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PAKISTAN

WATER AND POWER DEVELOPMENT AUTHORITY

INTERNAL AUDIT DIVISION MANUAL

VOLUME 4

AUDIT PROCEDURE - AREA ELECTRICITY BOARDS (AEBs)

SECTION : I

Administration

CHAPTER : 1-General Services - Audit Procedure

ISSUE NO. I DATED May, 1989

PREPARED BY

INTERNAL AUDIT DIVISION

WAPDA/USAID POWER DISTRIBUTION PROGRAM

FINANCIAL WORK PLAN TASK 27:10

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a

Audit Procedure

General Services

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BEST AVAILABLE DOCUMENT

1. Introduction

Before an auditor may be expected to complete a satisfactory audit, he first must develop a proper audit program and prepare the necessary working papers. If the program has been developed by others, he must be trained in its use.

a. Guide for Auditor

The audit procedures outlined herein are designed to guide the auditor in performance of a regular audit of General Services. Any improvements to these procedures should be referred to your supervisor for consideration.

The details indicated and areas covered are NOT considered all-inclusive. They do, however represent the basic audit consideration and coverage. The particular circumstances surrounding each audit will determine the extent, if any, of the expansion of these areas.

This audit procedure is in two volumes. 1.) the procedures, and 2.) the auditor's checklists and questionnaires. The procedures are to be used on subsequent audits, whereas the checklists, and questionnaires will stay with the working papers and be filed in the regional office for future reference until the retention period expires.

This procedure has been developed to cover audits in most formations within WAPDA. Many of the procedures included will probably not apply to an operating division or other small formations, since some of the items covered are not under the control of the Local Manager.

After the auditor has reviewed the formation being audited, he should have no trouble determining the auditable functions, however being familiar with the overall program will alert him to look for auditable functions that he might, otherwise overlook under normal circumstances.

b. Suspicion or Discovery of Fraud

Should fraud be suspected, or disclosed, the auditor must develop a program, Agreeable to Management, for the discovery of the facts and the determination of the amount.

Caution must be exercised so that confidential matters are handled discreetly. No accusations are to be made and no commitments, obligating WAPDA to any kind of settlement, are to be entered into.

c. Discussion with Local Personnel

It is essential that local supervisory personnel have an opportunity to comment upon the auditor's preliminary findings and proposed recommendations, and that their remarks be appropriately summarized in the audit report.

Discretion must be exercised in discussing confidential and/or sensitive matters with various local personnel.

Local personnel, having more intimate knowledge of local conditions, frequently can shed additional light or provide additional facts having an important bearing on the particular matter. This discussion has the following advantages:

Verification - Can establish validity and acceptance of findings and recommendations.

Protection - Can avoid inclusion of misdirected conclusions. Can prevent unnecessary additional investigation.

Cooperation - Can make a good working relationship. An important factor in effective auditing.

d. Audit Report

Before the auditor prepares the audit report, he should review chapter XVI preparing Audit Reports of Volume 1 of the Internal Audit Division - Audit Manual.

The auditor-in-charge has the responsibility to draft the final audit report and forward to the Reports Section at the Deputy Chief Auditor's office.

e. Organization

The auditor must be familiar with the orgainzation he is to audit. The position descriptions of the members of the organization should be reviewed to understand each employee's duties and responsibilities.

Each formation should have assigned the following duties to an employee within the organization or the Manager has accepted the duty himself:

- Leasing, re-leasing and vacating all types of buildings including complaint offices, customer service centers and area offices (sub-divisions are included)

- Assures repairs and maintenance of all buildings within the formation.

- Procurement of office furniture and equipment using approved purchasing procedures.

- Mantains records of office furniture and equipment.

- Recommends replacement of obsolete and unserviceable office furniture and equipment and prepares purchase documents for approved replacements.

- Ensures the service and repair of office equipment.

- Consolidates the formation's requirements for stationery and obtains, using approved purchasing procedures.

- Obtains authorized telephone service and telex system and insures equipment is properly maintained.

- Coordinates the maintenance and repairs of vehicles and monitors the repairs performed by outside workshops or WAPDA's central repair shop in a timely manner.

- Monitors the operation of the formation's vehicles to maximize vehicle utilization.

f. <u>Policies and Procedures</u>

The auditor must be familiar with the policies and procedures that govern the organization he is to audit. He must review these to assure they are on hand, up-to-date and understood by the employees. Any recommendation to change any policy or procedure should first be discussed with the auditor-in-charge who will seek instructions from the Senior Audit Officer in-charge of field auditors or the Deputy Chief Auditor.

<u>WAPDA's "Book of Financial Powers, 1977"</u>

This book should be with the auditor while performing this audit for ready reference.

WAFDA's "Compendium of Important Directives/Office Orders Issued by the Authority From 1st July-1976 to December-1986.

Chapter 11 covers "Estates & Services" and the auditor must be familiar with its contents. A copy should be at the formation being audited for the auditor's use, however if no copy is available the auditor should secure a copy.

2. Building, Roadways, Parking Areas and Grounds

a. Outline of Subject

Ownership and/or leasehold interests in buildings require many activities to protect and preserve such physical properties and to provide essential day-to-day services to effectively utilize the properties in the conduct of WAPDA's business.

Such activities fall into two (2) categories -- operating and maintaining, all of which comprise a building management program. It should be a common practice for managers of buildings to segregate expenses incurred as follows:

1. Cleaning
2. Depreciation
3. Taxes
4. Insurance (If applicable)
5. General expenses
6. Air Conditioning
7. Alteration, repairs and maintenance
8. Electric facilities
9. Heating facilities
10. Plumbing facilities
11. Elevators (If applicable)

The responsibility for planning and supervising the activities comprising such a program may be centralized or decentralized. Furthermore, the scope of the program and the relative importance of each activity will vary depending on types of structures and their occupancies and the economic values of the properties.

With respect to manpower, service personnel may be WAPDA's employees and/or employees of contractors having varying skills, some who normally and customarily perform their work assignments with little or no on-the-job supervision and some who have direct on-the-job supervision.

This audit procedure is to serve as a guide in making an audit and appraisal of some of the common activities and services included in a building management program.

b. Objectives of Audit

The objectives of this audit are:

- To determine that investments in owned and/or leased buildings are safeguarded through adequate, effecient and economical building management; and

- To bring to attention those conditions for which corrective actions should be taken.

To accomplish these objectives, the auditor will, to the extent deemed necessary, review and appraise accounting practices and records, determine that the building management program meets the requirements of sound business practices and WAPDA's formulated policies and compile factual data to evaluate performance.

c. Principles and Practices

Audits are to be scheduled for formations within an AEB/Region on a yearly basis, except where conditions require more frequent visits. As is the practice with other operational audits, it will be necessary to review records of payrolls, cash receipts and disbursements, materials and supplies, accounts receivables, plant and property, contracts and insurance, but ONLY to the extent necessary to compile data pertinent to this audit.

