Pakistan Institute
of Public Finance Accountants

Model Solutions

Works MES

(Theory& Application)

AGP | PMAD

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Works MES (Theory)

Q.1. **Para 15(C) DSR 15.** Technical Control (see para 70) which is concerned with the actual design and execution of the work and the accounting for all expenditure ensures that

(1) The design and specifications are in accordance with sound engineering practice and fulfill the object in view with the least expenditure of funds, and generally that the utmost economy is observed consistent with good workmanship and materials.
(2) The estimate represents the probable cost of the execution of the work and all its accessory and consequential services as accurately as is possible at the time it is prepared.
(3) The materials for, and the execution of, the work are in strict accordance with the plans and specifications.
(4) All payments to contractors and employees correctly represent the services rendered (i.e., work done and stores supplied) in accordance with the contract or other agreement under which those services have been rendered.
(5) The accounts are correctly kept, and the expenditure is correctly allocated in accordance with these Regulations.

Q.2. **Para 210 DSR 210.** Infructuous Expenditure :—

a) Infructuous expenditure arises when Government funds have been expended for which Government receives no useful return or in which there has been unnecessary or avoidable extra expenditure.
b) Infructuous expenditure may be caused by :
   (1) Abandonment or curtailment of a project.
   (2) Change of plan or design after construction, partial or complete.
   (3) Defective design or construction unless paid for by the contractor.
   (4) premature termination of contract or.
   (5) Any other cause.70
c) Infructuous expenditure falls into two categories minor and major; minor infructuous expenditure is upto 5 per-cent of the value of building, or item of the project affected upto a maximum of Rs. 375,000 major infructuous expenditure is one exceeding the above limits, or due to defective design or construction irrespective of the amount involved.
d) Minor infructuous expenditure will be entered in a book kept by the unit accountant who will record the reasons for, and approximate value of the infructuous expenditure. It will remain debited to the project and no further action will be necessary unless the total value of the items becomes greater than the limits laid down above, in which case the whole will be treated as major infructuous expenditure.
e) Major infructuous expenditure will be formally sanctioned as a loss by the following authorities and will be debited to the Minor Head relating to "losses" of the relevant MES head of account of the Service concerned, as indicated in para 207 above

(1) Govt of Pakistan Full Powers
(2) QMG/DCNS (S) DCAS (A) upto Rs. 4,50,000
(3) Corps Commander Rs. 75,000
(4) Div. Comd/Force Comd
Northern Area/Log Area Comd. Rs. 75,000

Q.3. **Para 225 to 228 DSR CHAPTER V—MISCELLANEOUS SERVICES**

Section 15—Defence Works

225. The rules regarding defence are laid down in AR. The Engineer Officer (military or civil) in-charge of works of defence will submit an annual report to the Fmn Commander

regarding the structural fitness of the work generally, and a certificate regarding encroachments in the clearance zone.

226. Whenever expenditure is to be incurred from Defence funds, or whenever military lands or buildings are affected, proposals for new work of defence or for additions or alterations to works of defence costing over Rs. 20,00,000 or for any changes in a clearance zone, will be submitted to the QMG/DCNS/DCAS(A) by whom the sanction of the Government of Pakistan will be obtained, after necessary consultation with CGS/PSO concerned in Naval/Air HQ.

227. Additions and alterations to works of defence costing upto Rs. 20,00,000 may be approved (as special works) by the authorities laid down in Table 'A'.

228. Estimates for Works of defence will be prepared by the agency executing the work. If the work is to be carried out by an agency other than the MES the estimates will be prepared in consultation with the CMES or other engineer officer specially nominated by the Fmn Commander or higher authority. The CMES, or the officer nominated, will inspect the work during construction in consultation with the agency charged with the execution of the work, and on completion will furnish a certificate to the Fmn Commander, regarding the fitness of the work, a copy of the certificate being given to the agency executing the work.

Q.4. 21 (a) (1,2) MES Regulations

CHAPTER II—CONTROL Section 2—Administrative Control General Principles. 21. a. For purposes of administrative and technical control the operations of the MES are divided into (1) original works and (2) repairs :— (1) Original Works. Original works comprise new works, additions, purchases and alterations necessitated by administrative as distinct from technical or engineering reasons. Works necessary to bring into use newly purchased or previously abandoned buildings, roads, installations and services falling in the category of original works. Similarly works which provide for the restoration of buildings, roads, installations or services rendered unusable by any extraordinary cause, e.g., a building damaged by storm [except as provided for in clause (2) below] fire or earthquake, also falls in the category of original works. (2) Repairs. Embrace all expenditure of renewals, replacements, abnormal repairs, normal repairs and maintenance as well as alterations necessitated by technical or engineering reasons as distinct from administrative reasons. Making good of damage due to rains, however heavy, shall be dealt with as normal/abnormal repairs. (See also para 146).

Q.5. 21 (d) (1,2) MES Regulations

Repair works as defined in a (2) above similarly classified in the following two categories: - (1) All ordinary repairs (and abnormal repairs, replacements and renewals costing upto Rs. 450,000/-. (2) Abnormal repairs, replacements and renewals costing more than Rs. 450,000/-. (See also Table 'A').

