurred expenditure of Rs 2,250,820 on account of procurement of costly items for use on headwork gates etc. The suppliers who supplied materials were unregistered with Excise Department under the Sales Tax Act 1990 but department did not deduct 17% GST at the time of making payment.

Weak supervisory and financial controls resulted in loss of Rs 282,639.

Audit pointed out the loss in September 2013. The department did not reply despite repeated requests.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. Out of Rs 282,639 an amount of Rs 23,392 was recovered and verified. The Committee directed that balance amount of Rs 263,226 be recovered within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery and responsibility also be fixed against the officers concerned.

(DP.136 2013-14)

4.4.45.4 Executive Engineer, L.J.C Division, Rasul incurred expenditure of Rs 2,250,820 on account of procurement of costly items for use on headwork gates etc. The suppliers who supplied material were unregistered with Excise Department under the Sales Tax Act 1990 and department did not deduct 17% GST at the time of making payment.

Weak supervisory and financial controls resulted in loss of Rs 251,371.

Audit pointed out the loss in October 2013. The department replied that the contractors purchased the material from the traders who were registered with the Excise Department and the invoices would be produced. The reply was not tenable because during audit no record was produced to Audit for verification/scrutiny. The discussion with Executive Engineer, Rasul Head Works, Rasul on the contents of observation was also arranged in the office of Superintending Engineer, LJC Circle, Sargodha but department again could not produce any record in support of reply.

The para was also discussed in the SDAC meeting held on 16.12.2013 & 17.12.2013. The Committee was not convinced with the departmental reply and directed that total amount of GST may be recovered got verified from audit within 60 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery and verification of accountal / consumption of material.

(DP.172 2013-14)

4.4.46 Overpayment due to incorrect application of deduction factor - Rs 1.03 million

As per specification No. 7.1 (8) (specification for materials of construction 1964) stone shall be measured in bulk, the unit of measurement shall be 100 cubic feet. Actual stone contents shall be obtained by multiplying the stack measurement with a factor of 0.75.

Executive Engineer, Thal Development Division, Mianwali while making payment on account of cost of stone applied 6 % reduction factor instead of 25 % as per provision of specification. Due to application of incorrect reduction factor cost of 176849 cft stone was paid excess.

Weak supervisory and financial controls resulted in overpayment of Rs 1,029,686.

Audit pointed out the overpayment in August 2013. The department replied that the detailed reply would be submitted after clarification from Executive Engineer, LJC Division, Shahpur because cost of stone was paid to said division. The reply was not tenable because it was the responsibility of the department to make correct payment as per specification.

The para was also discussed in the SDAC meeting held on 04.12.2013. The Committee was not convinced with the departmental reply and directed that detailed verification be got completed within 30 days. No compliance of SDAC's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against responsible(s).

(DP.82 2013-14)

4.4.47 Undue financial benefit due to non-deduction of rebate - Rs 1.00 million

As per terms and conditions of the agreement and acceptance letter issued vide No.737/12-AT dated 16.06.2011 in favour of M/S Reliable

Engineering Services, Pvt. Ltd, the contractor offered rebate of Rs 1,000,000 and the acceptance was subject to recovery of Rs 1,000,000 from the contractor.

Executive Engineer, UJC Jhelum Division, Jhelum did not deduct rebate from the contractor's bills as per clause of the acceptance letter. A considerable quantum of work was executed but no deduction was made from the contractor.

Weak supervisory and financial controls resulted in undue financial benefit to the contractor for Rs 1,000,000.

Audit pointed out the undue financial benefit in October 2013. The department did not reply.

The para was also discussed in the SDAC meeting held on 16.12.13. The department explained that recovery had been noted. The Committee was not convinced with the departmental reply and directed that total amount be recovered from next running bills. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP.99 2013-14)

4.4.48 Irregular payment of price variation - Rs 904,347

As per Para 2.26 of B&R code read with FD letter No. RO(Tech) FD. 10-2/90, dated 02.04.1992, unforeseen expenditure i.e. price variation should be met from the provision of 3% contingency.

Executive Engineer, Small Dam Division Islamabad made payment of price variation to the extent of Rs 1,219,399 against the provision of Rs 315,052.

Weak supervisory and financial controls resulted in excess payment of price variation amounting to Rs 904,347.

Audit pointed out the excessive payment of price variation in July 2013.The department did not reply.

The para also discussed in the SDAC meeting held on 20.11.2013. The department explained that price variation was paid under clause 55 of agreement. The Committee was not agreed with the view point of the department and directed to get the matter regularized and get verified within 30 days. No compliance of the directive of the Committee was reported till finalization of the report.

Audit recommends early regularization of the matter besides fixing responsibility.

(DP.06 2013-14)

4.4.49 Loss to government due to less recovery of renewal / enlistment fee - Rs 592,300

As per Notification No. SOB-II(C&W) 2-11/78 (Vol-II) dated 24.10.2008, revised rates for enlistment and renewal fee were applicable w.e.f. 01.07.2008.

4.4.49.1 Executive Engineer Canal Division D.G. Khan effected recoveries on account of enlistment fee from the contractors of Category C1 to C5, C and D at the incorrect rate @ Rs 20,000, Rs 6,000, Rs 2,800 and Rs 2,000 against the admissible rate of Rs 30,000, Rs 10,000, Rs 5,000 and Rs 4,000 respectively. Similarly, the renewal fee was also recovered at incorrect rate of Rs 15,000, Rs 4,500, Rs 1,500 and Rs 1,400 against the admissible rate of Rs 25,000, Rs 8,000, Rs 3,000 and Rs 3,000 respectively. Thus the enlistment / renewal fee in respect of 39 contractors were recovered at lesser rates.

Weak supervisory and financial controls resulted in less recovery of enlistment / renewal fee for Rs 147,100.

Audit pointed out the less recovery in August 2013. The department replied that the notification of Communication and Works Department was not applicable to Irrigation Department. The Renewal / Enlistment fee was to be levied as per policy in Irrigation department. The reply was not tenable because the contractors were enlisted / renewed by the Irrigation department, C&W and LG&CD etc. at par with the financial limit authorized by Pakistan Engineering Council to registered contractors, whereas the contractor enlisted by the Irrigation department were enjoying the same and uniform authorized financial limits but the fee was recovered

at lesser rates instead of the enhanced rates of other Works departments. The enlistment / renewal fee of all Public Works Department should be same.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department came with same version. The Committee was not convinced with the departmental reply and directed to move the case to the Finance Department for condonation within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends condonation from the Finance Department/recovery.

(DP.226 2013-14)

4.4.49.2 Superintending Engineer, Development Circle, Lahore did not recover enlistment and renewal fee at rates implemented from July 2008 upto June 2011.

Weak supervisory and financial controls resulted in loss to government amounting to Rs 144,000.

Audit pointed out the loss in January 2012. The department did not reply.

The para was also discussed in the SDAC meeting held on 25 & 26.10.2012. The department replied that reference notification for revision of enlistment fee pertained to C&W department. It did not relate to Irrigation Department. The reply was not tenable as the different rate slab cannot be maintained in the same government. The Committee directed to refer the case to the Finance Department for clarification.

Audit recommends early recovery of enlistment and renewal fee.

(DP.41 2011-12)

4.4.49.3 Executive Engineer, CBDC Division, Lahore effected recoveries on account of enlistment fee from the contractors of Category C1 to C5, C and D at the incorrect rate @ Rs 20,000, Rs 6,000, Rs 2,800 and Rs 2,000 against the admissible rate of Rs 30,000, Rs 10,000, Rs 5,000 and Rs 4,000 respectively. Similarly, the renewal fee was also recovered at incorrect rate of Rs 15,000, Rs 4,500, Rs 1,500 and Rs 1,400 against the admissible rate of Rs 25,000, Rs 8,000, Rs 3,000 and Rs 3,000

respectively. Thus the enlistment / renewal fee in respect of 26 contractors were recovered at lesser rates.

Weak supervisory and financial controls resulted in less recovery of enlistment / renewal fee for Rs 133,050.

Audit pointed out the less recovery in July 2013. The department replied that the competent authority for enlistment / renewal of contractors mentioned the amount of fee in approval letter and the same was deposited accordingly. The reply was not tenable because the enlistment / renewal fee was enhanced therefore all Public Works Department required to recover the revised fee at uniform rate.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that enlistment/ renewal fee was recovered in accordance with the amount of the fee approved by the competent authority. Audit was of view that the contractors were enlisted / renewed by the Irrigation and other works department at par the financial limit authorized for execution of works by Pakistan Engineering Council, whereas the contractor of Irrigation department were enjoying the same authorized financial limits of the other works departments but the fee was recovered at lesser rates. The Committee was not convinced with the departmental reply and directed to move the case to the Finance Department for clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends to get clarification from the Finance Department or to effect recovery.

(DP.240 2013-14)

4.4.49.4 Executive Engineer, Ahmadpur Canal Division, Bahawalpur effected recoveries on account of enlistment fee from the contractors of Category C, and D at the incorrect rate @ Rs 2,800 and Rs 2,000 against the admissible rate of Rs 10,000 and Rs 5,000 respectively. Similarly, the renewal fee was also recovered at incorrect rate of Rs 1,500 and 1,400 against the admissible rate of Rs 8,000 and Rs 3,000 respectively. Thus the enlistment / renewal fee in respect of 17 contractors were recovered at lesser rates.

Weak supervisory and financial controls resulted in less recovery of enlistment / renewal fee for Rs 105,650.

Audit pointed out the less recovery in November 2013. The department did not reply.

The matter was also discussed in the SDAC meeting held on 17.12.2013. The department replied that enlistment/ renewal fee was recovered in accordance with the amount of the fee approved by the competent authority. Audit was of view that the contractors were enlisted / renewed by the Irrigation and other works department at par with the financial limit authorized for execution of works by Pakistan Engineering Council, whereas the contractor of Irrigation department were enjoying the same authorized financial limits of the other works departments but the fee was recovered at lesser rates. The Committee was not convinced with the departmental reply and directed to move the case to the Finance Department for clarification within 30 days. No compliance of Committee's directive was reported till finalization of the report.

Audit recommends either the matter be got clarified from the Finance Department or recovery effected and got verified.

(DP.232 2013-14)

4.4.49.5 Executive Engineer, Discharge Division Lahore had recovered enlistment and renewal fee for the year 2009-2010 and 2010-2011 at previous rates. The fee was to be recovered at new rates notified by the government and with late fee charges in case late submission/deposit of the fee i.e. 25%.

Weak supervisory and financial controls resulted in loss to government amounting to Rs 62,500.

Audit pointed out the less recovery of renewal and enlistment fee in February 2012. The department replied that they would consult the record and then submit their reply. The reply of the department was not agreed because all the record was available with the department.

The para was also discussed in the SDAC meeting held on 25 & 26.10.2012. The department replied that reference notification for revision of enlistment fee pertained to C&W department. It did not relate to Irrigation Department. The reply was not tenable as the different rate slab cannot be maintained in the same government. The Committee directed to refer the case to the Finance department for clarification.

Audit recommends early recovery of enlistment and renewal fee.

(DP.37 2011-12)

CHAPTER – 5

DAANISH SCHOOLS & CENTERS OF EXCELLENCE AUTHORITY

5.1 Introduction of Department

The Daanish Schools and Centers of Excellence Authority was established under "The Punjab Daanish Schools and Centers of Excellence Authority Act 2010". The purpose of the Act was to make provisions for the establishment and efficient management of the Daanish Schools and Centers of Excellence in Punjab with a view to provide quality in elementary, secondary and higher secondary education to unprivileged segments of the society. Directorate General Audit Works (Provincial), Lahore conducted audit to evaluate the financial performance, achievements of the project objectives and the desired benefits as envisaged in the Act 2010. This report is based on project audit of "Construction of Buildings of Daanish Schools & Centers of Excellence Authority in various Districts of the Punjab" covering the financial year 2012-13.

Authority has not yet framed its rules/procedures and also accounting system has not been got approved from the Controller General of Accounts/Auditor General of Pakistan.

No system of accounting and internal control existed in the Authority. Payments to contractors were made without application of pre-audit checks. Cheques to contractors were issued by the DCOs/Chairman Board of Governors of respective schools/centers of excellence of the concerned districts on the recommendation of the supervisory consultants.

In absence of rules/procedures of Authority the rules / procedures laid down in Punjab Government codes and instructions were applicable. However, Punjab Government rules and procedures were not fully implemented.

During audit, lapses in financial management, procurement and contract management, construction and works etc were observed.

5.2 Comments on Budget & Accounts (Variance Analysis)

The Punjab Daanish School and Centre of Excellence Authority is corporate body established under Act V of 2010. Sources of income of the Authority are grants from Provincial and Federal Governments, donations, charity and other obligatory funds besides its own sources including income from agricultural land and fee from self finance students. The detail of budget and expenditure for three years is as under:

(Rupees in million)

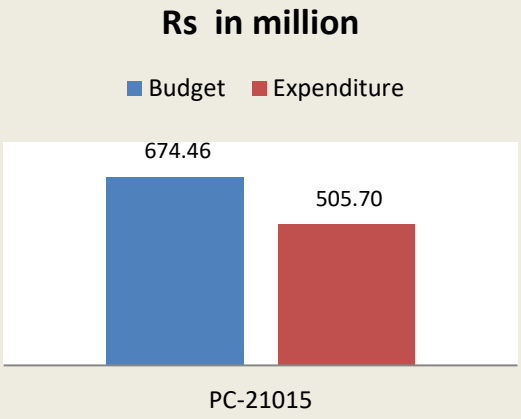
Grant/Fund	Budget	Actual Expenditure	Variation Excess/ (Saving)	Variation in %
Non-Development Grant				
PC-21015	674.46	505.70	(168.76)	(25.02)
Development Grant				
PC-22036	1,325.54	1,225.39	(100.15)	(7.56)
Total	**2,000.00**	**1,731.09**	**(268.91)**	**(13.45)**

Source: Budget Book and Financial Statements (FY-2012-13)

Non-Development Grant

Grant No PC-21015

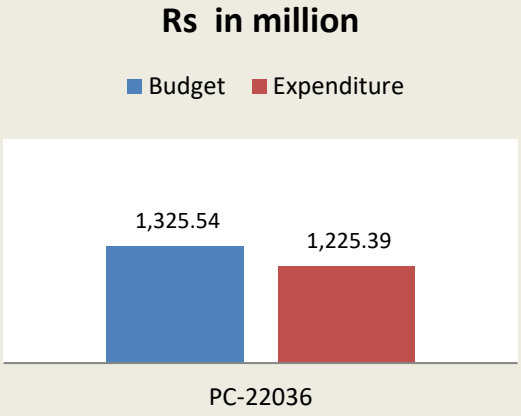
In the non-development grant PC-21015 Education, budget was not fully utilized. The expenditure incurred was Rs 505.70 million against the budget of Rs 674.46 million. Thus, there was a saving of Rs 168.76 million (25.02 %).



Development Grant

Grant No PC-22036

In the development grant PC-22036 Education, budget was not fully utilized. The expenditure incurred was Rs 1,225.39 million against the budget of Rs 1,325.54 million. Thus, there was a saving of Rs 100.15 million (7.55%).