Before making this audit, the auditor must be familiar with the contents of WAPDA's "Book of Financial Powers, 1977" and chapter-11 Estates & Services of WAPDA's Compendium of Important Directives/Office Orders Issued by the Authority.

The first audit of a formation should require more of the auditor's time, since he will be required to search the records to compile the necessary information required to prepare a listing of buildings and structures and the pertinent information. This information will be retained in the auditor's working papers and can be utilized for subsequent audits and will only require an update.

Only the most common activities and services comprising a building management program are included in the scope of this audit procedure, these being (1) Operating and Maintaining, (2) Utility Services, (3) Security and Safety, and (4) Allocation/Occupation of Office Space.

d. Buildings Leased by WAPDA

Since a large percentages of the buildings that house WAPDA's employees, both residence and non-residence, the auditor must be familiar with WAPDA's leasing policy.

Enclosed in this procedure as Annex B is a copy of WAPDA's Lease Agreement Form. The procedures governing the various lease arrangements are to voluminous to include in this manual, however Chapter-11, Estates & Service addresses them. The Authority may have issued additional instructions from time-to time, which also should be considered in the auditor's review.

e. Operating and Maintenance

Includes cleaning services, scheduled and non-scheduled maintenance, alterations and repairs to buildings, roadways, parking areas and grounds, including appurtenances thereto, such as heating, air conditioning, electrical and plumbing systems, and elevators.

This section of the audit procedure is sub-divided into five parts: (1) General, (2) Scheduled Work, (3) Non-Scheduled Work, (4) Materials and Equipment, and (5) Security and Safety.

The civil works department of each AEB/Region is normally responsible for scheduled repairs and maintenance of WAFDA owned buildings, therefore the formations in the AEB should only be required to complete minor repairs and be responsible for the cleanness of their assigned property.

The scheduled, non-scheduled repair and maintenance of hired buildings are to be carried out according to the terms of lease agreemnt.

The auditor should determine the conditions that exist at each formation being audited and apply the audit functions required.

1. General

- Prepare a list of all office and residental buildings and structures to be included in the audit from the "Register of Lands and Buildings."

  - o Identification, address, ownership and a brief description of the functional purpose of the Land, buildings and/or structures.

  - o Age and book cost, if owned, or terms of leasehold rights and rental considerations, if occupied under lease, tax valuation and insurance coverage (if applicable) for each facility listed.

  - o Names of tenants who occupy space with or without a lease agreement, rental consideration and terms of occupancies.

- The auditor should determine what specifications have been established to maintain standards with respect to preventive

maintenance of the building and appurtenances thereto, safety, appearance, lighting, space utilization and equipment (fixed, mobile and portable) in accordance with WAPDA policies.

- To the extent possible, the auditor should also determine if such standards are being complied with and whether they are adequate for current conditions. If specifications and/or standards have not been established, the auditor should give consideration to the need and extent of appropriate recommendations.

- Review manpower to determine (a) whether building operations and maintenance group is over or undermanned and (b) whether there are recurring activities and/or conditions which require a temporary increase or decrease in the number of such employees. If item (b) conditions have been experienced, and if significant, make inquiry as to the reasons.

- Review property acquisitions and retirements (structures and their appurtenances) to determine if they were properly authorized and recorded on books of records.

- Consideration should be given to each item of real property (buildings and their appurtenances) to determine if it is used and/or useful in the conduct of WAPDA's business. In so doing, it may be desireable to determine the annual cost of one or more facilities.

- Determine whether office furnishings are compatable with needs and WAPDA's policies; whether the allocations of floor space are consistent with WAPDA's policy; and whether areas are effectively used, taking into account too little or too much space.

The allocation of space for employees may be an area that auditors may over look since most WAPDA employees accept over crowded conditiuons. WAPDA management want their employees to have the best working conditions available, therefore, crowded conditions should not be allowed to continue in most cases. Some good planning can no doubt eliminate many unsatisfactory situations.

- The auditor should determine the frequency and need of rentals of off-premise facilities.

- Review current practices with respect to requesting services of building operations and maintenance personnel for routine and special work. For example, are such requests channeled through a control office for assignments and scheduling by a supervisor, and are such requests promptly assigned and completed?

- Determine if supply rooms for on-the-job cleaning supplies, tools and equipment are adequately equipped and strategically located in each building.

- Review each lease agreement to determine whether all stipulations are being fulfilled by the parties thereto; and determine if rental considerations are proper.

2. <u>Scheduled Work</u>

The auditor should determine that:

- Preventive maintenance work is current with schedule, that costs are proper and that records thereof are adequate and up-to-date.

- The quality of cleaning within buildings and surrounding outside areas.

- Proper safety precautions are taken to prevent injuries to service personnel and others who may be in an area where work is being performed.

3. <u>Non-scheduled Work</u>

The auditor should determine:

- That orders for repairs and alterations were properly authorized before work was performed.

- That engineering plans and cost estimates were prepared for major projects and that actual costs were proper for the work performed.

- That contractors met all requirements of WAPDA with respect to performance bond and insurance.

- That adquate cost records of contractor's billings under lump sum and/or unit cost contracts, and for billings for extra work were maintained.

- That contractor's billings for labor and equipment rentals were in accordance with the contract agreement.

- That final project cost was properly recorded in records of account.

- That retirements from plant accounts, if any, were properly stated and recorded.

4. <u>Materials and Equipment</u>

- With respect to materials, the auditor should determine:

  - That purchases are made in economic lots.

  - That unit balances of items in inventory are maintained within prescribed and/or reasonable limits.

  - That storage, inventory and disbursing facilities, methods and controls are adequate.

  - That pre-charged stocks of supplies are kept at reasonable levels.

  - That proper controls are maintained for income derived from sales of waste paper and other scrapped materials.

  - That periodic reviews are made to clear obsolete and/or excess materials from inventory, and that the sales of such materials are properly accounted for and recorded.

- With respect to tools and work equipment, the auditor should determine:

  - That tools and work equipment meet safety specifications.

  - That replacement costs of hand tools and small power tools, due to loss and breakage, are not excessive.

- o That an inventory and/or charge-out control is in effect for tools and work equipment.

  Tools and plant items loaned to employees are to be recorded on a "T&P Receipt & Issue Register." The auditor should review this register and ascertain that it is being properly maintained.

- o That a preventative maintenance program is in effect for portable and mobile power tools and equipments.

- With respect to electrical and mechanical equipment in buildings, the auditor should determine:

  - o That parts lists are available for ordering equipment replacement parts.

  - o That inventory of replacement parts, if any, does not include excessive quantities and obsolete items.

  - o That performance with respect to contracted servicing and inspection of equipment is in accordance with service agreements and is satisfactory.

e. <u>Security and Safety</u>

Includes services, such as property patrols, trespassing and fire alarm systems, devices to prevent fires and housekeeping to protect WAPDA's property and personnel from outside or inside factors which could create causes of damage.

With respect to safe practices, the auditor should determine:

- That regular inspections are made to eliminate conditions which may cause fire and/or explosions.

- That fire fighting equipment is inspected and serviced in accordance with specifications and WAPDA's procedures.

- That pressure vessels (boilers) are inspected regularly. (If applicable)

- That some areas may need better ventilation.

- That no water seepage conditions exist.

- That plans have been made to evacuate buildings in event of disaster and that the plans are practiced. (in large facilities)

With respect to security measures, the auditor should determine:

- That guards are sufficient to protect the property and that the method to check the guards to determine if they are performing satisfactorily is adequate.

- That unauthorized persons are not permitted to enter yards and buildings and an entrance record is being maintained where applicable.

- That authorization or passes are required for removal of tools and equipment from premises.

  If employees are permitted to use facilities and/or tools or equipment a control system should be established.

- That unauthorized vehicles (cars, trucks, motorcycles, scooters and bicycles) are not parked on WAFDA's property.

- That keys and combinations to storerooms, tool cribs (rooms), and other storage areas with items of high temptation value are limited to authorized personnel.

- That keys are picked up from terminated employees and contractors.

- That locks and combinations are changed when changes in personnel and assignments are made for sensitive areas.

- That master keys to building entrance doors can not be used to gain access to areas where items of great value are stored.

- That yard fencing and gates are adequate and in good repair.

- That the gate locking schedules are adhered to applicable time tables.

3. ALLOCATION/OCCUPATION OF OFFICE SPACE

General Manager, Administration has prescribed the following yardstick for the allocation of space in WAPDA House:

S.No	Designation	Space in Sq.ft	
1.	General Managers	552	} Alongwith P.As.
2.	Chief Engineers	276	}
3.	Officers in BPS-19	130	
4.	Officers in BPS-17-18	92	
5.	Draftsmen	80	
6.	Remaining Staff	62	*

* Five employees will be accomodated in a bay of 276 sq.ft giving an average of 55 sq.ft per employee, including records.

To avoid wasting space, it has also been decided that:

- All old obsolete and unwanted office records should be reviewed periodically to clear offices from unnecessary cluttering of waste paper and the same should be disposed of or destroyed in accordance with the standing instructions of the Authority.

- Office furniture should be in accordance with the standard scale prescribed by the Authority; old and gigantic tables should be done away with.

Even though the above covers the allocation of space in WAPDA House, the guidelines should apply through-out WAPDA. Since auditors have the advantage of visiting other offices in the course of their duties, they will be able to detect unsuitable situations and recommend solutions.

The areas an auditor should concern himself with are outlined hereunder:

- Is the office over crowded?
  An over-crowded office does not necessarily mean that the proper space is not available. The first item to detect is that records are not being retained after the retention period.

  A supervisor may be occupying larger space than required, when a smaller area may satisfy his needs and the larger room could be utilized more efficiently.

The over-crowded situation could be a temporary condition and will correct itself. If the auditor can recommend changes that will correct the problem, he should prepare a sketch to support his recommendations.

- Is the office space under utilized?
  The auditor should research the possibility of combining functions of WAPDA to utilize all available space.

  Future plans for the facility should be considered before recommending any changes.

The auditor must keep in mind that his goal is not to increase WAPDA's office space cost unless the situation is extremely unsuitable, but to utilize available space and hopefully reduce WAPDA's cost and provide the best suitable conditions for WAPDA's employees.

In addition to utilization of office space the auditor should evaluate the office layout, which means the arrangement of furniture and equipment. A proper layout increases efficiency, improves utilization of floor space, enables better supervision, better communications, better use of office equipment, and increases the worker's comfort and morale.

Some of the areas the auditor should consider in his evaluation of the office layout are:

- Flow of work should result in minimum movement of documents and employees.

- Floor space should be free of obstacles to allow free movement and the least interruption to other employees.

- Office equipment should be placed in the best possible area so as not to disturb other employees while in use.

- Office furniture should be arranged to allow as much work area as possible and seating arrangements should not allow the employees to face each other unless the work requires such an arrangement.

- The availability of natural and artificial light as well as heating and ventilation must be considered in arrangement of an office environment.

- Good house-keeping should be evident as well as the appearance of the office should be as pleasant as possible.

- Visitors to an office should be controlled as much as possible so as not to interrupt the working environment.

- A sign-out procedure may be required in certain offices to control the movement of employees.

- An evaluation should be made as to the control of office supplies such as mini stores being created by offices within a complex or employees within an office.

- Destruction of confidential documents should also be observed.

- Filing of records should be observed for various reasons such as a.) indexed according to the Authority's policies b.) easy access to authorized employees c.) unavailable to unauthorized employees d.) maintained according to the retention policy, and e.) filed neatly for easy access and to prolong the life of the documents.

- Each office will require certain policies and procedures to be on file according to the function of the office (Example: An administration office would require all policies and procedures pertaining to the administration function.) The auditor should determine what is required and verify that they are available to the employees. (Policies and procedures that are maintained in the supervisor's office are not normally readily available to the other employees).

- Safety in an office is normally not considered a problem to most employees, when infact many accidents do occur in this environment. The auditor should determine what safety instructions should be displayed and verify they are posted. A review of the accident file could reveal if the office has experienced any accidents. Employees should also have a method of reporting unsafe conditions that will result in appropriate action.

- Security is always a problem in an office environment because of the furniture, equipment, files and supplies available. The auditor should evaluate the security controls practiced during working hours and when the offices are vacant.

- Each office complex will have a person assigned who is responsible and a large complex will be sub-divided

into areas of responsibilities. There should also be a chain of command established to manage the complex. The auditor should verify that a chain of command has been established and a method of contact available to the security in cases of security breaches, fire and other unnatural acts.

4. CONTINGENT EXPENDITURES

a. Definition

Contingent expenditures comprises those charges which are incidental to the management of an office "as an office" and include the cost of stationery, postage, telegram charges, furniture, advertisements, office rent, books and periodicals, charges on account of hot and cold weather, contingent establishment, liveries, repairs to furniture, taxi hire on duty connected with the office and other similar petty charges.

WAPDA's "Book of Financial Powers, 1977" covers powers for these expenditures.

b. Outline of Subject

Contingent expenditures, as the definition indicates, are the expenditures to operate an office. Most of these expenditures will be found at any office within the WAPDA organization. The size of the office alongwith the function of the office will dictate the volume required.

Because of the nature of these expenditures and the overall cost to WAPDA, the Authority has established many policies, procedures and records as a means to control their costs.

c. Objectives of Audit

This audit procedure is to serve as a guide in making an audit and appraisal of some of the common activities and services included in the contingent expenditure program. The auditor is to assure management that:

- Proper control exists over purchase, recording and usage of these supplies and services.
- Costs to others are recovered to WAPDA's account.

d. Principles and Practices

Before the audit is started, the auditor should be familiar with the policies and procedures that cover each activity involved. He should also be familiar with the duties and responsibilities of the employees involved in recording, verifying and approving the expenditures.