As per section 12 of the Act, all the grants, loans, donations and other incomes are part of the Authority's fund and were not lapsable to the government.

5.3 AUDIT PARAS

5.3.1 Unjustified payment without enhancement of contract agreement - Rs 142.23 million

According to para 4 of appendix 5 of Punjab Financial Rules Volume-II states, the term of the contract once entered into should not be materially varied without prior consent of the competent financial authority.

The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Rahim Yar Khan paid an amount of Rs 343,455,570 to the contractor against the agreement cost of Rs 201,228,000. Incurrence of expenditure in excess of agreement amounting to Rs 142,227,570 without prior approval of the competent authority and revision of administrative approval / technical sanction estimate stand unjustified.

Weak supervisory and financial controls resulted in unjustified payment of Rs 142,227,570.

Audit pointed out unjustified payment in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that amount of agreement had been enhanced by the competent authority. The Committee did not accept the contention of the Authority and deferred the para for want of regularization. No record was got verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility against the person(s) at fault.

(DP. 43)

5.3.2 Unjustified payment due to allowing payment on above percentage - Rs 134.59 million

As per Finance Department Government of the Punjab clarification issued vide No.RO(TECH)FD 1-2/83-vi dated 29.3.2005, the final cost of tender / payment shall be the same percentage above / below the amount

of revised technical sanction estimate as were at the time of approval of the tender, so as to pre-empt excess payment.

5.3.2.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Rahim Yar Khan paid an amount of Rs 343 million i.e 55.78 % above of contract cost instead of Rs 231 million by adding 14.90 % premium of Rs 29 million without revision of Administrative Approval / Technical Sanction Estimate.

Weak supervisory and financial controls resulted in unjustified payment of Rs 112,244,000.

Audit pointed out unjustified payment in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that necessary revision had been accorded by the competent authority. The Committee did not accept the contention of the Authority and deferred the para for want of regularization. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

(DP. 44)

5.3.2.2 The District Coordination Officer / Chairman (Boards of Governors), Punjab Daanish Schools (Boys), Chishtian, District Bahawalnagar paid an amount of Rs 156,498,868 upto 14th i.e. final bill on 34.15% above the contract cost instead of Rs 134,148,650 by adding 15% premium of Rs 17,497,650 without revision in Administrative Approval / Technical Sanction Estimate.

Weak supervisory and financial controls resulted in unjustified payment of Rs 22,350,218.

Audit pointed out unjustified payment in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that amount was enhanced by the

competent authority i.e. Chief Executive of authority of Daanish school. The Committee did not accept the contention of the Authority as no Technical Sanctioned Estimate was revised by the competent authority and deferred the para for want of regularization. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility against the person(s) at fault.

(DP. 31)

5.3.3 Unjustified payment due to non-approval of analysis rate of non-standardized item on higher rates - Rs 42.37 million

As per Finance Department 's Notification No.RO(TECH)FD.2-3/ 2004 dated 02.8.2004, rate analysis and specifications standardized by the Finance Department shall be the basis for market rate of an item, however, these can be modified, replaced and added with the approval of the Finance Department.

5.3.3.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Rahim Yar Khan paid for certain non-standardized items on higher rates to the contractor without approval of rate analysis from the competent authority because no copy of analysis of rate was attached in the contract agreement PC-I/Technical Sanction Estimate of the said work.

Weak supervisory and financial controls resulted in unjustified payment of Rs 28,035,733.

Audit pointed out unjustified payment in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that all the items were BOQ items exhibited in tender and paid accordingly. The Committee did not accept the contention of the Authority and deferred the para for want of approval of non-schedule items rates on the template of Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 40)

5.3.3.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Boys), Chishtian, District Bahawalnagar paid certain non-standardized items to the contractor without approval of rate analysis from the competent authority as there was no copy of analysis of rate available in the Contract Agreement, Technical Sanction Estimate of the said work.

Weak supervisory and financial controls resulted in unjustified payment of Rs 14,338,337.

Audit pointed out unjustified payment in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that non standardized items were exhibited in BOQ as tendered items thus there were no need of approval of such analysis. The Committee did not accept the contention of the Authority and deferred the para for want of approval of non-schedule items. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early regularization or recovery besides fixing responsibility against the person(s) at fault.

(DP. 17)

5.3.4 Non-accountal of T&P items/articles - Rs 36.31 million

As per para 3.3,3.4 of B&R Department Code, all the material received shall be examined and recorded in appropriate stock register/material at site account register. Before issuing these items/articles acknowledgement from the officer/official should be obtained.

Project Director Daanish School Hasilpur, did not take over and account for T&P articles, furniture & fixture etc. in his stock register/inventory document as well as there was no sanction strength approved by the Finance Department or yardstick fixed in PC-I of the Project. Purchases of machinery & equipment were made without sanctioned strength.

Weak supervisory and financial controls resulted in non-accountal of T&P items/articles worth Rs 36,307,000.

Audit pointed out the non-accountal in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that all the items/ machinery purchased by Principle Daanidh School Management or as provided by contractor had been accounted for in stock register. The Committee did not accept the contention of the Authority and directed to provide sanctioned strength of generators, air conditioners and other T&P etc. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation to fix responsibility.

(DP. 57)

5.3.5 Unjustified payment due to non-preparation of measurement books by the Consultant/Engineer incharge - Rs 34.59 million

According to para 4.5 of Building & Roads Department Code, the measurement book must be looked upon as a most important record since it is the basis of all accounts of quantities, whether of work done by labour or by the piece or by contract, or of materials received, which have to be counted or measured.

5.3.5.1 The District Coordination Officer / Chairman (Boards of Governors), Punjab Daanish Schools (Boys), Chishtian District, Bahawalnagar made payment to the contractor upto 6th running bill amounting to Rs 30,527,443 without preparing measurement books and record entries in measurement book duly signed by the Engineer incharge / Sub Engineer and consultant which were contrary to the above rule.

Weak supervisory and financial controls resulted in unjustified payment of Rs 30,527,443.

Audit pointed out unjustified payment in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that there was no such practice with NESPAK. The Committee did not accept the contention of the

Authority and deferred the para for want of regularization by the competent authority. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization besides fixing responsibility.

(DP. 14)

5.3.5.2 The District Coordination Officer/Chairman (Board of Governors) Punjab, Daanish Schools (Girls), Rahim Yar Khan made payment to the contractor without preparation of measurement books / checked / signed by the Engineer incharge / Sub-Engineer and Consultant due to which doubtful measurement of Rs 4,064,595 was made upto 17th Running Bill and deducted in 18th & Final Bill.

Weak supervisory controls resulted in unjustified payment of Rs 4,065,495.

Audit pointed out unjustified payment in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that in Daanish school there was no setup of Executive Engineer/Sub-Divisional Officer as like in C&W Department. The Committee did not accept the contention of the Authority and deferred the para for want of regularization. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility against the person(s) at fault.

(DP. 45)

5.3.6 Irregular award of work - Rs 23.70 million

As per para No. 2.61 of B&R code, in giving out works on contract, tender which should always be sealed should invariably be invited in the most open and public manner as possible whether by advertisement in the government gazette or local news paper after the estimate has been technically sanctioned and the contract documents have been approved by an authority not lower than that empowered to accept the tender.

Project Director Daanish School Hasilpur, awarded the work "Construction of science block and allied facilities in Daanish School (boys) Hasilpur" to contractor on 15.2.2012 at agreed cost of Rs 44.858 million against BOQ amount of Rs 40.770 million on the basis of tenders invited/ opened by BOG/DCO Bahawalpur on 15.01.2012. But neither the scheme was administratively approved nor technically sanctioned by the competent authority/ forum.

Weak supervisory and financial controls resulted in irregular award of work Rs 23,700,000 million.

Audit pointed out irregular award of work in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was awarded on the recommendation of design consultant M/S International Design Group in the light of Chief Minister's directives. The Committee did not accept the contention of the Authority and deferred the para for want of regularization because codal formalities were required to be fulfilled are condone by the competent authority. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation to fix responsibility besides regularization.

(DP. 8)

5.3.7 Non-imposition of penalty due to delay in completion of work - Rs 4.32 million

According to clause 39 (a) of Contract Agreement if contractor fails to complete the work within stipulated period a penalty @ 10% of contract cost or such smaller amount as the Engineer Incharge may decide, on the amount of the estimated cost stated in item (b) of the memorandum of work for every day that the work remained un commenced or unfinished after the proper date on him.

The District Coordination Officer / Convener Governing Body, Punjab Daanish Schools (Girls) Chistian District Bahawalnagar awarded the work to the contractor with time limit of 5 months i.e. 03.09.2012. The contractor received only one payment amounting to Rs 4,677,734 on

29.05.2012. The work remained abandoned for more than one year w.e.f 29.05.2012 to date. The contractor only executed work upto 10.82%. After the expiry of stipulated period neither the Authority had taken any action against the contractor by rescinding the work at the risk and cost of the original contractor nor imposed penalty at the rate of 10% of contract cost.

Weak supervisory and financial controls resulted in non-recovery of penalty of Rs 4,320,534.

Audit pointed out the lapse in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was started in April 2012 but stopped by the authority in June 2012 and extension in time limit was under process. The Committee did not accept the contention of the Authority and deferred the para for want of recovery of penalty. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 20)

5.3.8 Non-recovery of general sales tax - Rs 4.09 million

In terms of Government of Pakistan (Revenue Division) CBR, Sales Tax and Federal Excise wing letter No. 4-2-STB/2007(PT) dated 13.07.2007, the Government Departments shall deduct an amount equal to $1/5^{th}$ of the total sales tax amount shown in the sales tax invoice issued by the supplier and make payments of the balance amount to him which will be deposited in the National Bank of Pakistan. Further, in terms of Sub Para (1) and (2) of Para No.3 of the Notification of the said office vide No. SRO-No (1)/2007 dated 30.06.2007, the supplier shall issue sales tax invoice in respect of every taxable supply made to a withholding agent and shall pay the balance sales tax and submit monthly return.

5.3.8.1 The Principal Daanish School (Boys & Girls), Chishtian made payment to the contractor from 01.07.12 to 30.06.13 of diet / mess but did not deduct the sales tax of diet /mess of Rs 3.245 from the contractor.

Weak supervisory and financial controls resulted in non-recovery of sales tax of Rs 3,245,444.

Audit pointed out the non-recovery in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that contract of mess was granted to lowest bidder therefore GST on food items were not applicable. The Committee did not accept the contention of the Authority and directed to effect recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility.

(DP. 10)

5.3.8.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Rahim Yar Khan neither deducted an amount equal to 1/5th of the total sales tax nor obtained sales tax invoices from suppliers for supplies made.

Weak technical and supervisory controls resulted in non-recovery of sales tax of Rs 844,972.

Audit pointed out the non-recovery in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that GST on these items was never deducted by the executing agency. The Committee did not accept the contention of the Authority and deferred the para for want of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 39)

5.3.9 Irregular award of work to the contractor without open advertisement/detailed Technical Sanction Estimate - Rs 4.09 million

As per para 9 &11 of the Punjab Procurement Rules, 2009, all procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall only initiate procurements once administrative approval and technical sanction estimate of the competent authorities concerned has been accorded. Also according to Para 3.3, 3.4 of B&R Department code all the material received shall be examined and recorded in appropriate stock register / material at side account register. Before issuing these items / articles acknowledgement from the officer / official should be obtained.

5.3.9.1 The Principal Punjab Daanish School for Boys, Chishtian, District Bahawalnagar made payment of shoes in piecemeal to one contractor for Daanish Schools (Boys) Chishtian, District Bahawalnagar without open advertisement on the PPRA's website and in print media for fair competition and transparency in violation of Public Procurement and Financial Rules. The shoes were purchased through quotation above the limit of Rs 100,000 from the unauthorized dealers instead of authorized firms. This indicates non-transparent purchase. The payment was also made through invoices without deducting sales tax. Stock entry was also not available in the stock register.

Weak supervisory and financial controls resulted in irregular award of work Rs 411,033.

Audit pointed out the irregularity in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that all government rules were adopted for purchase of shoes advertisement. The Committee did not accept the contention of the Authority and deferred the para for want of regularization because no record was got verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

(DP. 23)

5.3.9.2 The Principal Punjab Daanish School for boys & girls, Chishtian, District Bahawalnagar made payment for procurement of Uniforms, Shirts, Trouser, Sports T-Shirts, School Bags, Joggers etc to contractors without open advertisement on the PPRA's website and in print media for fair competition and transparency in violation of Public Procurement and Financial Rules. The works were got executed without sanction of detailed estimate and approval of competent authority. Accountal of these articles were not made in stock / material at site account register. The purchase of four uniforms for one student for summer and winter season in December 2012 was not justified.

Weak supervisory and financial controls resulted in irregular award of work and payment for Rs 3,677,065.

Audit pointed out the irregularity in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that administrative approvals were accorded by Managing Director therefore technical sanctions were not required. The Committee did not accept the contention of the Authority and deferred the para for want of regularization. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

(DP. 22, 21)

5.3.10 Irregular payment due to allowing price variation after the expiry of stipulated period - Rs 2.99 million

According to clause 55(8) of the contract agreement no escalation will be admissible to the contractor for the period extended due to delay on the part of the contractor.

The District Coordination Officer / Chairman (Boards of Governors), Punjab Daanish Schools (Boys) Chishtian, District Bahawalnagar failed to complete the work within the stipulated period given to him upto 04.8.2010. The work was delayed for more than 6 months but the department paid price variation of Rs 2,992,197 w.e.f

24.08.2010 to 21.02.2011 in 8th to 13th running bill after the expiry of stipulated period. The department did not produce TS estimate/ revised TS estimate to verify the approval of price variation. The correspondence file of the work was also not produced.

Weak supervisory and financial controls resulted in overpayment of Rs 2,992,197.

Audit pointed out the overpayment in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was completed within time limit /extension granted by the competent authority. The Committee did not accept the contention of the Authority because no final bill/completion certificate was produced to Audit and deferred the para for want of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 33)

5.3.11 Loss due to approval of higher rate in technical sanction estimate - Rs 2.89 million

According to the 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.

The District Coordination Officer Attock got approved rate analysis of item of work "P/F Aluminium Windows" as non-standardized item by adding aluminium wire mesh with fitting of aluminium frame and alignment for Rs 562 per square foot and paid accordingly for quantity of 14063 square feet. Whereas MRS rate of said item was Rs 294.80 per sft without aluminum wire mesh with fitting of aluminium frame and Rs 100 per sft was applicable for item wire mesh as allowed in Package 5 & 6. Therefore, rate of Rs 394.80 per sft was applicable.

Weak supervisory and financial controls resulted in loss of Rs 2,894,013.

Audit pointed out loss in November 2013. The Authority did not furnish reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that the items were exhibited in bill of quantities and paid accordingly. The Committee did not accept the contention of the Authority and directed to provide approval of non-schedule items as per template of Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends compliance of SDAC directive or recovery of loss besides fixing responsibility against the officer(s) concerned.

(DP. 48, 49, 50)

5.3.12 Wasteful expenditure due to non-utilization of generators Rs 2.00 million

As per rule No.2.33 of PFR-Vol.1, every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or his negligence.