(-. Review of Records:

The auditor should review the relevant accounts to obtain the necessary information regarding purchases and payment of services. Certain registers may be maintained at the sub-divisions which would require a review by the auditor.

He should issue:

- Verify that proper budget provisions existed for the expenditures.

- Verify that purchases are supported by sanction of proper authority.

- Comparative statements are on record, if required.

- Purchase agreements are executed according to the terms.

The guides for audit of the various supplies, equipment and services as listed below are further detailed in this audit procedure:

- Stationery
- Postage
- Library Books
- Consumable Items
- Liveries
- Telephone
- Utility Services

0 Stationery

Stationery requirements are satisfied through the Central Stationery Stores. Annual requirements are forecasted and forwarded to the Director, Central Stationery Office.

When an item or a group of items are not available at the Central Stores, a non-availability certificate can be obtained from the Central Stationery Office to the effect that the desired type and quality of stationery in question cannot be supplied from the stock in the desired time.

No such certificate shall be required in urgent cases and purchases from the open market can be made according to the nature of powers.

The following steps are required to procure stationery from the market:

- A non-availability certificate is obtained from the Central Stationery Stores.

- Budget provisions are certified.

- Sanction for the purchase is obtained from the competent authority (Refer to Book of Financial Powers, 1977).

- Competitive prices are obtained by a survey of the market and the purchase is made.

- The purchasing officer records a certification on the purchase document to indicate the amount paid for the quantity and quality are the lowest.

- Payee's receipt is obtained and properly recorded.

- Register of Stationery

Each office is required to maintain a register of stationery which shows the quantity of various items received, issued and the balance. Each item is allocated a separate column in the register.

Each page should have a column for date, source of receipt to whom issued, items (one column for each item) and the signature of the recepient. The balance at the end of a month is physically verified by the officer incharge and the result of verification recorded therein.

Each issue is supported by a requisition and each requisition should be properly authorized by the supervisor or administrative officer and supported by an acknowledgement of the recipient of the stationery.

o Postage

Each office in the WAPDA organization will probably be required to purchase postage stamps for outgoing mail. In order to control this large expenditure a register of postage stamps will be maintained with all the particulars.

- Register of Postage Stamps

Each page of the register provides columns for dates, names of office or person to whom the mail is forwarded and the address. The register will also indicate its contents, such as letter number and date, and the cost of postage for each piece of mail.

When postage stamps are purchased, the cost will be entered in the register and each day's usage will be deducted to indicate the balance on hand. At the end of each month the register will be authenticated by a responsible person and he will conduct a physical verification of stamps on hand and record a statement to that effect, listing for appropriate action on the discrepancies, if any.

o Library Books

The Authority has authorized certain level of management to purchase the following:

- Technical Publications
- Reports
- Specifications and Maps
- Technical Books
- Other Books to Facilitate Office Business

The Central WAPDA Library, Lahore should be utilized as much as possible.

When books are purchased they shall be brought on the "Register of Libary Books" and maintained properly.

- Register of Library Books

Each office that maintains a libary is required to maintain a Register of Library Books. A separate page is maintained for each type of book and the purchases are recorded. When the books are issued, the date and employee's name is recorded and when returned the date will be entered. If the book is not to be returned a reference to charge-off should be completed.

A periodic inventory of the library should be performed and recorded in the register. Evidence of follow-up action for return of material should also be available.

o Consumable Items

Consumable items are sanitation items, crockery, electric bulbs, tube lights, switches, etc., and each office will maintain a "Register of Consumable Items."

- Register of Consumable Items

Each office is required to maintain a Register of Consumable Items and record all items which are considered consumed when put in use.

Each item should be recorded on a separate page and each page should have a column for date, quantity received, quantity issued for consumption, balance and the signature of the recepient.

Each issue is supported by a requisition and each requisition should be properly authorized by the supervisor or administrative officer and supported by the acknowledgement of the recipient.

o Liveries (Uniforms)

WAPDA has agreed to furnish uniforms at a prescribed scale and cost to certain categories of employees, such as security guards, sub-station attendents, linemen, etc., and each office will maintain a "Register of Liveries".

In certain cases, the cost of liveries will be paid as part of the employee's salary.

- Register of Liveries

Any office that supplies liveries should maintain a register which shows the particulars of issues to the entitled employees.

Each page should have a column for date, name of employee the uniform is issued and the signature of the employee receiving the issue. Separate pages should be maintained for each category of employees entitled to uniforms and the criteria laid down by the Authority should be noted for guidance.

o Telephones

Telephones may be the most abused service WAPDA furnishes. Therefore, strict control has to be maintained to minimize this cost. For this purpose a "Telephone Register" will be maintained for each office. Certain monetary limits have been prescribed for office and residential telephones.

Each office should have on file a record of sanctioning each telephone which the auditor should verify. He should also determine that each telephone is working or a request is evident for its repair. (The office could be paying for service they are not provided.) He should also verify that excess over prescribed limit is recovered from the user.

- Telephone Register

A Telephone Register must be maintained for recordation of all trunk calls (long distance calls). Each page should have columns for dates, time the call was made, telephone number called and the station, along with the purpose of the call. The signature of the person making the call with reference to recovery of personal call charges. The signature of the person that possess control over the phone will also be entered on the register.

At the end of each month, a summary is prepared showing the various types of charges included in the billing. The invoice will show the date it was received and the person responsible for its verification will approve. A reference to the payment voucher and cheque number and its date will be recorded on the invoice. Recoveries in excess of prescribed limits should also be on record.

- Utility Services

Utility services include supply of water, gas and electricity. These types of services are metered to determine the cost and a "Register of Utility Services" is maintained to control the costs. The auditor should verify that the meters are in fact working or that evidence exists that repairs have been requested.

- Register of Utility Services

Separate pages of the register will be maintained for each type of service. Each page should have columns for dates, reference to meter readings, consumption during the period, cost of consumption, allocation of costs and reference to payment voucher and recovery of certain cost from individuals.

5. OFFICE FURNITURE AND EQUIPMENT

The audit of office furniture and equipment will cover the procurement, its maintenance and repairs, recording, depreciation, inventory and disposal.

For the purpose of this audit, office furniture and equipment includes:

- Chairs
- Tables
- File Cabinets
- File Racks
- Drawing Instruments
- Typewriters
- Space Heaters
- Curtains & Rugs
- Cleaning Equipment
- Water Coolers
- Bicycles
- Reproduction Machines
- Personal Computers
- Calculaters
- Air Conditioners
- Refrigerators
- Fans
- Others

The auditor should secure the T&P Register and become familiar with its contents. The titles of the items listed should be according to accepted practices.

Special attention must be given to hiring of office furniture and special tools and plant since the Book of Financial Powers, 1977 states the following:

> " Hiring of office furniture and special tools and plant shall ordinary be avoided and the period of hire shall be restricted to six months within which office furniture/special tools and plants shall be purchased if required for longer period and the hired articles returned. Where, however, the period of hire exceeds six months but not twelve months, approval of the next higher authority shall be obtained."

The auditor-in-charge will determine what items are to be inventoried, keeping in mind that all costly items should be verified that they actually exist. Items inventoried during the last audit should also be considered in the selection. During the audit of inventory the auditor will make note of its condition and determine if repairs are needed to prolong its life or should the item be disposed.

If items on the inventory are at a location other than the office being audited, the auditor should visit that location.

After the verification of assets a review of the relevant account records should be made to obtain information regarding purchases and determine the following:

- New purchases are supported by the sanction of the competent authority and budget provision.

- Tenders were published, if required, and enquiries were issued to the WAPDA registered suppliers.

- Comparative statements were properly prepared and authenticated by the opening committee.

- Acceptance of quotations was proper and approved by the competent authority.

- Purchase agreements were made with the proper supplier.

- Purchase agreements were executed in accordance with their terms.

- Items were inspected before acceptance.

- Quantity and value records were updated.

The next step would be to review the disposal records to ensure that:

- A survey report was prepared to declare the item unservicable and/or obsolete. Determine that the items were the results of normal wear and tear and not due to an ineffective maintenance program.

- The disposal was authorized by the proper authority.

- The value of the asset was deducted from the value record correctly and the quantity was adjusted accordingly.

During the physical verification the auditor should have determined if a proper maintenance program is in effect, however, the auditor will need to:

- Investigate any exceptions.

- Review any service agreements and determine if the service being paid for is actually performed and effective.

Other items the auditor should verify are:

- The overall value of the furniture and equipment agrees with the control accounts.

- That transfer of items to other formations was properly authorized and properly acknowledged.

- Depreciation is charged according to the policy and the balance is adjusted at the time of disposal.

- Maintenance charges are not out-of-line. Particular attention should be given to any large increases.

6. DISPOSAL OF TEMPORARY AND UNSERVICEABLE BUILDINGS

To dismantle and sell temporary and unserviceable buildings the competent authority is shown below:

Authority	Over Rs. 25 lacs
Managing Directors	Rs. 25 lacs
General Managers	Rs. 10 lacs
Chief Engineers	Rs. 5 lacs

These powers will only be exercised after a building has been declared unserviceable by a committee constituted for the purpose by the General Managers/Chief Engineers concerned which shall also include a Senior Engineer (Civil); provided that the dismantlement of temporary buildings takes place only after other departments of Government with local interests have been consulted in regard to any use they may have for the building proposed to be dismantled.

To sell surplus buildings the same policy applies after the committee has declared them surplus.

During the audit of most formations within WAPDA the auditor will not normally be faced with disposal of temporary, unserviceable and/or surplus buildings, however when the situation does exist the auditor should complete the following:

- Review the records and identify buildings that have been dismantled and/or sold.

- Review all the records pertaining to the disposal and determine if the proper procedures were complied with.

- If a contractor was involved, the auditor should review the contract records and determine that all conditions were complied with, proper payments were made and proper records maintained.

- If during the audit there is evidence of dismantling and the buildings are unoccupied, the auditor should visit the site to determine that conditions are the same as the records indicate.

- Determine that the sale price is in-line with local conditions.

- Determine that the amount received for the sales has been properly recorded.

- Determine that the depreciation schedule has been adjusted accordingly.

- Determine what the intent is for the land. If the land was leased and no further use is required, the lease should be cancelled. If the land is owned and no further use is required, the land should be sold. (See audit procedure for sale of land).

Note.1 Audit procedures for disposal of other surplus are covered in Audit of Disposal of Scrap and Surplus.

Note.2 This procedure is not intended to cover large schemes. Special audit procedures should be developed for those projects.

7. DISPOSAL OF LAND AND LAND RIGHT-OF-WAYS

This audit procedure is for disposal of land and land right-of-ways and is not intented to cover large schemes where land was acquired for a specific purpose and later found to be surplus. Special audit procedures should be developed for those projects.

This procedure is intented to cover the following situations:

- Land was purchased for erection of temporary facilities and the facilities have been demolished and the land has been declared surplus.

- Land was purchased for a project and after the project was developed it was determined that surplus land exists.

- Right-of-ways have been abandoned or not used for their original intent and WAPDA has no further use.

The auditor should make a list of all land recorded in the land accounts. The list should indicate the following:

- Identification, address and a brief description of the functional purpose of the land. Determine if the land consists of buildings and/or structures.

- Date purchased, book costs and tax valuation.

- If the land is leased, secure the name of the tenants and a copy of the lease for review and determine if the lease is being complied with and rents collected and properly recorded.

Note: This list should remain in the auditor's work paper to be used on subsequent audits.

A similar list should be prepared for land right-of-ways.

After the lists are prepared, the auditor should discuss them with a knowledgeable person in the organization to determine if any items have been declared surplus and if there may be a possibility that some of the items should be disposed. After reviewing the records, maps and sketches, and his discussions, the auditor may find it necessary to visit the area for further determination.

If any land or land right-of-ways have been disposed of since the last audit, the auditor should review the complete file to determine if all policies and procedures have been complied with.

The complete transaction should be followed through the accounting records to determine if the proper entries have been made. The sale price should be compared with local conditions and determine if the price was in order.

Land that is not occupied by WAFDA employees or authorized tenants, should be reviewed to determine if unauthorized persons are occupying the land.

B. TRANSPORT EQUIPMENT

Transport equipment consists of cars, jeeps, pickups, trucks, lifters, tractors, buses, motorcycles, etc. Because of their shortage and large cost to WAPDA, management has a great interest in the audit of transport equipment.

For the purpose of this audit procedure , it will cover the following:

- Procurement
- Operation and Useage
- Maintenance and Repairs
- Disposal

a. Procurement

The auditor must secure a list of the transport equipment at the formation. A review of the pertinent accounts will verify that the list is up-to-date.

The auditor must understand the "Book of Financial Powers, 1977" and further instructions issued by the Authority from time to time to enable a satisfactory audit of procurement.

A master file is prepared for each piece of equipment and should contain the following:

- Copy of purchase order
- Copy of delivery challan/issue note/etc.
- Initial inspection report
- Warranty card
- Fitness certificate, when required
- Inspection report after completing 1,000 K.M. of operation

The auditor should review the master files and determine that procurement procedures were adequately followed.

When new vehicles are recieved, the following action is required:

- Registration and token tax
- Third party insurance
- Numbered plates fixed
- WAPDA's monogram and serial numbers are marked

The auditor should verify that the necessary action has in fact been taken.

While reviewing the procurement files the auditor must keep in mind that the use of vehicles is subject to entitlement and that policy is as follows:

Staff Cars

- Authority

  WAPDA will provide chauffer driven, WAPDA maintained, 1,000 CC cars for official and private use, along with a quota of petrol as authorized in the management scale.