The Project Director, Daanish School for (Boys & Girls) Hasilpur, procured two generators (MPG-40 KVA-AMF) in June 2012, amounting to Rs 1,998,400 which could not be utilized. In this way expenditure of Rs 1,998,400 had gone into waste.

Weak technical and financial controls resulted in wasteful expenditure of Rs 1,998,400.

Audit pointed out wasteful expenditure in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that purchase was made with the approval of Managing Director of Daanish School to supply the electricity to the resident of Daanish School on the basis of payment of POL from pay bill after purchase. The concerned teachers were not ready to pay bill.

The Committee did not accept the contention of the Authority and directed to decide the issue by Authority itself. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends investigation to fix responsibility.

(DP. 7)

5.3.13 Loss due to approval of higher rate in BOQ - Rs 1.74 million

As per Notification issued by the 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.

5.3.13.1 The Project Director Daanish School Hasilpur, got approved & paid two items of work "Providing / fixing fair face bricks (full size) i.e. 4 ½″ x 3″ x 9″ jointing and pointing in 1:3 cement pozzo mortar over ¾″ thick (Avg) C.S. base mortor in 1:4 on wall complete in all respect" and "Providing and fixing fair face (Gutka) bricks (half bricks size) of size 2 ¼″ x 3″ x 9″, jointing and pointing in 1:3 cement pozzo mortar over ¾″ thick (avg) cement sand base mortar 1:4 complete in all respect" as non-standardized items @ Rs 155 and Rs 138 per sft respectively prepared on the basis of 4th Quarter 2011 for District Bahawalpur. The copy of rate analysis was not made available. Audit had to prepare the rate analysis of said items by putting the input rates of 4th Quarter 2011 for District Bahawalpur which was worked out to Rs 80 per sft against departmental rate of Rs 155 per sft and Rs 73 per sft against departmental rate of Rs 138 per sft.

Weak supervisory and financial controls resulted in loss of Rs 905,600.

Audit pointed out the loss in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that item was exhibited in bill of quantities as per specification. The Committee did not accept the contention of the Authority and directed to provide approval of non-schedule item rates as per template of Finance Department. No

compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery of the loss besides fixing responsibility.

(DP. 3)

5.3.13.2 The Project Director Daanish School Hasilpur, paid two items of work "Providing & Fixing all types of glazed aluminum window of anodized bronze partly fixed and partly sliding using deluxe section of M/S Al-Cop or Pakistan Cables having frame size of 100x20 mm (4 x ¾) and leaf frame sections of 50 x 20 (2″ x ¾″ all of 2 mm thickness including 5 mm" imported tinted glass etc complete in all respect" @ Rs 650 per sft as non- standardized rate. Whereas the same item was available in MRS 4th quarter 2011 for district Bahawalpur vide item No. 52, Chapter No.25 (iron work) @ Rs 299.45 per sft with minor change of specification as MRS items, Leaf frame sections of 50 x 20 mm (2″ x ¾″) all of 1.6 mm thickness as BOQ items, Leaf frame section of 50 x 20 mm (2 x ¾″) all of 2 mm thickness. In this way excess rate of Rs 350.55 per sft was approved and paid.

Weak supervisory and financial controls resulted in loss of Rs 686,941.

Audit pointed out the loss in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was carried out as per bill of quantities/specification. The Committee did not accept the contention of the Authority and directed to provide approval of non-schedule item rates as per template of Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends compliance of SDAC directives or recovery of loss besides fixing responsibility.

(DP. 4)

5.3.13.3 The Project Director Daanish School Hasilpur, got approved & paid item of work "Providing and applying anti-termite of chemical approved by EPA, Biflex, Tenakill plus or approved and equivalent

complete in all respect" @ Rs 20 per sft against BOQ rate of Rs 9 per sft as a non-standardized item. Copy of rate analysis was not provided. Whereas, in Provincial Building Division Bahawalpur the item with same specification on the basis of same in put rates i.e 4th Quarter 2011 for district Bahawalpur was provided as Rs 6.20 per sft. In this way, excess rate of Rs 2.80 was got approved and paid along with premium.

Weak supervisory and technical controls resulted in loss of Rs 145,174.

Audit pointed out the loss in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was carried out as per bill of quantities and designer recommendation. The Committee did not accept the contention of the Authority and directed to provide approval of non-schedule rates as per template of Finance Department. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends recovery of loss besides fixing responsibility.

(DP. 5)

5.3.14 Non-recovery of interest due to allowing doubtful payment to the contractor without measurement - Rs 1.45 million

According to para 4.5 of Building & Roads Department Code, the measurement book must be looked upon as a most important record since it is the basis of all accounts of quantities, whether of work done by labour or by the piece or by contract, or of materials received, which have to be counted or measured.

5.3.14.1 The District Coordination Officer / Chairman (Boards of Governors), Punjab Daanish Schools (Boys), Chishtian, District, Bahawalnagar made deduction in 14th and final bill of certain scheduled items against which payment was made to the contractor upto 13th & running bill which indicated that authority paid the items to the contractor without measurements of quantities by the engineer incharge.

Weak supervisory and financial controls resulted in non-recovery of interest for Rs 834,795.

Audit pointed out the irregularity in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that intermediate payments were regarded as payment by way of advance subject to its adjustment in final bill. The Committee did not accept the contention of the Authority and deferred the para for want of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 25)

5.3.14.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Rahim Yar Khan made deductions of Rs 4,065,495 from 18th and final bill of certain standardized/ non-standardized items paid to the contractor up to 17th & running bill fictitiously without measurements of quantities by the engineer incharge. The interest @ 12% for Rs 609,824 was due on said amount.

Weak supervisory and technical controls resulted in non-recovery of interest for Rs 609,824.

Audit pointed out the irregularity in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that intermediate payments were regarded as payment by way of advance subject to its adjustment in final bill. The Committee did not accept the contention of the Authority and deferred the para for want of recovery. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 42)

5.3.15 Irregular award of work without tendering - Rs 1.31 million

As per para 2.61 & 2.82 of B&R code, the work is required to be executed after the administrative approval/ technical sanction estimate of the work and competitive tendering.

The District Coordination Officer Attock made payment to contractor for execution of work "Removal of debris and trash humps with the help of excavator & allied works" without any administrative approval/technical sanctioned estimate and competitive tendering. Moreover, as per clause 40 of contract agreement removal of debris etc. was of the responsibility of original contractors from whom construction /civil work was got executed.

Weak supervisory and financial controls resulted in unauthorized expenditure of Rs 1,308,750.

Audit pointed out the irregularity in November 2013. The Authority did not furnish any reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that debris was removed under clause 40 of contract agreement due to inauguration of Chief Minister. The Committee did not accept the contention of the Authority and deferred the para for want of regularization by the competent authority because no codal formalities i.e. tendering/technical sanctioned estimate was got verified by Audit. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends regularization or recovery of expenditure besides fixing responsibility against the officer(s) concerned.

(DP. 46)

5.3.16 Overpayment due to non-reduction in rate by using local sand - Rs 733,455

As per specification No. 20.4 read with remarks column against item No. 6 (b) under chapter-6 (Concrete), composite rate shall be reduced by Rs 12 per cft if local sand was used in the work.

5.3.16.1 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Chishtian, District Bahawalnagar paid a schedule / BOQ item (2-3 & 2-4) "Providing and laying RCC slab 1:2:4 in slab of rafts/strips and RCC 1:2:4 in roof slab, beams, columns etc" for a quantity of 6619.80 cft and the item "RCC 1:2:4 in roof slab" for a quantity of 2019 cft without reduction in rate by Rs 12 per cft on account of utilization of local sand.

Weak supervisory and financial controls resulted in overpayment of Rs 499,503.

Audit pointed out the overpayment in September 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that harrow sand had been used. The Committee did not accept the contention of the Authority and deferred the para to link the same with SDAC directives of last year on similar para wherein the Committee directed the Authority to seek clarification from the Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 18)

5.3.16.2 The District Coordination Officer/Chairman (Board of Governors), Punjab Daanish Schools (Girls), Hasilpur, District Bahawalpur paid a schedule / BOQ items (2-3)(i-ii) "Providing and laying RCC 1:2:4 in rafts/strips and RCC 1:2:4 in roof slab, beams, column etc" for a quantity of 6699 cft and 12797 cft respectively without reduction in rate by Rs 12 per cft on account of utilization of local sand.

Weak supervisory and technical controls resulted in overpayment of Rs 233,952.

Audit pointed out non-recovery in November 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that no local sand was used in concrete. The Committee did not accept the contention of the Authority and directed to link the para with SDAC directive of the last year wherein the Committee directed the Authority to seek clarification from the Finance Department whether on using Sakhi Sarwar sand instead of Harrow, the rate was to be reduced or not. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

(DP. 56)

5.3.17 Non-forfeiture of earnest money due to non-commencement of work - Rs 593,000

According to clause 14 of general direction for the guidance of the tenderer, no tender without earnest money shall be entertained. Earnest money calculated @ Rs 2% of the estimated cost of work shall be in the form of deposit at call receipt. The earnest money of the successful tenderer on execution of work will be adjusted towards the amount of security deposit. The successful tenderer will be required to enter into a contract and to commence the work within the time specified in the memorandum of work. If the successful tenderer refuses or fails due to any reason to enter into contract the entire earnest money shall be forfeited to the authority as compensation for such default.

The District Coordination Officer / Chairman (Boards of Governors) Punjab Daanish Schools (Boys & Girls) Chishtian awarded the work "Establishment of Punjab Daanish School Bahawalnagar construction of residences and workers barracks (Boys)" to the contractor dated 04.04.2012 at an agreement cost of Rs 17,140,188 with time limit of 6 months i.e upto 03.10.2012. In second case, work was allotted for Rs 2,063,700. But neither the contractor commenced the work despite expiry of more than 1-1/2 years nor department rescinded his work by forfeiting his earnest money in violation of above rule.

Weak supervisory and financial controls resulted in non-forfeiture of earnest money of Rs 593,000.

Audit pointed out the lapse in October 2013. The Authority did not reply.

The para was also discussed in the SDAC meeting held on 16.12.2013. The department explained that work was started in April 2012 but stopped by the authority in June 2012 and extension in time limit was under process. The Committee did not accept the contention of the

Authority and deferred the para for want of regularization. No compliance of the Committee's directive was reported till finalization of the report.

Audit recommends early regularization besides fixing responsibility against the person(s) at fault.

(DP. 30)

ANNEXURE-1: MFDAC PARAS

Annexure-1/A: Communication & Works Department

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
1	21	Loss to government due to application of incorrect rate	146,008	CE (North), PB, Lahore
2	199	Excess payment due to excess measurement	453,603	SPMU, H/W, Lahore
3	245	Non-recovery on account of dismantled material	443,421	XEN, PHD, Muzaffargarh
4	293	Loss due to application of incorrect rate	530,356	XEN, PBD, Gujranwala
5	458	Overpayment due to allowing price variation on quantity of secured advance	287,417	XEN, PBD, Bahawalpur
6	6	Excess Payment to the contractor without provision in PC-I / T.S Estimate / Acceptance letter	9,517,000	SPMU, Lahore
7	7	Excess Payment on account of excessive measurement	12,011,835	SPMU, Lahore
8	10	Overpayment on account of inadmissible component of preheating of bitumen	2,188,000	SPMU, Lahore
9	11	Overpayment on account of inadmissible component of preheating of bitumen	3,721,000	SPMU, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
10	16	Non-recovery of General Sale Tax invoices from suppliers	703,426	Secretary (C&W), Lahore
11	19	Loss due to excess provision of lead	201,255	Secretary (C&W), Lahore
12	20	Loss to government due to approval of item on incorrect rate	1,198,399	CE (North), PB, Lahore
13	26	Loss to government due to approval of item on incorrect rate	279,443	CE (North), PB, Lahore
14	28	Loss due to non-execution of balance work on risk and cost of defaulting contractor	18,587,000	CE (North), PB, Lahore
15	29	Loss to government due to application of incorrect rate	376,095	CE (North), PB, Lahore
16	33	Loss due to sanction of higher rate	474,461	XEN, PBD, GOR Lahore
17	35	Overpayment due to allowing price variation on water supply works for labour and diesel	107,947	XEN, PBD, GOR Lahore
18	37	Non-recovery of dismantled material	216,780	XEN, PBD, GOR Lahore
19	38	Short recovery of Income Tax	92,848	XEN, PBD, GOR Lahore
20	40	Excess provision of price variation in revised estimate	125,722	XEN, PBD, GOR Lahore
21	41	Loss to government due to non-recovery of cost of defective work from contractor	1,423,000	SE, PBC, Rawalpindi

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
22	45	Loss to government due to theft of transformer	482,000	SE, PBC, Rawalpindi
23	48	Overpayment on account of price variation	3,404,082	XEN, PB, Construction Division, D.G Khan
24	52	Overpayment due to non-deduction of road crust	417,150	XEN, PB, Construction Division, D.G Khan
25	53	Loss due to approval of incorrect rate	984,764	XEN, PB, Construction Division, D.G Khan
26	54	Loss due to application of incorrect rate	690,404	XEN, PB, Construction Division, D.G Khan
27	55	Loss due to application of incorrect rate	544,291	XEN, PB, Construction Division, D.G Khan
28	56	Unjustified procurement of ceiling fans	2,839,210	XEN, PB, Construction Division, D.G Khan
29	57	Overpayment on account of excess measurement	1,236,280	XEN, PB, Construction Division, D.G Khan
30	59	Overpayment due to non-adjustment of available earth	159,094	XEN, PB, Construction Division, D.G Khan
31	60	Loss due to application of incorrect rates	437,590	XEN, PB, Construction Division, D.G Khan
32	65	Loss due to application of incorrect rate	698,800	SE, PB, Circle, Multan
33	69	Loss due to allowing extra rate for chamfering and dressing	300,220	SE, PB, Circle, Multan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
34	74	Overpayment due to application of incorrect rate	489,674	CE (South), PB, Lahore
35	79	Irregular expenditure due to excess over allotment	538,329,000	CE (South), PB, Lahore
36	81	Loss due to non-verification of recoveries involved in inquiries	26,556,000	CE (South), PB, Lahore
37	82	Loss due to non-finalization of inquiry reports	14,380,864	CE (South), PB, Lahore
38	83	Loss due to sanction of estimate at higher rates	1,603,475	CE (South), PB, Lahore
39	84	Loss due to allowing extra rate for chamfering and dressing	123,438	CE (South), PB, Lahore
40	85	Loss due to provision of excess rates in TSE	8,916,052	SE, H/W Circle, Multan
41	86	Loss due to award of work at higher premium	6,574,000	SE, H/W Circle, Multan
42	88	Loss due to less use of dismantled road pavement	188,737	SE, H/W Circle, Multan
43	92	Loss due to sanction of incorrect rates	523,086	SE, H/W Circle, Multan
44	94	Non-recovery due to less use of bitumen	586,160	SE, H/W Circle, Multan
45	96	Non-recovery of risk and cost and Performance Securities	13,093,700	SE, H/W Circle, Multan
46	97	Loss due to provision of excess quantities	9,111,342	SE, H/W Circle, Multan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
47	100	Loss due to late award of road component	24,437,000	SE, H/W, Circle, Lahore
48	104	Loss on account of price variation	1,011,948	SE, H/W, Circle, Lahore
49	107	Irregular provision in acceptance letters	1,097,341	SE, H/W, Circle, Lahore
50	108	Loss due to less provision of recovery of dismantled material	587,940	SE, H/W, Circle, Lahore
51	110	Short provision of recovery of dismantled material	2,127,868	SE, H/W, Circle, Lahore
52	112	Loss due to sanction of item at rich specification	4,701,433	CE (South), H/W, Lahore
53	113	Loss due to sanction of item at higher rate	2,223,137	CE (South), H/W, Lahore
54	115	Irregular provision in acceptance letters	3,735,648	CE (South), H/W, Lahore
55	116	Overpayment due to allowing price variation on the quantity of secured advance	1,913,585	CE (South), H/W, Lahore
56	119	Loss due to sanction of item of work with excess thickness	226,413	CE (South), H/W, Lahore
57	123	Non-recovery from defaulting contractor	6,770,000	CE (South), H/W, Lahore
58	127	Non-recovery on account of 5% advance tax	2,973,054	CE (South), H/W, Lahore
59	130	Loss to government due to addition of 25% profit on material / labour & sales tax of material for NLC work	153,032	CE (North), H/W, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
60	133	Loss to government due to non-recovery of cost of dismantled material	224,256	CE (North), H/W, Lahore
61	134	Loss to government due to application of item rate with inadmissible components loading / unloading of material	394,574	CE (North), H/W, Lahore
62	138	Loss to government due to approval of incorrect rate	326,136	CE (North), H/W, Lahore
63	143	Award of work without open tender and non-receipt of earnest money	11,749,543,000	CE (North), H/W, Lahore
64	145	Loss to government due to non/less recovery of tender fee from the contractor	482,553	CE (North), H/W, Lahore
65	146	Loss to government due to grant of time extensions to defaulter contractor without imposing the penalty	46,316,000	CE (North), H/W, Lahore
66	147	Non-crediting of lapsed deposits to revenue	76,187	Dir. P&D H/W, Lahore
67	148	Non-recovery / adjustment of amounts placed in suspense head	66,854	Dir. P&D H/W, Lahore
68	149	Unauthorized expenditure due to non-approval of manufacturer estimate	4,126,000	Dir. P&D H/W, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
69	150	Unauthorized expenditure due to non-recovery of dues from sister public works divisions (Distt Govt.)	875,000	Dir. P&D H/W, Lahore
70	151	Unauthorized expenditure due to non-recovery of dues from sister public works divisions	175,000	Dir. P&D H/W, Lahore
71	152	Unauthorized expenditure due to non-recovery of dues from sister public works divisions (Irrigation Deptt)	400,000	Dir. P&D H/W, Lahore
72	153	Loss to government due to non-recovery of rent of Neon signs / Hoarding / Bill Boards	566,400	Dir. P&D H/W, Lahore
73	154	Misuse of delegation of financial powers involving irregular diversion of contingencies	1,662,658	SE, H/W, Circle, Rawalpindi
74	155	Misuse of delegation of financial powers involving irregular diversion of contingencies	7,882,572	SE, H/W, Circle, Rawalpindi
75	156	Loss to government due non-accountal of equipment purchased for Laboratory	1,467,426	SE, H/W, Circle, Rawalpindi

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
76	159	Award of work without open tender and non-receipt of earnest money	20,717,000	SE, H/W, Circle, Rawalpindi
77	164	Loss to government due to non-recovery of cost deposit work	1,302,200	MMD H/W, Lahore
78	165	Loss to government due to non-recovery of cost deposit work	419,415	MMD H/W, Lahore
79	166	Loss to government due to non-recovery of cost deposit work	1,055,340	MMD H/W, Lahore
80	167	Loss to government due to non-recovery of cost deposit work	1,604,000	MMD H/W, Lahore
81	174	Loss to government due to non-auction of E.T.Ds	523,000	MMD H/W, Lahore
82	177	Loss to government due to non-recovery of liquidated damages	46,187,000	SE, H/W, Circle, Gujranwala
83	179	Undue financial aid to the contractor due to non-recovery of additional performance security	367,000	SE, H/W, Circle, Gujranwala
84	192	Non-obtaining of performance security	3,614,982	SE, H/W, Circle, Faisalabad
85	194	Non-imposition of penalty due to non-completion of work	1,675,100	SE, H/W, Circle, Faisalabad
86	195	Overpayment due to allowing 25% overheads and contractor's profit instead of 20%	2,051,000	SPMU, H/W, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
87	196	Overpayment due to allowing excess %age of overheads and contractor's profit in the rates	2,981,000	SPMU, H/W, Lahore
88	200	Excess payment to the contractor due to non-adjustment of available earth	2,902,815	SPMU, H/W, Lahore
89	201	Excess payment due to excess measurement of steel	3,689,043	SPMU, H/W, Lahore
90	202	Excess payment due to excess measurement	149,673	SPMU, H/W, Lahore
91	203	Loss due to short utilization of dismantled Road Pavement as sub-base course	2,395,303	SPMU, H/W, Lahore
92	205	Unjustified expenditure on account of Consultant's payment	2,730,000	SPMU, H/W, Lahore
93	207	Overpayment due to allowing excess quantity of dismantled material	8,521,000	SPMU, H/W, Lahore
94	211	Loss due to non-recovery of liquidated damages for delay in completion of work	170,176,000	XEN, PHD, Gujranwala
95	214	Loss due to non-utilization of brick edging	459,580	XEN, PHD, Gujranwala
96	217	Overpayment due to allowing excess lead	1,689,495	XEN, PHD, Gujranwala
97	225	Loss due to less credit of dismantled material	283,564	XEN, PHD, Gujranwala

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
98	227	Overpayment due to less-utilization of dismantled material	406,722	XEN, PHD, Sialkot
99	234	Overpayment due to price variation on inadmissible item	110,614	XEN, PHD, Sialkot
100	237	Loss due to acceptance of tender on higher/incorrect rates	3,174,538	XEN, PHD, Sialkot
101	239	Overpayment on account of price variation	176,505	XEN, PHD, Muzaffargarh
102	241	Overpayment on account of excess measurement over the design of road pavement	1,546,920	XEN, PHD, Muzaffargarh
103	244	Overpayemnt due to non-adjustment of quantity of regular excavation against earth work	4,088,036	XEN, PHD, Muzaffargarh
104	250	Loss due to approval of higher rate in TSE/PC-I	1,296,120	XEN, PHD, Muzaffargarh
105	251	Loss due to application of higher rate	905,358	XEN, PBD, Muzaffargarh
106	252	Loss due to approval of higher rate in TSE/PC-I	195,980	XEN, PBD, Muzaffargarh
107	253	Overpayment due to application of extra rate	448,045	XEN, PBD, Muzaffargarh
108	254	Non-recovery of Sales Tax	105,216	XEN, PBD, Muzaffargarh
109	255	Loss due to application of extra rate	190,782	XEN, PBD, Muzaffargarh

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
110	256	Overpayment on account of higher rate	453,400	XEN, PBD, Muzaffargarh
111	257	Loss due to higher rate provision in TSE	384,873	XEN, PBD, Muzaffargarh
112	260	Undue payment of pipes/overhead reservoir without installation of tubewell/source	3,632,300	XEN, PBD, Muzaffargarh
113	262	Overpayment due to application of incorrect conversion factor	14,023	XEN, PBD, Sailkot
114	268	Loss to govt. due to non-deduction of shrinkage allowance	216,635	XEN, PBD, Sailkot
115	271	Overpaymnet of price variation due to non-adjustment of secured advance quantity/incorrect base rate of cement	283,383	XEN, PBD, Sailkot
116	272	Overpayment due to application of incorrect rate	576,129	XEN, PBD, Sailkot
117	273	Irregular expenditure due to payment to the consultant without provision in PC-I/TSE	2,586,900	XEN, PBD, Sailkot
118	274	Irregular expenditure due to execution of work beyound the approved scope	4,167,458	XEN, PBD, Sailkot
119	275	Unjustified payment to item due to non-approval of the competent authority	1,160,462	XEN, PBD, Sailkot

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
120	276	Loss to govt. due to non-recovery of cost of dismantled material	293,410	XEN, PBD, Sailkot
121	277	Non-recovery due to non-employment of engineers	765,000	XEN, PHD, Sahiwal
122	278	Overpayment due to execution of item without provision in TS estimate/acceptance letter	806,566	XEN, PBD, Sahiwal
123	279	Non-recovery of secured advance besides interest	26,019,000 1,283,000	XEN, PBD, Sahiwal
124	280	Non-recovery of secured advance besides interest	20,800,000 2,537,000	XEN, PBD, Sahiwal
125	281	Loss due to non-execution of items having quoted less rates against TS rates	315,635	XEN, PBD, Sahiwal
126	282	Overpayment due to non-utilization of available earth	1,371,770	XEN, PBD, Sahiwal
127	284	Overpayment due to allowing excessive rates	169,333	XEN, PBD, Gujranwala
128	285	Overpayment due to allowing excess quantity of earth work	683,902	XEN, PBD, Gujranwala
129	286	Loss due to approval of incorrect rate	233,662	XEN, PBD, Gujranwala
130	289	Loss due to approval of higher rates	321,520	XEN, PBD, Gujranwala
131	291	Overpayment due to allowing extra item	1,390,421	XEN, PBD, Gujranwala

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
132	292	Loss due to approval of higher rate	767,144	XEN, PBD, Gujranwala
133	295	Non-recovery due to de-escalation in price of cement	154,479	XEN, PHD, Sahiwal
134	299	Un-justified payment due to execution of sub-standard work	110,925,414	XEN, PHD Sialkot
135	305	Loss to the Government due to adaptation of incorrect rate	968,326	XEN, PHD Faisalabad
136	309	Overpayment due to allowing rate higher than contract rate	204,452	XEN, PHD Faisalabad
137	312	Los due to non-recovery of cost of retrieved material	155,735	XEN, PHD Faisalabad
138	316	Loss due to adoption of incorrect rate	944,385	XEN, PHD Faisalabad
139	317	Overpayment due to payment of different at higher rates	1,568,422	XEN, PHD Faisalabad
140	319	Overpayment due to payment of inadmissible items	193,786	XEN, PBD, Faisalabad
141	320	Overpayment due to adoption of incorrect rate	842,630	XEN, PBD, Faisalabad
142	321	Overpayment due to adoption of incorrect rate	40,353	XEN, PBD, Faisalabad
143	322	Overpayment due to non-utilization of available earth	241,976	XEN, PBD, Faisalabad

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
144	323	Overpayment due to incorrect calculation of price variation on sub-base course/base course and bitumen	53,747	XEN, PBD, Faisalabad
145	326	Overpayment due to allowing excess lead	728,199	XEN, RCD Rawalpindi
146	327	Overpayment due to application of incorrect rates	1,095,522	XEN, RCD Rawalpindi
147	329	Overpayment due to allowing price variation on incorrect rate	229,867	XEN, RCD Rawalpindi
148	330	Overpayment due to non-utilization of available quantity of earth	2,074,498	XEN, RCD Rawalpindi
149	331	Non-recovery due to excess use of bitumen	102,031	XEN, RCD Rawalpindi
150	333	Overpayment due to excessive measurement	436,132	XEN, RCD Rawalpindi
151	334	Overpayment due to unjustified measurement	275,448	XEN, RCD Rawalpindi
152	337	Loss due to approval higher rates	345,600	XEN, RCD Rawalpindi
153	338	Overpayment due to allowing higher rates	909,281	XEN, RCD Rawalpindi
154	341	Overpayment due to allowing price variation on higher base rate	220,590	XEN, RCD Rawalpindi
155	342	Unjustified payment due to non-use of locally available fit/bedrun stone	1,012,079	XEN, RCD Rawalpindi

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
156	343	Undue financial aid to contractor due to non-obtaining additional performance security	6,509,000	XEN, RCD Rawalpindi
157	344	Non-recovery on account of less use of bitumen	1,810,474	XEN, PHD Multan
158	345	Overpayment due to excess measurement	457,565	XEN, PHD Multan
159	346	non-recovery of dismantle material	304,819	XEN, PHD Multan
160	347	Loss due to sanction of item of work with excess thickness	121,703	XEN, PHD Multan
161	348	Non-obtaining of vouched account	827,005,000	XEN, PHD Multan
162	353	Overpayment due to allowing price variation on water supply works for labour and dieses	691,788	SE, PBD, Multan
163	354	Short-recovery of dismantled material	2,349,395	SE, PBD, Multan
164	356	Loss due to approval of higher rate in TSE	317,994	SE, PBD, Multan
165	357	Overpayment due to non-utilization of available earth	242,192	SE, PBD, Multan
166	358	Loss due to approval of higher rate in TSE	232,000	SE, PBD, Multan
167	359	Non-execution of balance work at risk & cost of defaulting contractor	98,434,000	SE, PBD, Multan
168	360	Non-execution of balance work at risk & cost of defaulting contractor	462,240,000	SE, PBD, Multan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
169	361	Non-imposition of penalty due to delayed completion of work	16,491,000	SE, PBD, Multan
170	362	Loss due to approval of higher rate in TSE	137,217	SE, PBD, Multan
171	363	Loss due to non-forfeiture of security deposit / performance security	22,003,000	SE, PBD, Multan
172	364	Non-execution of balance work as per contract	19,157,000	SE, PBD, Multan
173	365	Non-awarding of work at risk & cost	37,732,000	SE, PBC, Multan
174	366	Approval of higher rate for fair face Gutka	1,205,000	SE, PBC-II, Lahore
175	369	Non-involving of clause 60 and 61 of the contract agreement	-	SE, PBC-II, Lahore
176	374	Loss due to execution of substandard work	21,952,000	SE, PBC, Faisalabad
177	376	Overpayment on account of inadmissible scaffolding charges	766,672	XEN, 7th PBD, Lahore
178	377	Non-recovery of general sales tax	840,000	XEN, 7th PBD, Lahore
179	378	Overpayment due to allowing in admissible rate for tubewell boring	116,021	XEN, 7th PBD, Lahore
180	382	Non-recovery due to de-escalation in the rate of bitumen	175,404	XEN, PHD Jhang
181	384	Non-recovery on account of dismantled material	2,516,959	XEN, PHD Jhang

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
182	385	Overpayment due to excessive measurement of thickness of bricks soling	43,368	XEN, PHD Jhang
183	392	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	996,553,000	XEN, MMD Rawalpindi
184	393	Loss due to allowing excess lead	1,817,006	XEN, MMD Rawalpindi
185	394	Overpayment due to less use of bitumen	3,401,000	XEN, MMD Rawalpindi
186	395	Loss due to allowing excess lead	329,766	XEN, MMD Rawalpindi
187	397	Loss due to allowing excess lead	804,544	XEN, MMD Rawalpindi
188	398	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	306,275,000	XEN, MMD Rawalpindi
189	400	Loss due to allowing excess lead	509,583	XEN, MMD Rawalpindi
190	401	Loss due to allowing excess lead	714,388	XEN, MMD Rawalpindi
191	402	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	1,076,927,000	XEN, MMD Rawalpindi
192	405	Loss due to allowing excess lead	2,688,305	XEN, MMD Rawalpindi
193	406	Loss due to non-use of dismantled tuff tiles in work	179,081	XEN, MMD Rawalpindi