- Managing Directors and General Managers

  WAPDA will provide chauffer driven, WAPDA maintained, 1,000 CC cars for official and private use, along with a quota of 175 litres of petrol per month.

- Chief Engineers and Equivalent

  WAPDA has provided two (2) options for these managers as detailed hereunder:

  o Option One

    - WAPDA will provide a 800 CC car without chauffer.
    - WAPDA will provide a quota of 150 litres of petrol for official and private use.
    - WAPDA will provide up to Rs. 4,000 per year for maintenance, with a 10 % increase per year, reimbursable on an actual expenditure basis, estimating the useful life of the car as five (5) years.

    - The car will remain with the officer wherever he may be posted.

  o Option Two

    - WAPDA will provide a chauffer driven, 800 CC car.
    - WAPDA will provide a ceiling of 150 litres of petrol for official use only.
    - The car can be used only during working hours, the officer is not allowed to hire the car for personal use and the car will be parked at a WAPDA facility during off hours.

General Managers and Chief Engineers posted in a field environment, if authorized by the Authority, will be provided a jeep for their headquarters, for field duty

only. Jeeps will be maintained by WAPDA, along with a driver. The jeep will be made available for other touring officials as well.

- Consultants

If WAPDA is to provide transportation for consultants, per terms of contract, a 1,000 CC car will be made available. If air conditioning is required, permission from the Authority must be granted.

If cars are to be provided to WAPDA in aids or grants for use by WAPDA officials, the aid giving agency is required to provide 800/1,000 CC cars.

Transport Pools

The Authority has established transport pools for visiting VIPs and senior officers of the Authority. Local officers may use these vehicles on a payment basis for personal use, according to the WAPDA Transport Rules, 1984. The 1,300/1,600 CC cars are for protocol duties.

The following pools and areas serviced are detailed hereunder:

- Islamabad

  This pool will cater to Islamabad, Mangla, Murree, Tarbella and surrounding areas and it is under the AEB Chairman, Islamabad.

- Lahore

  The Director Transport will maintain this pool for the areas upto Sargodha, Gujranwala, Sialkot, Kasur, etc.

- Karachi

  The Karachi pool is under the administrative control of Chief Resident Representative Karachi (CRRK) and will cater to Karachi, Hub Dam, Hyderabad and Qasim Port areas.

The Authority has also established sub-pools as detailed hereunder:

- Hyderabad

  This sub-pool is under the administrative control of the General Manager (South) and will service in and arround Hyderabad.

- Dera Ismail Khan

  Visitors to D.I.Khan, Chashma Barrage and Kalabagh Dam site may utilize this sub-pool which is under the administrative control of the Chief Engineer, Chashma Right Bank Canal (CRBC).

- Peshawar

  Peshawar's sub-pool is under the administrative control of the General Manager (North) and will support the Peshawar, Mardan, Sawat and surrounding areas.

- Quetta

  The Quetta sub-pool is under the administrative control of the AEB Chairman, Quetta and will support Quetta and surrounding areas.

- Multan

  The administrative control of the Multan sub-pool will be under the AEB Chairman, Multan and will provide transportation in Multan, Bahawalpur, Fot Adu and Sahiwal areas.

Note: The use of large vans (12/15 seaters) should not be allocated to a single official for his private use. They should be used by formations where a group of employees have to travel for official duties within their area or they should be assigned to community transport.

The auditor should determine the purpose for which the vehicles were purchased and review the procedures that control the limits established and method of the employee's reimbursement to WAPDA when those limits are exceeded.

A reviw of the pertinent accounts will verify that the procedures are in fact working.

b. Operation and Usage

Transport equipment is purchased for specific reasons as stated under procurement. Each formation will have a person assigned that is responsible for the equipment as to its use, maintenance and repairs.

The auditor should make contact with this person and become familiar with his duties and responsibilities.

A review of his files will determine if they are in accordance with the latest policies and procedures.

The following documents should be available for the auditor to review and determine if the transport equipment is being used properly and that appropriate records are available of its operation:

- Vehicle Inventory

  The particulars of transport equipment are to be recorded on a Vehicle Register. A page of the register is to be allotted for recording details of each piece and any tools they may have been supplied.

- Log Books

  Log Books are in two (2) parts and each vehicle should have one. Part one is a record of tools supplied with the vehicle and part two is for maintaining a record of operation, by recording the mileage and destination along with the date, time and purpose of journey.

Vehicle Land Rover/User's Manuals are issued to users and drivers which covers speed limits and load restrictions. In addition, instructions are to be issued as to precautions during first 1,000 Kms of operation, such as not exceeding the break-in speed limit and racing the motor after a cold start, but allowing the engine to warm gradually.

Duty slips are issued within or outside the home station. In cases of trips outside, an authorization is issued by the Regional Deputy Director - Transport and a copy is given to the driver for his records.

For those vehicles not authorized to be taken home by officials, they are parked in an authorized parking area and security must be provided.

During inspection after completing first 1000 KMs fuel consumption tests are also carried out and yard stick established as kilometers per litre of fuel (KPL).

To make the yards stick realistic, KPL figure must be based on an average of three trips and trials on good and bad roads in an area where the vehicle would normally operate.

The vehicle should be in a mechanically fit condition and engine perfectly tuned.

Auditor must ensure that fuel consumption is adequate and according to determined FPL. Any significant variation should be pointed out.

Petrol, oil and lubricant (POL) is issued on the basis of requisition slips, showing the date and signature as well as the official stamp of the authorizing officer. All issues of POL are entered in the "Log Books". The issuing person and the driver will sign the requisition slip at the time of issue of POL, as well as at the time other items are required during service. At the end of each month a summary is made, showing the usage along with purpose and POL issued and consumed.

The auditor should verify that the vehicle register in fact lists all particulars of the transport equipment and compare the tools shown against entries in the Log Books on part one.

If the formation is large and many vehicles exist the auditor will select a sample of Log Books to be examined, keeping in mind the following:

- Select at least one for each type of equipment.
- Do not select only those around the headquarters, but take a representative sample for out laying areas were supervision may be less.
- Do not select ones that were reviewed on previous audits unless the audit report indicates problems, then those should be reviewed to determine if the same problems exist.

Once you have made your selection, every effort should be made to complete your review. If the vehicle is not made available it could indicate that something may be wrong.

Note: Before you start your review of Log Books select your list of equipment for review pertaining to maintenance and repairs. You may be able to complete both reviews at the same time.

c. <u>Maintenance and Repairs</u>

If the full life of equipment is to be maintained, a proper inspection system needs established, and a reliable maintenance and repair policy enforced by management.

Because WHSDA is a large organization and covers the entire country, each formation will not have the same program. In areas where a large concentration of vehicles may exist, special consideration may have been made for maintenance and repairs. Therefore, the auditor will have to determine what policy is in effect prior to starting this portion of the audit.

The main three items the auditor will be concerned with are 1.) Inspections, 2.) Preventive Maintenance, and 3.) Repairs.