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
194	407	Non-recovery of liquidated damages for delay in completion of work	107,692,000	XEN, MMD Rawalpindi
195	408	Loss to government due to non-recovery of liquidated charges	30,627,000	XEN, MMD Rawalpindi
196	409	Loss due to allowing excess lead	1,663,310	XEN, MMD Rawalpindi
197	410	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	814,199,000	XEN, MMD Rawalpindi
198	411	Loss due to allowing excess lead	549,051,000	XEN, MMD Rawalpindi
199	414	Loss due to allowing excess lead	1,357,000	XEN, MMD Rawalpindi
200	415	Loss due to allowing excess lead	1,222,000	XEN, MMD Rawalpindi
201	416	Non-recovery of liquidated damages for delay in completion of work	81,419,000	XEN, MMD Rawalpindi
202	417	Non-recovery on account of price variation	3,353,000	XEN, MMD Rawalpindi
203	422	Overpayment on account of price variation on bajri used in carpeting	364,064	XEN, PHD Bahawalpur
204	423	Short recovery of dismantled material	168,390	XEN, PHD Bahawalpur
205	424	Non-recovery on account of less use of bitumen	1,368,762	XEN, PHD Bahawalpur
206	425	Loss due to application of extra rate	221,891	XEN, PHD Bahawalpur

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
207	428	Overpayment on account of price variation due to use of rich specification in tack coat	515,760	XEN, PHD Bahawalpur
208	430	Loss due to approval of item at higher rate	162,840	XEN, PHD Bahawalpur
209	432	Overpayment due to allowing inadmissible price variation	940,000	XEN, PHD Multan
210	433	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	508,006,000	XEN, PHD Rawalpindi
211	434	Loss to government due to application of incorrect rate	7,320,440	XEN, PHD Rawalpindi
212	435	Loss to government due to application of incorrect rate	1,273,559	XEN, PHD Rawalpindi
213	436	Loss to government due to application of incorrect rate	3,335,886	XEN, PHD Rawalpindi
214	437	Non-recovery of liquidated damages for delay in completion of work	50,800,000	XEN, PHD Rawalpindi
215	438	Unjustified payment of price variation and overpayment	22150000 & 522,728	XEN, PHD Rawalpindi
216	439	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	431,540,000	XEN, PHD Rawalpindi

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
217	440	Non-recovery of liquidated damages for delay in completion of work	43,150,000	XEN, PHD Rawalpindi
218	441	Non-recovery	1,471,000	XEN, PHD Rawalpindi
219	442	Overpayment due to allowing excess rate/use of bitumen	2,419,080	XEN, PHD Rawalpindi
220	443	Irregular award of work due to non-calling of tenders and allowing inadmissible cushion	133,283,000	XEN, PHD Rawalpindi
221	444	Loss due to approval of higher rate	362,970	XEN, PHD Rawalpindi
222	445	Non-recovery of liquidated damages for delay in completion of work	13,328,322	XEN, PHD Rawalpindi
223	446	Loss to government due to allowing incorrect/higher rate	6,080,832	XEN, PHD Rawalpindi
224	447	Overpayment due to application of incorrect higher rate	1,182,011	XEN, PBD, Rawalpindi
225	450	Overpayment due to application of higher rates	606,108	XEN, PBD, Rawalpindi
226	453	Overpayment due to application of higher rates	416,625	XEN, PBD, Rawalpindi
227	455	Overpayment due to application of incorrect rates	462,434	XEN, PBD, Rawalpindi
228	457	Loss due to approval of higher rate in TSE	486,568	XEN, PBD, Bahawalpur

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
229	459	Loss due to approval of higher rate in TSE	154,804	XEN, PBD, Bahawalpur
230	461	Overpayment due to excessive measurement	551,893	XEN, PBD, Multan
231	462	Overpayment due to allowing excess rate	212,113	XEN, PBD, Multan
232	463	Loss due to approval of incorrect higher rate in TSE/agreement	1,102,000	XEN, PBD, Muzaffargarh
233	464	Overpayment due to allowing incorrect calculation of price variation	786,324	XEN, PHD Multan
234	466	Loss due to approval of higher rate in TSE	883,677	2nd PBD, Lahore
235	467	Non-recovery of dismantled material	123,320	2nd PBD, Lahore
236	468	Irregular procurement of plant and machinery items resulting loss	1,363,346	2nd PBD, Lahore
237	469	Loss due to approval of higher rate in TSE	738,144	2nd PBD, Lahore
238	470	Loss due to approval of higher rate in TSE	1,188,791	2nd PBD, Lahore
239	471	Loss due to approval of higher rate in TSE	516,828	XEN, PBD, Bahawalpur
240	473	Overpayment due to wrong calculation of amount of price variation	3,014,333	XEN, PBD, Bahawalpur
241	474	Overpayment due to allowing price variation on water supply works for labour and dieses	401,252	XEN, PBD, Bahawalpur

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
242	475	Overpayment due to calculation of price variation on inadmissible items for diesel/labour	298,827	XEN, PBD, Sargodha
243	479	Loss to government due to adoption of incorrect rate	321,520	XEN, PBD, Sargodha
244	480	Loss to government due to adoption of incorrect rate	347,469	XEN, PBD, Sargodha
245	481	Loss due to allowing extra rate for chamfering dressing	267,447	XEN, PBD, Sargodha
246	482	Loss to government due to adoption of incorrect rate	157,330	XEN, PBD, Sargodha
247	485	Loss to Govt. due to non-recovery of dismantled material	232,210	XEN, PHD No.1 Sargodha
248	486	Loss to Govt due to non-utilization of available material at site	127,307	XEN, PHD No.1 Sargodha
249	487	Loss to Govt due to application of incorrect rates	108,285	XEN, PHD No.1 Sargodha
250	488	Irregular expenditure due to payment of work beyond the approved scope	346,658	XEN, PHD No.1 Sargodha
251	490	Non-recovery due to non-employment of qualified Engineer	2,295,000	XEN, PHD D.G Khan
252	491	Non-recovery of dismantled material	174,218	XEN, PHD D.G Khan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
253	492	Over payment to the Contractor due to non-adjustment of available earth	193,301	XEN, PHD D.G Khan
254	493	Over payment due to incorrect calculation of contents	728,595	XEN, PHD D.G Khan
255	494	Loss due to undue execution of false ceiling laminated sheet in Hospital Building	303,120	XEN, PBD, Multan
256	496	Loss due to approval of higher rate in TSE	532,779	XEN, PBD, Lodharan
257	497	Overpayment on A/c of price variation due to calculation of incorrect value of work done	145,482	XEN, PBD, Lodharan
258	498	Non-recovery of price variation	1,101,000	XEN, PBD, Lodharan
259	500	Overpayment due to allowing higher rates	318,783	XEN, PBD, Lodharan
260	501	Irregular procurement of plant & machinery items resulting loss	134,606	XEN, PBD, Lodharan
261	502	Non-recovery of Sales Tax	186,531	XEN, PBD, Lodharan
262	503	Excess payment due to wrong carry forwarding of quantities	357,410	XEN, PBD, Lodharan
263	504	Loss due to approval of higher rate in TSE	119,532	XEN, PBD, Lodharan
264	505	Short recovery of mobilization advance	277,340	XEN, PBD, Lodharan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
265	506	Irregular advance payments on account of secured advance & mobilization of advance	66,572,000	XEN, PBD, Lodharan
266	511	Loss due to approval of higher rates in TSE	606,526	XEN, 3rd PBD, Lahore
267	512	Loss due to undue execution of false ceiling laminated sheet in hospital building	1,324,145	XEN, 3rd PBD, Lahore
268	513	Irregular procurement of plant & machinery items resulting loss	1,612,975	XEN, 3rd PBD, Lahore
269	514	Non-obtaining of sales tax invoices from suppliers & non-recovery of sales tax	485,197 121,300	XEN, 3rd PBD, Lahore
270	515	Overpayment due to non-utilization of available earth	1,311,015	XEN, 3rd PBD, Lahore
271	516	Loss due to application of higher rate	822,664	XEN, 3rd PBD, Lahore
272	517	Loss due to application of higher rate	2,308,347	XEN, 3rd PBD, Lahore
273	518	Overpayment due to allowing price variation on quantity of secured advance	2,072,692	XEN, 3rd PBD, Lahore
274	519	Loss due to approval acceptance of tender at higher rate	913,885	XEN, 3rd PBD, Lahore
275	520	Overpayment due to allowing price variation on secured advance amount	201,130	XEN, 3rd PBD, Lahore
276	525	Overpayment due to double measurement	189,280	XEN, PHD Jhelum

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
277	526	Loss to Govt. due to non-recovery of cost of damaged work	148,819	XEN, PHD Jhelum
278	527	Loss to Govt. due to non-deduction of income tax	218,700	XEN, PHD Jhelum
279	528	Over payment due to non-deduction of area of grating	81,365	XEN, PHD Jhelum
280	529	Overpayment due to approval of incorrect rates	287,076	XEN, PHD Jhelum
281	530	Over payment on account of price variation on advance payment	41,330	XEN, 2nd PBD, Jhelum
282	531	Irregular payment due to excessive measurement of brick masonry	324,730	XEN, 2nd PBD, Jhelum
283	532	Over payment due to allowing price variation on inadmissible items	100,976	XEN, 3rd PBD, Lahore
284	533	Non-recovery of secured advance	13,006,402	XEN, 3rd PBD, Lahore
285	534	Overpayment due to non-adjustment of available earth	102,942	XEN, 3rd PBD, Lahore
286	535	Overpayment due to allowing excessive measurement	302,587	XEN, PBD, Bahawalpur
287	537	Over payment due to allowing price variation by taking incorrect base rate	349,636	XEN, 4th PBD, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
288	538	Loss to Govt. due to execution of inadmissible item	2,295,098	XEN, 4th PBD, Lahore
289	539	Over payment due to application of incorrect Rate	2,988,197	XEN, 4th PBD, Lahore
290	540	Loss to Govt.	4,468,651	XEN, 4th PBD, Lahore
291	541	Loss to Govt. due to application of incorrect rate	495,997	XEN, 4th PBD, Lahore
292	542	Loss to Govt due to execution of inadmissible item	1,027,362	XEN, 4th PBD, Lahore
293	543	Loss to Govt. worth	951,336	XEN, 4th PBD, Lahore
294	544	Overpayment due to non-deduction of rate	1,248,286	XEN, 4th PBD, Lahore
295	545	Overpayment due to non-deduction of rate	1,911,292	XEN, 4th PBD, Lahore
296	546	Undue financial benefit due to non-obtaining of performance security	3,152,000	XEN, 4th PBD, Lahore
297	547	Loss to Govt. due to application of incorrect rate	337,407	XEN, 4th PBD, Lahore
298	548	Undue financial benefit due to non-obtaining of performance security	4,217,000	XEN, 4th PBD, Lahore
299	549	Loss to Govt due to application of incorrect rate	621,432	XEN, 4th PBD, Lahore
300	551	Loss to Govt. due to non-deduction of retrieved material	745,566	XEN, RCD Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
301	552	Over payment due to allowing price variation on inadmissible item	436,563	XEN, RCD Lahore
302	556	Loss to Govt. due to allowing excessive thickness of bricks	238,619	XEN, RCD Lahore
303	559	Non-recovery due to non-deduction of retrieved material	145,000	XEN, RCD Lahore
304	566	Overpayment due to non-utilization of available earth	215,488	XEN, 4th PBD, Rawalpindi
305	573	Irregular payment due to execution of work beyond the approved scope	190,699	XEN, PHD No.1 Sargodha
306	574	Overpayment due to excessive measurements	682,109	XEN, PHD No.1 Sargodha
307	576	Overpayment due to excessive measurements	247,500	XEN, PHD No.1 Sargodha
308	577	Overpayment due to excessive measurements and application of incorrect rates	109,953	XEN, PHD No.1 Sargodha
309	578	Overpayment due to non-utilization of available earth	241,690	XEN, PHD Jhelum
310	579	Loss to government due to payment of steel on the basis of incorrect conversion factor	297,283	XEN, 1st PBD, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
311	580	Loss to government due to non-recovery of cost of dismantled material	207,706	XEN, 1st PBD, Lahore
312	581	Overpayment due to calculation of price variation on excess value of work done	20,852	XEN, 1st PBD, Lahore
313	582	Loss to government due to payment of incorrect rate	327,058	XEN, 1st PBD, Lahore
314	583	Overpayment due to application of incorrect rate	143,201	XEN, 1st PBD, Lahore
315	584	Irregular payment due to execution of work beyond the approved scope	1,838,000	XEN, 1st PBD, Lahore
316	585	Loss due to application of higher rates than approved in the admn approval	232,055	XEN, 1st PBD, Lahore
317	586	Loss due to adoption of rich specified item for painting instead of distemper on roof/incorrect application of rates	87,037	XEN, 1st PBD, Lahore
318	587	Overpayment due to non-deduction of shrinkage factor	142,642	XEN, 1st PBD, Lahore
319	588	Irregular payment due to execution of work beyond the approved scope	132,810	XEN, 1st PBD, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
320	589	Irregular payment due to execution of work beyond the approved scope	1,618,225	XEN, PBD, Jhelum
321	590	Overpayment due to incorrect/double measurement	137,653	XEN, PBD, Jhelum
322	591	Irregular payment due to execution of work beyond the approved scope	1,209,690	XEN, PBD, Jhelum
323	592	Loss to government due to adoption of incorrect rate	138,908	XEN, PBD, Jhelum
324	593	Overpayment due to application of incorrect rate	225,916	XEN, PBD, Jhelum
325	594	Irregular payment due to allowing price variation beyond the provision of contingencies	567,406	XEN, PBD, Jhelum
326	598	Loss to government due to application of incorrect rate	191,639	XEN, PHD Lahore
327	599	Loss to governmne due to allotment of work at higher rates	623,571	XEN, PHD Lahore
328	600	Overpayment due to non-recovery of cost of less used bitumen	1,418,371	XEN, PHD Lahore
329	601	Overpayment due to excessive measurements and application of incorrect rates	428,551	XEN, PHD Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
330	602	Loss to government due to non-recovery/utilization of available material at site	525,380	XEN, PHD Lahore
331	603	Overpayment due to application of incorrect MRS rates	3,912,689	XEN, PHD Lahore
332	604	Overpayment due to non-utilization of available earth	159,760	XEN, PHD Lahore
333	606	Irregular provision in acceptance letter	4,024,777	XEN, PHD Lahore
334	609	Overpayment due to allowing excess lead	91,244	XEN, PHD Lahore
335	612	Loss to government due to application of incorrect rate	172,130	XEN, PHD Lahore
336	613	Overpayment due to non-deduction of volume of gully grating from brick work/cement pointing	110,104	XEN, PHD Lahore
337	614	Overpayment due to non-deduction of volume of PCC/CC from earth	318,821	XEN, PHD Lahore
338	615	Overpayment due to excessive measurements	183,791	XEN, PHD Lahore
339	616	Loss to government due to adoption of incorrect rate	426,989	XEN, PHD Jhelum
340	617	Loss to government due to non-recovery of cost of dismantled material	729,615	XEN, PHD Jhelum

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
341	619	Loss to government due to non-recovery of security, performance bond and risk and cost amount from defaulter contractor	28,305,723	XEN, PHD No.1 Sargodha
342	621	Loss to government due to non-execution of items/non-recovery of cost of dismantled material as per estimate	25600	XEN, PHD No.1 Sargodha
343	622	Overpayment due to application of quoted percentage on excess amount than actual amount	458,921	XEN, PHD No.1 Sargodha
344	623	Overpayment due to excessive measurements	152,461	XEN, PBD, Jhelum
345	624	Overpayment due to double measurements	156,726	XEN, PBD, Jhelum
346	625	Non-recovery on account of using local stand	1,935,000	XEN, 1st PBD, Lahore
347	626	Irregular expenditure due to non-approval of analysis of rate	2,692,000	XEN, 1st PBD, Lahore
348	627	Non-recovery due to taken earth for embankment within 30 meter from the toe of embankment	3,664,412	XEN, PHD D.G Khan
349	630	Overpayment due to excess use of steel	1,578,576	XEN, PBD, D.G Khan
350	631	Overpayment due to excessive measurement	562,058	XEN, PBD, D.G Khan

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
351	632	Overpayment due to excessive measurement of quantities against the provision in TSE	5,155,453	XEN, PBD, D.G Khan
352	633	Overpayment due to non-reduction in rate by using local stand	453,924	XEN, PBD, D.G Khan
353	634	Overpayment due to allowing higher rates	157,646	XEN, PBD, D.G Khan
354	635	Loss due to approval of higher rates in TSE	349,370	XEN, 7th PBD, Lahore
355	636	Non-recovery of GST	3,138,560	XEN, 7th PBD, Lahore
356	637	Overpayment due to excessive measurement of quantities.	1,098,870	XEN, 7th PBD, Lahore
357	638	Non-recovery of GST	120,686	XEN, 7th PBD, Lahore
358	641	Non-recovery of GST	2,189,598	XEN, PBD, Mianwali
359	642	Overpayment due to allowing higher rate	226,320	XEN, PBD, Mianwali
360	643	Non-recovery due to non-finalization of work and non-imposition of penalty for delay in completion of work	468,618	XEN, PBD, Mianwali
361	644	Unjustified price variation made to the contractor after the expiry of stipulated period	105,490	XEN, PBD, Mianwali
362	645	Overpayment due to excessive measurement of Quantity.	907,076	XEN, PBD, Mianwali

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
363	646	Loss to Govt. due to non-recovery of cost of serviceable material	164,863	XEN, PBD, Rawalpindi
364	647	Overpayment due to application of incorrect/higher rate	2,622,180	XEN, PBD, Rawalpindi
365	648	Loss to Govt. due to calculation of incorrect rate	1,727,162	XEN, 6th PBD, Lahore
366	649	Overpayment due to application of incorrect/higher rate	709,117	XEN, 6th PBD, Lahore
367	650	Overpayment due to application of incorrect/higher rates	2,194,698	XEN, 6th PBD, Lahore
368	651	Undue financial benefit due to non-obtaining performance security	16,070,000	XEN, 6th PBD, Lahore
369	652	Loss to Govt. due to calculation of incorrect rate	909,376	XEN, 6th PBD, Lahore
370	653	Loss to Govt. due to application of higher rates	1,547,941	XEN, 6th PBD, Lahore
371	654	Loss due to extra component of item	324,720	XEN, 6th PBD, Lahore
372	655	Overpayment due to allowing inadmissible loose factor of sand	413,156	XEN, 6th PBD, Lahore
373	656	Irregular payment of price variation due to adoption of incorrect methodology	16,545,142	XEN, 6th PBD, Lahore
374	657	Loss to Govt. due to calculation of incorrect rate	507,734	XEN, 6th PBD, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
375	658	Irregular payment due to excess measurement	9,894,150	XEN, 6th PBD, Lahore
376	659	Overpayment due to approval of incorrect rates	1,027,092	XEN, PBD, Rawalpindi
377	660	Overpayment due to approval of higher rate	116,741	XEN, PBD, Rawalpindi
378	662	Non-recovery /credit of dismantled material	444,203	LRRP, Lahore
379	663	Unjustified payment due to excess measurement	207,964	LRRP, Lahore
380	664	Unjustified/excess payment	1,983,334	LRRP, Lahore
381	665	Excess Payment due to excess rate	250,761	LRRP, Lahore
382	666	Excess Payment due to excess rate	1,269,306	LRRP, Lahore
383	667	Excess payment due to excess rate	100,553	LRRP, Lahore
384	668	Misappropriation of receipt from sign board in million	nil	LRRP, Lahore
385	669	Misappropriation of dismantled steel	2,023,011	LRRP, Lahore
386	670	Non-credit/recovery of wastage steel	12,856,660	LRRP, Lahore
387	672	Unjustified/bogus payment without definite specifications	2,801,936	LRRP, Lahore
388	673	Unjustified/bogus payment without detail	5,247,688	LRRP, Lahore
389	675	Irregular award of packages without tendering	3,679,000,000	LRRP, Lahore
390	677	Non-recovery due to rebate	1,073,255,431	LRRP, Lahore

S. No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division/Formation
391	678	Non-recovery/credit of steel wastage	6,046,040	LRRP, Lahore
392	679	Excess payment due to profit o/h & prem on wastage	9,489,521	LRRP, Lahore
393	680	Irregular payment	98,436,051	LRRP, Lahore
394	681	Misappropriation of existing electrical material costing in million	nil	LRRP, Lahore
395	682	Excess payment due to premium on lump sum provision	8,638,647	LRRP, Lahore
396	687	Loss due to change of record entry for price payment	1,704,076	XEN, PBD, Lodharan

Annexure-1/B: Housing, Urban Development & Public Health Engineering Department

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
01	1	Overpayment due to price variation	Dir. Engineering, UD-Wing FDA	275,642
02	6	Overpayment of price variation on bitumen	Dir. Engineering, UD-Wing FDA	313,278
03	9	Non-recovery due to deviation from approved building plan	Dir. Town Planning UD-Wing, FDA	1,660,094
04	11	Non-approval of forms, principal and methods of accounts from the Auditor General of Pakistan/CGA	Dir. Finance FDA UD-Wing	-
05	15	Non-recovery of balance cost of plots	D.D PHATA, Bahawalpur	555,759
06	16	Non-recovery of additional cost of plots from allottees of ADS-Hasilpur	D.D PHATA, Bahawalpur	124,498
07	20	Non-recovery of additional cost of plot	D.D PHATA, RY Khan	174,769
08	27	Overpayment due to price variation	PHE Div., Lodhran	46,296
09	36	Overpayment due to incorrect calculation	PHE Div., Rajanpur	98,770
10	37	Overpayment due to allowing price variation on inadmissible items	PHE Div., Rajanpur	356,412
11	41	Overpayment due to applying the incorrect rate	PHE Circle, D.G Khan	66,000
12	45	Non-recovery of cost of excess area, CVT and advance tax	D.D PHATA, Jhang	476,676
13	46	Non-recovery on account of final cost of plots	D.D PHATA, Jhang	631,688

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
14	48	Non-recovery of advance income tax	D.D PHATA, Faisalabad	353,465
15	49	Non-recovery of enhanced cost of plots	D.D PHATA, Faisalabad	234,960
16	58	Non-recovery of building period surcharge	D.D PHATA, Gujranwala	1,803,500
17	64	Non-recovery of additional cost of plots	D.D PHATA, Sargodha	504,660
18	65	Non-recovery of building period surcharge	D.D PHATA, Sargodha	4,405,000
19	66	Non-recovery of building period surcharge	D.D PHATA, Rawalpindi	5,772,000
20	71	Excessive booking of expenditure than provision of budget estimate	D.D PHATA, Rawalpindi	285,167
21	75	Less recovery of renewal fee due to non-imposition of penalty on account of late application	CE(N) PHED, LHR	82500
22	90	Non-recovery on account of deduction of contract allowances from the contract employees appointed on regular basis	CE(N) PHED, LHR	410000
23	92	Irregular expenditure on account of POL due to allotment of vehicle to work charge employee	Dir Fin WASA, FDA	119876
24	93	Non-deduction /recovery of income tax	Dir Fin WASA, FDA	210807
25	94	Non-approval of forms, principles and methods of accounts from the Auditor General of Pakistan/CGA	Dir Fin WASA, FDA	0
26	97	Non-recovery/deduction of house rent and conveyance allowance	Dir Fin WASA, FDA	185050

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
27	99	Overpayment due to non-reduction in rate of item "Earth work excavation"	Dir Const-I WASA, FDA	240420
28	111	Loss to agency due to non-recovery of cost of dismantled material	Dir Const-II WASA FDA	200000
29	114	Irregular release of security deposit	Dir Const-II WASA FDA	606628
30	119	Excess payment due to measurement over and above the approved technical sanctioned estimate	XEN PHED, Sahiwal	550125.000
31	124	Overpayment due to arithmetic mistake	XEN PHED, Layyah	1519637
32	135	Overpayment due to non-deduction of less percentage quoted by contractor	XEN PHED, Multan	520305
33	138	Excess payment due to excess measurement of crush stone	XEN PHED, Kasur	397911
34	142	Undue financial favour to the contractor due to non-recovery of secured advance	XEN PHED, Kasur	788021
35	143	Inadmissible payment of price variation on account of crush	XEN PHED, Sheikhupura	1609476
36	144	Overpayment on account of price variation on diesel and labour	XEN PHED, Sheikhupura	1242698
37	165	Loss of revenue due to non-recovery of cost of old tyre and battery	Dir. Finace &Admn., WASA, MDA	116302
38	178	Inadmissible payment of price variation	Dir. Works WASA, MDA	200775

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
39	184	Overpayment due to incorrect rate on price variation	Dir. Works WASA, MDA	314373
40	198	Overpayment due to excessive quantity of shrouding	XEN, Bahawalnagar	272,170
41	214	Undue financial benefit to the contractor due to non-recovery of secured advance	XEN, Khushab	2,205,600
42	216	Overpayment due to incorrect application/provision of rate	XEN, Rawalpindi	132,511
43	222	Excess/irregular expenditure	XEN, Nankana Sahib	389,460
44	254	Non-execution of transfer deed of land in favour of LDA	Dir.Metro LDAUDW,LHR	-
45	257	Non-Recovery of cost of excess area	Dir. LD-I.LDAUDW,LHR	707,317
46	258	Overpayment due to non-reduction in rate of item "Earth work excavation"	Dir. O&M(E)WASA FDA	280,867
47	259	Less obtaining additional performance security	Dir. O&M(E)WASA FDA	366,040
48	261	Overpayment due to allowing higher rate	Dir. O&M(E)WASA FDA	261,341
49	264	Overpayment of price variation due to incorrect application of rates	Dir. O&M(E)WASA FDA	121,389
50	271	Overpayment due to non-reduction in rate of item RCC	Dir. WWM WASA FDA	182,140
51	273	Irregular payment of POL & Electricity charges	Dir Admn & Fin WASA GDA	12,858,000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
52	276	Excess payment due to transportation surplus earth	Dir Engg WASA GDA	602,554
53	280	Overpayment due to surplus earth	Dir Engg WASA GDA	143,688
54	287	Non-adjustment /recovery of advances	Dir ADMN & Finance Wasa RDA	700,650
55	300	Non-recovery of penalty for delay in depositing rent	Dr. Zone-V, PHA LHR	128,000
56	302	Non-recovery of rent /penalty	Dr. Zone-V, PHA LHR	426,360
57	303	Non-recovery of rent /penalty	Dr. Zone-V, PHA LHR	330,693
58	309	Overpayment due to incorrect application of base rate	Dr. Engg. MDA UD Wing	1,014,000
59	311	Overpayment due to approval of a rate analysis at higher side	Dr. Engg. MDA UD Wing	224,000
60	312	Overpayment due to higher rate	Dr. Engg. MDA UD Wing	416,000
61	316	Overpayment due to Excessive measurement	Dr. Engg. MDA UD Wing	12,182,000
62	324	Overpayment due to non-reduction in rate of bitumen	Dr. Engg. MDA UD Wing	5,794,000
63	332	Overpayment due to allowing higher rates	Dr. Engg. MDA UD Wing	109,193
64	338	Non-approval of forms principles and methods if account from the Auditor General of Pakistan	Dr fin. & Admn PHA FDA	
65	355	Overpayment due to finalization of work at higher percentage	XEN, PHE Jhelum	195,280

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
66	363	Under financial benefit to the contractor due recovery of mobilization advance	XEN, PHE Gujrat	12,210,569
67	370	Excess payment due to non deduction of rate of timbering and shuttering	XEN, PHE Chakwal	197,353
68	372	Undue financial benefit of secured advance on the basis of incorrect assessed value	XEN, PHE Chiniot	1,403,685
69	381	Loss to Govt. due to provision of compaction of rehandled earth	XEN, PHE Okara	191,576
70	390	Unjustified provision causing overpayment due to incorrect application of rates	XEN, PHE Toba Tek Singh	316,736
71	393	Non-recovery of professional tax	XEN, PHE Toba Tek Singh	61,000
72	394	Wasteful expenditure	XEN, PHE Toba Tek Singh	295,478,000
73	404	Non-recovery of professional tax	XEN, PHE R.Y.Khan	78,000
74	417	Overpayment due to non-reduction of percentages below from rates of additional items	XEN, PHE Dera Ghazi Khan	345,037
75	418	Overpayment due to non-reduction of percentages below from rates of additional items	XEN, PHE Dera Ghazi Khan	123,984
76	433	Non-recovery of general sales tax	Dir. P&S, WASA Lhr	479,024
77	436	Irregular payment	Dir. Engg, PHA Lhr	8,093,322

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
78	437	Overpayment	Dir. Engg. PHA Lhr	1,186,472
79	442	Non-recovery of income tax from mobilization advance	Dir. E&M, TEPA Lhr	2,076,000
80	445	Irregular payment	Dir. CE, TEPA Lhr	780,586
81	132	Non-recovery due to non-deduction of specials	XEN, PHED Faisalabad	82134
82	197	Overpayment due to non-deduction of specials	XEN, Bahawalnagar	223,470
83	286	Loss of revenue	Dir. EM, UDW GDA	551,772
84	348	Overpayment of price variation at higher rate	XEN, PHE Narowal	116,928
85	369	Overpayment of price variation at higher rate	XEN, PHE Chakwal	224,420
86	416	Overpayment due to application of incorrect rate	XEN, PHE Dera Ghazi Khan	266,623
87	422	Non-recovery of capital value tax	Dir. LD & EM UDW RDA	249,286
88	424	Non-production of call deposit receipts	Dir. Finance WASA Lhr	2,000,000
89	337	Unjustified payment of restoration of soling	Dr. Engg PHA, FDA	89,000
90	35	Overpayment due to allowing the price variation on secured advance quantity	PHE Div. Rajanpur	190,600
91	42	Non-recovery due to late application of renewal of contractors	Chief Engineer, PHE Department, Lahore	139,000
92	79	Overpayment due to allowing higher rates	CE(N), PHED LHR	155000