- Inspections

  Inspections are useful tools to monitor the fitness state of vehicles and measure the success of the maintenance and repair programs.

  Inspections may be categorized as general inspections and technical inspections as further described hereunder:

  - The purpose of a general inspection is to inspect the general condition of a vehicle. It can be easily accomplished by one person without the use of tools or technical skills. By checking points listed on an inspection form, he can judge if the vehicle is being cared for by the driver. It should take approximately 10 minutes per vehicle to complete.

    The auditor should determine if a general inspection program exists and verify evidence that it in fact is being done. If no program exists, the auditor should recommend that the manager of the formation assign a responsible person to inspect the vehicles once a month and the manager should inspect at least two vehicles himself once a month.

  - The purpose of technical inspections is to check a vehicle thoroughly to a.) assess the mechanical and electrical conditions, b.) identify defects, c.) check repair work, and d.) assess the standards established for maintenance and repairs.

    Technical inspections must be completed by inspectors knowledgeable of vehicles and be skilled in the use of tools and test equipment. Technical inspections are to be

recorded and reports prepared. They are categorized as a.) initial, b.) after initial operation, c.) defect, d) repair, e.) survey and f.) annual.

As previously discussed in the procurement section, the initial inspection report becomes the basic vehicle document, gives vehicle specification and other useful information and the report will be found in the vehicle master file.

The inspection after initial running is completed for all new vehicles, normally after the first 1,000 KMs or whatever the manufacturer specifies. Its purpose is to determine that various moving parts are properly bedded. Fuel consumption yardsticks are also established during this inspection and specified as KPL (Kilometers per litre) or MPG (miles per gallon).

When a driver reports problems a defect inspection is conducted to locate and identify the problem before repairs can be recommended. These inspections will definately require an experienced mechanic.

After repairs are completed a repair inspection is required to determine a.) removal/rectification of reported defects b.) genuine replacement parts or spares were actually used, c.) quality of repairs, and d.) state of the vehicle. This inspection may require to be done in stages, when major repairs are being performed.

When a vehicle and its components are being transferred to other formations or being considered for disposal a survey inspection will be required.

Annual technical inspections are to check the condition and standard of the maintenance program. Most formations will have this annual inspection performed by a transport staff from a higher headquarters. An annual technical inspection report summary will be completed for distribution to the higher management of the inspected formation.

Preventive Maintenance

Preventive maintenance must be performed on a regular basis if the program is to be effective. The auditor should determine the preventive

maintenance program established for the formation being audited and then determine if the program is actually in effect and producing the required results.

A normal preventive maintenance program will consist of a.) daily b.) monthly, and c.) quarterly maintenance.

Daily maintenance, normally referred to as operator's maintenance will be performed by the driver or operator and consists of certain checks before, during and after operation. These include cleanliness, oil and water levels, leakages, tightness of fittings, tyre pressure, battery and related connections, lights, horn, fray fan belts, starter, noise during operation and other abnormal conditions.

Monthly maintenance is normally also performed by the driver, however an experienced mechanic should supervise and assist since it includes checking the cleanliness, water and oil levels, air and oil filters, brake fluid, tightening of loose fittings, tightness and condition of belts, checking and cleanliness of battery and related connections, checking for leakage and the servicing of the vehicle, if required.

Quarterly maintenance requires an experienced mechanic since it includes a thorough cleaning of the vehicle, checking and servicing the mechanical and electrical items including engine, transmission, controls, suspension and road testing the vehicle for unusal noises and the effective working of the engine, steering, clutch, brakes and other mechanical items.

Repairs

Repairs should be made when defects are found either during the various inspections or during the stages of preventive maintenance. The auditor should determine what policies and procedures are in effect for repairs. (Has WAPDA established repair facilities for the formation or are repairs performed by local workshops?)

A review of the pertinent accounts will give the auditor a list of repair costs which he should review. He should pay particular attention to large repair charges.

While reviewing the repair charges the auditor will be interested in the following:

- Was the repair due to fair wear and tear or misuse by operator?

- Could the repairs have been prevented if proper maintenance and/or inspections were performed?

- Were estimates received and itemized to enable proper analysis?

- Was proper approval received before work was authorized?

- Was the yardstick for vehicle repair consulted before a decision was made to authorize the expenditure? (See Annex. "A")

- Are the costs of repair parts in line with market prices?

- Are labour costs according to local conditions?

- Could the costs have been paid and the work not performed?

- Has proper credit been received for exchange of parts that have a value as used parts? (Example: Batteries, tyres, fuel pumps, etc.)

- Have necessary entries been made in the Log Books and transport records?

An analysis of repairs will allow the auditor to determine that;

- The inspections are or are not being performed as scheduled and are effective or need improvement.

- The preventive maintenance program is or is not effective.

- The drivers are or are not properly trained and supervised. (A review of the accidents where vehicles were involved will help make this determination).

The auditor should now have determined that acquisition cost of vehicles is a great burden to the WAFDA budget and the maintenance and repair costs add to that burden. Each formation manager should be informed that his costs are in-line or be advised of areas that need improved.

- Disposal of Vehicles

The following conditions will exist when a vehicle is considered for disposal:

- o Damaged severely in an accident.
- o Repairs are extensive due to age and/or condition.
- o Beyond economical repairs considering the remaining useful life.

A committee will normally be formed to survey the fitness of vehicles for disposal. They will prepare a report which should contain:

- o Particulars of the vehicle, including cost
- o Inspection report listing conditions
- o Total repair costs since date of purchase
- o Estimate of repairs
- o Assessment of remaining useful life
- o Their recommendations

If the recommendation for disposal is approved by the competent authority, the vehicle will be disposed of according to WAPDA's disposal procedures and relocated to Regional/Field Stores within one month to await disposal action.

To obtain a replacement vehicle, the survey report will be considered.

The auditor should review the files on all disposed vehicles to assure the proper procedures were followed and assets records adjusted accordingly. If vehicles are sold to employees, assure the policy was followed.