Sr. No.	PDP No.	Subject	Name of Division / Formation	Amount (Rs)
93	115	Overpayment due to non-reduction in rate of item "Earth work excavation"	Dir Const-II WASA FDA	78801
94	155	Overpayment due to allowing excessive quantity than provision of TSE/agreement	XEN, PHED Gujranwala	1893716
95	197	Overpayment due to non-deduction of specials	XEN, Bahawalnagar	223,470
96	229	Overpayment due to allowing higher rate	XEN, Mianwali	82,738
97	368	Excess payment due to excess measurement	XEN, PHE Chakwal	929,310

Annexure-1/C: Irrigation Department

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
1	5	Loss due to execution of un-authorized item of work	XEN, Small Dams Division, Islamabad	2,475,981
2	7	Non-recovery of mobilization advance	XEN, Chakwal Dams Division, Chakwal	13,826,000
3	8	Overpayment due to non credit of dismantled material	XEN, Chakwal Dams Division, Chakwal	133,610
4	10	Non-recovery of water charges from various agencies	XEN, Chakwal Dams Division, Chakwal	390,960
5	12	Unjustified payment due to substandard/ below specification work	XEN, Chakwal Dams Division,Chakwal	2,284,800
6	17	Overpayment due to less deduction of dismantled material	XEN, Dev. Division-IV, Fateh Jang at Islamabad	738,537
7	19	Overpayment due to excessive measurement of cross section area	XEN, Mianwali Canal Division, Mianwali	142,765
8	20	Loss due to non- recovery of cost of repairing defective outlets	XEN, Mianwali Canal Division, Mianwali	184,896
9	21	Undue financial benefit due to not-obtaining additional performance security	XEN, Mianwali Canal Division, Mianwali	14,673,820
10	22	Loss due to non-recovery of water supply charges	XEN, Khushab Canal Division, Khushab	6,149,755
11	24	Unjustified expenditure due to application of incorrect rate	XEN, Khushab Canal Division, Khushab	614,773

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
12	25	Undue financial benefit due to not-obtaining performance security	XEN, Mianwali Canal Division, Mianwali	2,600,000
13	29	Non-recovery / adjustment of amounts placed in suspense head	XEN, Kalabagh Irrigation Div, Kalabagh	9,709,447
14	31	Unjustified payment for uprooting of sarkanda	XEN, Development Division No-II, Lahore	350,789
15	32	Non-recovery of cost of motor cycles given on installments	XEN, Lahore Drainage Division, Lahore	2,280,000
16	39	Non-recovery on account of installments of motorcycles from SENs	XEN, Development Division No-II, Lahore	760,000
17	41	Overpayment due to non deduction of 10% shrinkage charges	XEN, Lahore Drainage Division, Lahore	217,260
18	45	Loss due to execution of uneconomical item	Drainage Division, Sargodha	199,320
19	48	Loss due to execution of uneconomical item	Drainage Division, Sargodha	204,426
20	55	Overpayment due to non-utilization of available earth	Development Div.IV, Fateh Jhang	410,044
21	56	Excess payment due to non deduction of available earth	Development Div.IV, Fateh Jhang	104,883
22	59	Loss to government due to revision of scheme worth	Development Div.IV, Fateh Jhang	229,710,000
23	60	Excess payment due to use excessive steel of	Development Div.IV, Fateh Jhang	8,504,888
24	61	Loss due to non forfeiture of security deposit and non recovery of penalty	Development Div.IV, Fateh Jhang	2,313,000
25	62	Non-credit of lapsed deposit	Small Dam Div., Islamabad	4,826,000

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
26	63	Non-recovery of panel rent of government residence	Small Dam Div., Islamabad	250,000
27	64	Unjustified payment of price variation	Development Division, Bahawalpur	60,917,000
28	66	Overpayment due to non utilization of available earth	Development Division, Bahawalpur	843,217
29	67	Non-recovery of compensation Rs 3.114 million and Rs 0.622 million	Kirana Division, Sargodha	3,736,000
30	68	Over payment due to less deduction of income tax	Kirana Division, Sargodha	86,375
31	69	Remittance of government revenue with un-authorized abnormal delay	Kirana Division, Sargodha	220,242
32	70	Undue financial benefit of to the contractor due to non-obtaining of bank guarantee	Kirana Division, Sargodha	8,43,943
33	71	Non-recovery on account of non execution of item having less/zero rate	Kirana Division, Sargodha	512,578
34	72	Loss to government due to non remittance of income tax to F.B.R	Kirana Division, Sargodha	253,767
35	75	Loss to Govt. due to use of rich specification	Construction Division, D.G Khan	3,034,000
36	76	Loss to Govt. due to use of rich specification	Construction Division, D.G Khan	459,000
37	77	Overpayment due to non-deduction of shrinkage allowance	Construction Division, D.G Khan	70,151
38	79	Overpayment due to incorrect payment for dressing	Thal Development Div., Mianwali	152,731

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
39	80	Overpayment due to allowing payment of carriage by the longer route	Thal Development Div., Mianwali	1,757,081
40	81	Un-justified payment due to excessive consumption of stone-	Thal Development Div., Mianwali	593,328
41	84	Non-recovery of cost of stone issued from stock to sister division	Thal Development Div., Mianwali	442,682
42	85	Non-recovery of Penal Rent due to retention of officials residence	UJC Division, Sargodha	1,134,000
43	86	Undue financial assistance due to non revalidation of additional bank guarantee	UJC Division, Gujrat	6,137,000
44	87	Irregular award of work Rs 162.643 million involving loss of Rs 35.616 million	UJC Division, Jhelum	198,259,000
45	88	Loss due to tempering in record of	UCC Division, Marala	171,450
46	89	Non-recovery of fine	UCC Division, Marala	158,400
47	90	Un-reliable payment of Rs 9.856 million and excess payment of Rs 0.592 million	UCC Division, Gujranwala	10,447,701
48	91	Over payment of Rs 0.056 million and loss due to sanction un authorized extra item Rs 1.005 million	UCC Division, Gujranwala	1,060,922
49	92	Over payment due to non utilization of available earth	UCC Division, Gujranwala	613,644
50	93	Excessive release of withheld amount of	UCC Division, Gujranwala	264,706

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
51	94	Overpayment due to inadmissible item and excessive quantity of plaster	Small Dam Div., Jhelum	146,746
52	95	Irregular payment	Small Dam Div. Jhelum	179,644
53	96	Un-authentic stock balance and non-recovery/adjustment of stock account	Trimu Barrage Div, Trimu	20,342,000
54	97	Non-starting of work by the contractor and non-forfeiture of earnest money	UCC Div, Sheikhupura	240,000
55	98	Loss due to non-adjustment of manufacture account	Machinery Irrg. Div. Lahore	39,689,000
56	99	Un-authentic expenditure on repair of ghats	UCC Div, Sheikhupura	662,000
57	100	Overpayment due to incorrect payment for dressing	LJC Div, Rasul	131,000
58	101	Loss due to application of incorrect rate in estimate	LJC Div, Rasul	299,000
59	102	Un-authentic/doubtful payment on account of pay of work charge establishment	LJC Div, Rasul	2,616,000
60	103	Loss due to non- forfeiture of security deposit of the contractor	Khanki Headworks Div, Khanki	4,643,000
61	104	Loss due to abandonment of scheme Rehabilitation of Muzafargarh RD 6+785 to 370+700	Kot Adu Canal Division, Kot Adu	194,550,000

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
62	105	Overpayment due to non utilization of available earth	Khanwah DCC Division, Depalpur, Okara	396,796
63	106	Execution of below specification of work due to non establishment of laboratories for field test and compaction test	Khanwah DCC Division, Depalpur, Okara	18,422,000
64	107	Un-justified payment of work charge establishment without fulfilling Codal formalities	Khanwah DCC Division, Depalpur, Okara	343,428
65	108	Overpayment due to non utilization of available earth	Development Division IV, Faisalabad	712,617
66	109	Non-recovery of cost of stolen machinery from defaulter	Development Division IV, Faisalabad	462,000
67	110	Irregular expenditure due to non verification of executed deposit works by the client department / division	Development Division IV, Faisalabad	95,701,000
68	111	Non maintenance of Register of Plant and Machinery in Excavator Division Faisalabad	Development Division IV, Faisalabad	-
69	112	Overpayment due to non utilization of available earth-	Layyah Canal Division, Layyah	1,938,047
70	113	Overpayment due to non deduction of quantity of available earth	Layyah Canal Division, Layyah	1,384,000
71	114	Loss due to non vacation of encroached property	Kasur Division, DCC Kasur	1,808,000

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
72	115	Irregular expenditure	Drainage Division, Sargodha	121,624
73	116	Non-recovery of penal rent from the un-authorized occupant of government residence	UJC Division, Sargodha	345,600
74	117	Loss to Govt. due to use of rich specification -	Jampur Construction Division, D.G. Khan	15,462,076
75	118	Overpayment due to non-deduction of shrinkage -	Jampur Construction Division, D.G. Khan	335,993
76	119	Loss to Govt. due to use of rich specification	Construction Division, D.G. Khan	9,218,817
77	120	Overpayment due to non-reduction of the rate of the bricks of poor quality	Ahmad Pur Canal Division, D.G. Khan	170,251
78	121	Irregular Tendering due to Non-Advertisement on PPRA'S Website	Ahmad Pur Canal Division, D.G. Khan	16,409,000
79	122	Less-recovery of the installments of the Motor Cycles handed over to the Sub-Engineer on lease / ownership basis	Ahmad Pur Canal Division, D.G. Khan	337,480
80	123	Lapse of Funds due non-surrender on prescribed date -	Ahmad Pur Canal Division, D.G. Khan	8,820,000
81	124	Overpayment due to doubtful measurement	Tounsa Barrage Kot Adu	979,460
82	125	Overpayment due to non-deduction of shrinkage	Canal Division, D.G. Khan	149,735
83	2	Loss of revenue due to illegal construction of fish pond on right side of Q.B.Link in its start / fish shops and encroachment	Superintending Engineer Q.B Link Circle, Farooqabad	1,850,000

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
84	3	Loss due to illegal breach of canal -	Superintending Engineer Drainage Circle, Faisalabad	6,502,000
85	5	Loss due to non-deduction of GST and Income Tax	Executive Engineer, Store Division, Mughalpura, Lahore	2,703,000
86	9	Loss due to Theft of Vehicle	Superintendent Engineer, Mechanical Circle, Lahore	400,000
87	14	Loss due to non-forfeiture of earnest money (deposited amount)	Superintending Engineer, Mechanical Circle, Lahore	753,611
88	15	Irregular approval of non-schedule items and expenditure	Superintending Engineer, Mechanical Circle, Lahore	14,179,000
89	20	Overpayment of	Superintending Engineer Drainage Circle Sargodha	3,043,000
90	22	Loss to government due to sanction of incorrect higher rate	Superintending Engineer Drainage Circle Sargodha	802,989
91	23	Loss to government due to sanction of incorrect higher rate	Superintending Engineer Drainage Circle Sargodha	939,018
92	25	Excess Sanction of Estimate due to non-deduction of available quantity of earth	Chief Engineer Irrigation Bahawalpur,	501,284
93	26	Irregular award of work due to acceptance of tender to the 3rd lowest bidder - .	Chief Engineer Irrigation Zone, DG Khan	23,067,000
94	27	Excess payment due to incorrect lead for earth work sanctioned in RTS	Chief Engineer Irrigation Zone, DG Khan	26,134,000

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
95	28	Non-recovery of Abiana Tawan	Chief Engineer Irrigation Zone, DG Khan	1,016,855,419
96	29	Non-recovery of Income tax and sales tax on account of auction of buildings material .	Chief Engineer Irrigation Zone, DG Khan	1,540,220
97	30	Non-recovery of Account on installment of Motorcycles	Chief Engineer Irrigation Zone, DG Khan	6,129,000
98	31	Non finalization of pending inquiries	Chief Engineer Irrigation Zone, DG Khan	-
99	32	Non-recovery of outstanding dues	Chief Engineer Irrigation Zone, Lahore,	512,428
100	33	Irregular approval of estimate due to incorrect application of items of work having rich specification	Chief Engineer Irrigation Zone, Lahore,	19,461,000
101	34	Non clearance of outstanding cheques valuing	Executive Engineer, Rasul Division LJC M.B.Din	2,229,000
102	35	Irregular occupation of Government accommodation & Non-recovery of Penal Rent-	Superintending Engineer, Nili Bar Circle Sahiwal	328,000
103	36	Irregular Revalidation of Estimate	Chief Engineer Irrigation Zone Bahawalpur	3,718,286
104	37	Unjustified expenditure	Executive Engineer, Mankera Canal Division Adhikot Khushab	1,240,931

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
105	38	Undue financial aid due to non-obtaining of performance security	Executive Engineer, Mankera Canal Division Adhikot Khushab	3,274,000
106	40	Provision of Excess contingencies in the Estimate –	Chief Engineer, Irrigation Zone Multan	306,918
107	43	Non maintenance of Property and Assets Register and non accountal of T&P items worth million of rupee	XEN, Mankera Canal Division Adhikot Khushab	0
108	45	Un-justified Revision of Lead Diagram resulting in Extra Expenditure of	Chief Engineer Irrigation Zone Multan	2,580,704
109	46	Excess Sanction of Contingencies	Superintending Engineer Muzaffar Garh Canal Circle Muzaffar Garh	151,779
110	47	Undue Financial aid due to non-obtaining of additional Performance Security -	Executive Engineer, Rasul Division LJC M.B.Din	6,267,000
111	48	undue financial benefit due to not obtaining additional performance security - .	Executive Engineer, Rasul Division LJC M.B.Din	3,973,000
112	49	Loss due to non-auction of dry and fallen trees	Executive Engineer, Rasul Division LJC M.B.Din	700,000
113	51	Non-recovery of penal rent from the illegal occupants	Superintending Engineer Haveli canal circle Multan	0
114	52	Non-finalization of pending inquiries / water theft cases	Superintending Engineer Haveli canal circle Multan	0

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
115	53	Un-justified estimation	Development Circle Bahawal Pur	7,120,000
116	54	Un-justified provision of an item of work without its provision in PC-I –	Development Circle Bahawal Pur	7,120,000
117	55	Overpayment	Superintending Engineer Drainage circle Sargodha	5,426,615
118	56	Overpayment due to incorrect item –	Superintending Engineer Drainage circle Sargodha	894,365
119	57	Non-recovery deposit of income tax and sales tax	Superintending Engineer Haveli canal Multan.	3,469,000
120	58	Un-economical provision valuing -	Superintending Engineer LCC West Circle, Faisalabad.	1,121,679
121	59	Unjustified provision of item of work -	Development Circle Bahawal Pur	128,243
122	60	Excess estimation due to recommendation of in-admissible item of work –	Development Circle Bahawal Pur	2,494,850
123	61	Non-recovery of penal rent due to illegal occupation of government residence	Executive Engineer, B.S Link Division Lahore	0
124	62	Undue financial benefit due to non-obtaining of bank guarantee against mobilization advance	Superintendent Engineer Development circle, Lahore.	19,189,000
125	63	Un-justified expenditure due to violation of specification	Executive Engineer, B.S Link Division Lahore	99,690
126	64	Non credit to work	Superintending Engineer Drainage Circle Lahore	174,600