YARD STICK FOR VEHICLE REPAIR

Annexure 'A'

ANNUAL EXPENDITURE OF MINOR REPAIR AND SERVICE

MAJOR REPAIR WHICH IS NORMALLY REQUIRED AFTER COVERING K.M. SHOWN IN THE REMARKS COLUMN :

SR. NO.	VEHICLES MAKE & TYPE	ENGINE TUNING	ENGINE	BRAKE	STEERING.	ELECTRICAL	MONTHLY SERVICE	Body WORKS TRANSMISSION AND UNFORESEEN	TOTAL	ENGINE OVERHAULING	POLISH & SEAT REPAIR	DENTING & PAINTING.	STEERING BUSHBEARING WORN STEERING KIT	SHOCK OBSERVER	TRANSMISSION.	ROAD SPRING.	UNFORESEEN	TOTAL	REMARKS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Motor Cycle	360/-	100/-	150/-	-	80/-	600/-	300/-	1590/-	790/-	100/-	200/-	60/-	400/-	300/-	-	200/-	2050/-	50000 KM
2	Car 800-CC	400/-	350/-	350/-	100/-	300/-	2000/-	500/-	4000/-	6000/-	600/-	300/-	500/-	800/-	700/-	200/-	500/-	12900/-	80000 KM
3	Car 1000-CC	1000/-	350/-	300/-	150/-	300/-	2500/-	750/-	5500/-	7800/-	150/-	3500/-	700/-	1250/-	300/-	-	750/-	14450/-	100000 KM
4	Car 1300-CC	1100/-	350/-	500/-	200/-	350/-	2600/-	1250/-	6350/-	13000/-	200/-	4500/-	1080/-	2280/-	1680/-	-	1000/-	23740/-	100000 KM
5	Jeep Suzuki	660/-	300/-	500/-	200/-	300/-	2400/-	1200/-	5560/-	4000/-	500/-	3000/-	400/-	1600/-	800/-	-	800/-	11100/-	85000 KM
6	Pick-up Small	400/-	350/-	300/-	150/-	300/-	2000/-	500/-	4000/-	5000/-	150/-	3500/-	700/-	850/-	300/-	-	800/-	11300/-	80000 KM
7	Pick-up Large	5000/-	500/-	600/-	300/-	300/-	2700/-	1200/-	10600/-	14000/-	200/-	3500/-	600/-	2000/-	1000/-	-	1800/-	23100/-	100000 KM
8	Van Small	400/-	350/-	300/-	150/-	300/-	2000/-	500/-	4000/-	5000/-	150/-	3500/-	600/-	850/-	300/-	-	800/-	11200/-	80000 KM
9	Van Large	5000/-	600/-	500/-	500/-	500/-	2700/-	1700/-	11500/-	16500/-	1800/-	3900/-	1300/-	1280/-	-	-	1400/-	26180/	100000 KM
10	Buses	5000/-	600/-	2000/-	750/-	750/-	3600/-	3100/-	15800/-	18000/-	3200/-	3800/-	2000/-	1400/-	2200/-	450/-	1500/-	32550/-	85000 KM
11	Trucks	5000/-	600/-	2000/-	750/-	750/-	3600/-	1850/-	14550/-	18000/-	300/-	3200/-	2000/-	1400/-	2200/-	450/-	1500/-	29050/-	85000 KM

Notes:-

1. ENGINE TUNING: The following parts are replaced if required, CB Point, Spark Plugs, Condensers, Fuel Filter and Kit Repair Carburater of Petrol Engine.

2. SERVICE: Oil Filter, Diesel Filter and Timing Belt of Toyota Hiace is replaced on completion of Mileage/KM.

3. FUEL INJENCTION PUMP: Pump Diesel service is carried out periodically with the replacement of Kit, Rotor Head, Liner Blade.

4. COMPLETE ENGINE OVERHAULING: It mainly consists of replacement of Piston, Ring Set, Main Big and Bearing, Washers, Bushes Volves, Camshaft Grinding and setting, Machining of Cylinder Block, Setting of Diesel Pump, all Filters and Engine Oil will also be changed.

5. Major repair will only be carried out when required, but not before the K.M. covered as mentioned in the repair column.

Note:- add 10% in the total of minor repair for every year that passes.

BEST AVAILABLE DOCUMENT

LEASE AGREEMENT FORM

This Indenture made this _____day of _____198__ between the WATER AND POWER DEVELOPMENT AUTHORITY LAHORE (hereinafter called the lessee) of the one part _____ _____(hereinafter called the lessor) of the other part.

Whereas the lessor has agreed with the lessee to lease out to the lessee the dwelling house known as No._____ _____consisting of_____rooms with compound and outhouses attached thereto and the garden, and basements and appurtenances relating thereto as shown in the sketch/details, enclosed.

Now this Indenture witnesseth that in pursuance of the said agreement and in consideration of the rent hereby reserved and the conditions and covenants hereinafter contained and to be observed by the lessee the lessor doth hereby demise unto the lessee the said house hereinbefore mentioned to hold the same unto the lessee for a period of eleven months commencing from the _____day of _____198 .

AND it is further mutually agreed and declared between the parties thereto as follows, that is to say:-

1. That this lease shall commence from the _____day of _____198 .

2. That the lessee shall pay to the lessor through crossed cheque or in cash, the sum of Rs. _____ PM, as rent, every month in advance, the first of such payments to be made on the ____ day of ____ 198 , and subsequently on the first day of each succeeding calendar month during the continuance of the lease on production of bills.

3. That the lessor will pay all rates and Taxes and assessments whatsoever payable, or hereinafter to become payable, in respect of the premises hereby demised (except the charges of Electricity, Water Supply and Sui Gas, which will be paid direct by the occupant), to the lessor.

4. That the lessees shall not remove or destroy any fittings or make any additions or alterations within or without the buildings hereby demised, and shall be responsible for all damages due to any act or omission on the part of the lessee or his employee to whom the premises might be or might have been allotted by the lessee for occupation and use, reasonable wear and tear excepted.

5. That the lessee shall not assign or sublet the premises hereby demised, or any part thereof, without the previous consent in writing of the lessor. The lessee shall, however, have full right to allot this house to any employee of Water and Power Development Authority.

6. This Agreement will initially hold good for a period of eleven months subject to termination on one month's notice from either side. The Agreement is, however, renewable for similar period with mutual consent of the parties.

6-A. Should the agreement be terminated by the lessee before the expiry period the lessor shall undertake to refund to the lessee advance rent received by him for the remaining period for which advance has been paid.

7. And the lessor, hereby, covenants with the lessee that he (i.e., the lessor) will once in each year carry out the customary repairs and for such purpose the lessee shall permit the lessor his agents and workmen to enter upon the said premises at all reasonable times to view, examine and repair the same, besides any other petty repairs that may be required from time to time. It is, hereby, further agreed that in case the lessor fails to carry out necessary repairs within one month of the intimation given by the lessee to the lessor, the lessee shall be empowered to get the repairs done at his own instance the cost of which shall be recoverable from the rent bills.

8. And the lessor doth hereby further covenant with the lessee that the lessee paying the rent, hereby, reserved and performing the conditions and covenants, herein, contained and by him to be performed and observed, shall and may peaceably and quietly hold and enjoy the premises, hereby, demised during the continuance of this lease without any interruption by the lessor, or any person claiming through hi.

9. The cost of Stamp on this deed shall be borne by the _____

10. The term 'Lessee' shall also mean and include the term 'the Director Estates WAPDA' or such other officer as may be appointed by WAPDA as the substitute of the Director Estates WAPDA.

Signed & delivered by
the said Lessor (namely)

_____

_____

Signature of
L E S S O R.

Signed and delivered for and
on behalf of Pakistan Water &
Power Development Authority.

Signature of
Director Estates (WAPDA) Lahore.

Signatures of Witnesses:
(with name & particulars).

1) _____

2) _____

(Signature of Occupant)
(With name and designation)