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
127	65	Non accountal of T&P articles	Superintending Engineer Drainage Circle Lahore	1,432,500
128	66	Over payment due to extra provision	Superintending Engineer Drainage Circle Lahore	1,243,347
129	67	Un-authorized provision	Superintending Engineer Drainage Circle Lahore	310,942
130	68	Irregular provision	Superintending Engineer Drainage Circle Lahore	4,337,460
131	69	Irregular payment	Executive Engineer, Flood Bund Division Narowal	262,009
132	70	Overpayment	Executive Engineer, Flood Bund Division Narowal	228,165
133	71	Likely overpayment due to excess sanction of compaction in TS estimate	Superintending Engineer Depalpur canal circle Lahore	810,749
134	72	Loss due to sanction of un-economical/higher rate -	Chief Engineer, Irrigation Zone Faisalabad	4,923,000
135	73	Excess expenditure of	Chief Monitoring PMIU, Irrigation Department Lahore	2,700,000
136	74	Un-authorized provision	Superintending Engineer Drainage Circle Lahore	4,764,219
137	75	Overpayment	Superintending Engineer Drainage Circle Lahore	203,057

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
138	76	Loss due to theft of water by tempering of outlets	Chief Monitoring of Project for Monitoring and Implementation Unit	46,540,000
139	77	Loss due to theft of motorcycles	Chief Engineer, Monitoring PMIU Lahore	240,000
140	78	Uneconomical provision involving overpayment	Superintending Engineer,	856,469
141	79	Non-submission of vouched account & sanctioned TSE	Superintending Engineer Machinery Circle, Lahore	64,766,000
142	80	Loss to Government due to excessive use of Mobile oil (Lubricant)	Superintending Engineer Depalpur canal circle Lahore	110,160
143	81	Non-recovery of Abiana	Superintending Engineer Depalpur canal circle Lahore	88,849,000
144	82	Overpayment of	Superintending Engineer Drainage circle Sargodha	894,365
145	83	Non-adjustment / Reconciliation –	Executive Engineer, Flood Bund Division Narowal	5,015,675
146	84	Loss due to extra provision of scrapping and paint	Superintending Engineer LCC East Circle, Faisalabad.	1,290,048
147	85	Extra provision	Superintending Engineer LCC East Circle, Faisalabad.	240,695
148	102	Irregular provision of extra allowance	Superintending Engineer Lower Jhelum Canal Circle, Sargodha	521069
149	103	Loss due to excessive lead	Chief Engineer Irrigation Zone Sargodha	17,205,789

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
150	106	Non-recovery of enlistment/renewal fee and professional tax	Superintending Engineer Thal Canal Circle, Mianwali	92,000
151	107	Over payment	Superintending Engineer Thal Canal Circle, Mianwali	2,471,335
152	110	Non-compliance of instructions by Executive Engineer, UTC Division Jhelum	Executive Engineer, UJC Jhelum	0
153	111	Non-recovery of cost on account of repair of tempered outlets	Executive Engineer, UJC Gujrat Division	130,002
154	112	Loss due to non-removal of encroachment on irrigation land	Executive Engineer, UJC Division Jhelum	0
155	113	Loss due to use of below specification stone million of rupees	Executive Engineer, UJC Division Gujrat	0
156	114	Loss due to theft of water	Executive Engineer, UJC Division Gujrat	0
157	115	Loss due to theft of stone	Superintendent Engineer UJC canal Jhelum	304,680
158	116	Loss due to non-disposal of tawan cases	Superintending Engineer, Canal Circle Jhelum	42,181,000
159	118	Less recovery of renewal fee from the contractors	Superintending Engineer UJC Circle Jhelum	94,900
160	119	Non-forfeiture of earnest money under clause-60&61 of the contract agreement	Superintending Engineer, Canal Circle Bhawalnagar	0
161	120	Non-finalization of Inquiries	Superintending Engineer, Canal Circle Bhawalnagar	0

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
162	121	Non accountal / receipt of T&P and scraped material	Superintending Engineer, Canal Circle Bhawalnagar	100,000
163	122	Non-recovery of Abiana and Tawan	Superintending Engineer, Canal Circle Bhawalnagar	666,797,000
164	123	Non-recovery of water charges	Executive Engineer, Islam Headworks Division Pallah	128,636,000
165	126	Non-completion of work	Executive Engineer, Islam Headworks Division Pallah	715,549
166	127	Overpayment due to incorrect application of rate	Executive Engineer, Islam Headworks Division Pallah	293,539
167	132	Non-recovery of electricity charges	Executive Engineer, Bhakkar Canal Division Bhakkar	567,950
168	133	Irregular Purchase involving overpayment	Superintending Engineer Development Circle Sargodha	34,204,000
169	135	Overpayment	Superintending Engineer Development Circle Sargodha	211,000
170	136	Loss of million due to non-completing the work at Risk and Cost (ii) Non forfeiting of Security deposit 654.031 & 65.39	Superintending Engineer Development Circle Sargodha	719,421,000
171	137	Non-recovery of outstanding dues	Superintending Engineer, Mailsi Canal Circle Multan	20,294,920

S.No	PDP	Subject	Name of Division/Formation	Amount (Rs)
172	140	Non-recovery on account of Tawan	Superintending Engineer, Mailsi Canal Circle Multan	1,148,955
173	141	Irregular sanction of work	Superintending Engineer LCC East Circle Faisalabad	793959
174	142	Overpayment due to conveyance allowance	Superintending Engineers Development Circle Sargodha	148,800
175	143	Un-authentic expenditure	Superintending Engineers Development Circle Sargodha	379,900,000
176	144	Non-recovery of enlistment / renewal fee	Chief Engineer Irrigation Zone Sargodha	3, 63,375
177	202	Irregular technical sanction due to non-obtaining of administrative approvals	LBDC Circle Sahiwal	22,508,516
178	13	Non accountal of unspent amount of deposit work.	Mughalpura Irrigation Workshop Lahore	22,491,000
179	244	Overpayment due to incorrect rate.	Canal Division D.G. Khan	102,107
180	214	Overpayment due to payment of excessive carriage of stone.	Jampur Construction Division D.G. Khan	750,765
181	30	Loss to government due to less recovery of renewal and enlistment fee.	Irrigation Research Institute Lahore	148,000
182	38	Non-deduction of Income Tax on account of purchase of 12 gauge pump actions shotgun and bullets.	XEN Central Store Division Lahore	718,419
183	222	Overpayment due to incorrect price variation.	Construction Division D.G. Khan	259,292

Annexure-1/D: Daanish Schools and Centers of Excellence Authority

S.No.	PDP No.	Subject of Para	Amount (Rs)	Name of Division
1	9	Overpayment due to allowing the extra rate	314,569	PD, Daanish School (Boys & Girls), Hasilpur
2	26	Overpayment due to allowing excess rate	83,038	PD, Daanish School (Boys), Chishtian
3	27	Overpayment due to non-utilization of available earth	156,016	PD, Daanish School (Boys), Chishtian
4	28	Overpayment due to allowing price of steel at incorrect rate	178,648	PD, Daanish School (Boys), Chishtian
5	47	Non-deduction of Income tax	78,525	DCO, Attock
6	51	Loss due to approval of non-BOQ rates	1,465,477	DCO, Attock
7	52	Loss due to approval of non-BOQ rates	1,464,328	DCO, Attock
8	55	Overpayment due to higher rate of steel	222,944	PD, Daanish School (Girls), Hasilpur

ANNEXURE-2: COMMENTS ON INTERNAL CONTROLS

Internal Control is an integral process that is effected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved:

- executing orderly, ethical, economical, efficient and effective operations;
- fulfilling accountability obligations;
- complying with applicable laws and regulations;
- safeguarding resources against loss, misuse and damage[11].

Audit results depicted that the Management of the auditee departments/authorities of the Government of the Punjab could not ensure the enforcement of adequate Internal Controls within their organizational set up.

If last three Audit Reports are analysed, it can be seen that the same audit observations have come up again and again over the period. This is mainly either because of deficiencies in the design or ineffective exercise of the prescribed Internal Controls. Following were the major deficiencies in the design of controls:

- 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 operating effectiveness of the departments/authorities' internal controls over time.
- The absence of an internal process to report deficiencies in internal controls to the management on timely basis.
- Non- existence of an Independent Internal Audit Wing within the auditee departments/authorities.
- Failure by management to assess the impact / significance of deficiency previously communicated by auditors.
- Lack of accountability process.

[11] INTOSAI GOV 9100 "Guidelines for Internal Control Standards for the Public Sector"

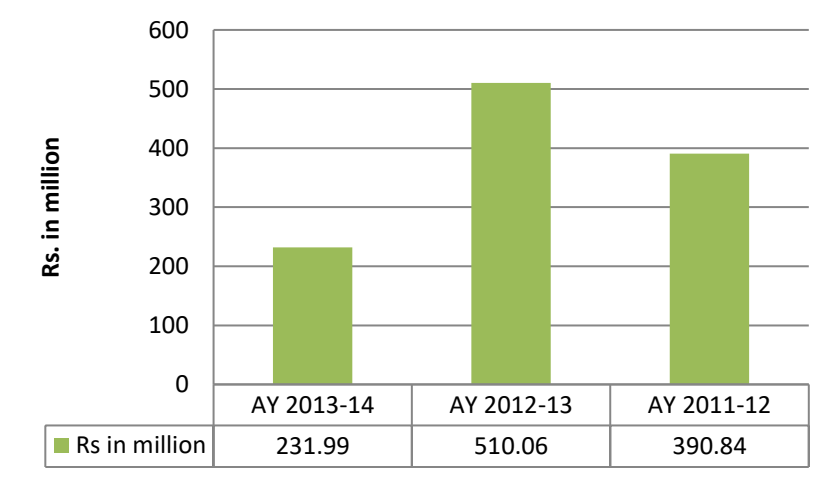
Major observations, which are recurring over time, are as follows:

- Undue financial benefit due to not obtaining of performance and additional performance security/bank guarantee to cover public risk.
- Overpayment of escalation of materials due to incorrect base / current rates.
- Overpayment either due to violation of the JMF or in the absence of JMF.
- Overpayment due to non-utilization of available materials.
- Loss due to non-recovery of Risk & Cost charges.
- Overpayment due to incorrect measurement.

The above mentioned major deficiencies in internal controls and audit observations require serious attention of the management to take corrective measures at the earliest so that such types of internal control deficiencies could be minimized in future.

The following sub-annexures, highlight the financial impact of the lack of internal controls in selective areas.

Annexure-2/A: Non-obtaining of Performance and Additional Performance Security



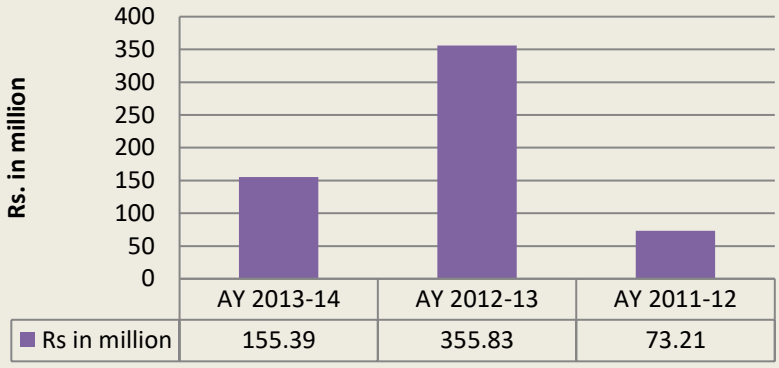
From the above chart it is evident that instances of non-obtaining Performance and Additional Performance Security from the contractors took place but the Departments did not take corrective measures for improving their supervisory controls to safeguard the public interest.

Such errors have been recurring because of not completing the contractor ledger by the accounting staff and non-adherence to the agreement provision on the part of departmental officers in particular and by the contractors in general, resulting in undue financial benefit to the contractors at the cost of public interest. This is because of weak supervisory and financial controls of the Management.

This lapse involves a potential risk because in case of contractor's defaults, the Department has nothing in form of security to fall back upon and has to spend extra money to complete the project.

The PAOs need to ensure that the agreement clauses regarding provision of performance/additional performance bank guarantees are obtained to safeguard the public risk involved in the case of contractor's defaults. PAOs also need to ensure that the contract ledgers are completed in all formations. Moreover, as the audit is based on test sample basis, it is the responsibility of the relevant PAO to ensure that performance/ additional performance security (where applicable) is obtained from the contractors in all the formations under his jurisdiction.

Annexure-2/B: Application of incorrect base /current rates of materials

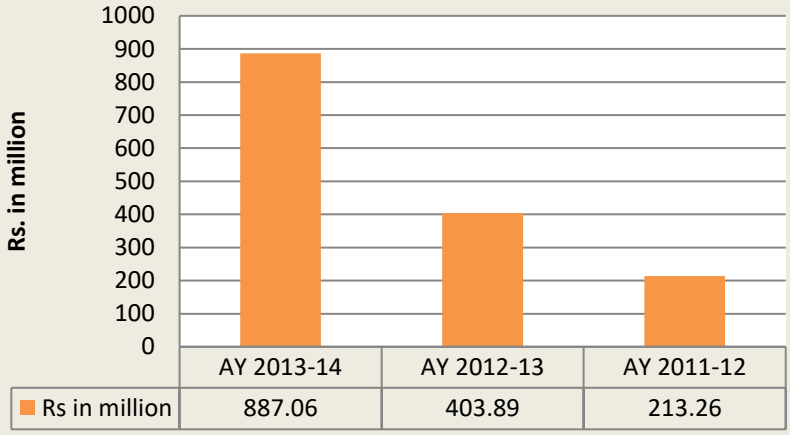


Instances of application of incorrect base/current rates for the purpose of calculation and payment of price variation on inadmissible items causing loss to the government on regular basis over the years.

This was mainly because of weak supervisory and financial controls and ineffective exercise thereof by the managers/departmental officers resulting in overpayments of millions of rupees as indicated above.

The PAO of the department needs to devise such a mechanism that the updated information relating to rates is timely available to the executives of all the formations. As the audit is based on test sample basis, it is the responsibility of the relevant PAO to ensure that the prescribed internal controls are put in place effectively and accountability process is strengthened after fixing responsibility upon the officers concerned.

Annexure-2/C: Non-adherence to Job Mix Formula (JMF)



Instances of making unjustified payment to contractors without obtaining Job Mix Formula (JMF) from Roads Research and Material Testing Institute, Lahore or on actual usage of bitumen is causing loss to the government on regular basis over the years.

This was mainly because of weak supervisory and technical controls and ineffective exercise thereof by the managers/departmental officers resulting in overpayments of millions of rupees as indicated above.

The PAO of the department needs to devise such a mechanism that no payment should be made to the contractors without obtaining Job Mix Formula (JMF) from Roads Research and Material Testing Institute, Lahore. Moreover, as the audit is based on test sample basis, it is now the responsibility of the relevant PAO to ensure that the prescribed internal controls are put in place effectively and accountability process is strengthened after fixing responsibility upon the officers concerned.