Q.6. Para 639 DSR

639. Materials-at-Site Account.

a. Except in the case of projects for which only one folio of the Construction Account (other than for Establishment and Contingencies) is maintained, a Materials at Site Account will be kept for every project. Sanction to a monetary limit to the value of the stores which may be held is necessary before a Material-at-Site Account is opened. CsMES will sanction the opening of
Materials-at-Site Accounts upto the value of Rs. 9 lacs and DsW & CEs
upto Rs. 27 Lacs. Application will be made to the E-in-C for sanction when the value is likely to be our Rs. 27 Lacs.

A Materials at Site Account will comprise the following :—

(1) Materials Register (PAFW-2225) in which all stores received for the project, from whatever source procured will be brought to account and in which all issues will be recorded.

(2) Summary of Materials (PAFW-2226) in which will be shown the balances of all stores, and their value, held on the Materials Register will be at the end of each quarter.

(3) Construction Account. A separate folio of the Construction Account of the project in which all expenditure incurred on the procurement, preservation, custody, etc, of stores and all credits of stores issued will be posted.

The above will be maintained by the SDO i/c of the project. Tally cards will be maintained for all stores by the Storeman or other subordinate in physical charge of the stores.

Q.7. 82 of MES LAM 2006 Casual Personnel Bills

82. The audit of C.P. Bills consists in seeing that:-

(i) All appointments have been sanctioned by the competent authorities.
(ii) The rates of pay of the individuals and the period to which the bill pertains are covered by sanctions.
(iii) When a casual personnel has been employed on clerical duties sanction of the E-in-C has been obtained.
(iv) Income-tax when due is recovered at the proper rate.
(v) The incidence of charge is correct.
(vi) The employment of casual personnel is limited to the duration of the works and that funds exist for the work on which they are employed.
(vii) The bill is arithmetically correct.

Note:- The check of C.P. Bills will be carried out on the lines down for establishment bills in the Annexure to Chapter-II of the Military Audit Code, viz bills above Rs. 100/- will be

audited in full and those under Rs. 100/- Subjected to a general scrutiny and completely audited one in every six month.

Q.8. Appendix III, Part II Audit Code 2000

<u>IN THE CASE OF ACCOUNTS OF SUSPENSE</u>

1) See that the accounts of suspense are maintained in accordance with the rules prescribed in para 595 of the Regulations for the M.E.S.
2) See that adequate action is being taken with regard to the adjustment of all deposits.
3) See that adjustment of all lapsed deposits is effected in the accounts for March every year.
4) See that the monthly totals agree with the classified abstract of receipts and charges.
5) See that the procedure prescribed in the Regulations for the M.E.S. is complied with before any refund of deposit is authorized.
6) Review the annual review of suspense balances and check the balances and the report with original records.
7) See that there are no minus balances .

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Works MES (Application)

Q.1. 69 Q&R

69. **Applications for Reduction or Remission of Rent.** Applications for reduction or remission of rent shall contain the following particulars duly certified by the Controller of Accounts concerned:-

a. Capital value of buildings and site (giving reference to Annual Return of Public Military Buildings).
b. Average maintenance and other charges (See rule 36).
c. Rent according to rules.
d. If any portion of the building is used or proposed to be used as an office, stating the area of office accommodation required; area authorised for the purpose, total area of building and rental reduction proposed.
e. Rent payable by the occupant, stating his average salary including allowances.
f. The market rent for similar accommodation.
g. Average rent chargeable under the rules for other Government buildings with
h. similar accommodation.
i. Rent proposed and from what date, with reasons upon which the proposal is based. Cases in which reduced rents or rent free quarters have been sanctioned may be reviewed periodically by Corps/Div/Log Area Commanders/Indep Bde and if the concession granted appears for any reason to be no longer necessary, it may be withdrawn with the sanction of Government.

Q.2. Answer

361 MES Regulations

Section 27 General 361. The various forms of contract are enumerated below. The forms contain full instructions. If local conditions necessitate an alteration in the printed terms. The prior orders of the E-in-C will be obtained who will consult the audit and Government legal authorities, if necessary. The MES Contract Manual should also be studied :— a. Term contracts (PAFW-1821) at a fixed percentage above or below the prices given in the MES Schedule of Rates upto a certain financial limit and for a certain period (see paras 375 to 378) for :— (1) Minor works and maintenance, excluding periodical services detailed in Table 'F' and mud plastering. (2) Periodical services detailed in Table 'F' including mud plastering. b. Lump Sum contract (PAFW-2159) may be entered into for new works and maintenance services not given to the term contractor. In certain cases these services may be carried out by means of a Percentage Rate or Item Rate Contract. c. Percentage Rate Contract (PAFW-1779) at a fixed percentage above or below the prices given in the MES Schedule of Rates or in the special schedule of rates attached to the tender form and contract is applicable to certain new works and maintenance services, beyond the limits of the terms contract, as specified in para 376. d. Item Rate Contract (PAFW-1779-A). In this contract the Contractor undertakes to carry out items of work in accordance with definite specifications at the rates stated in the contract. e. Contract for supply of furniture (PAFW-2270). This will usually be arranged for all supplies of furniture whether for new provision or complete renewals. f. Auctioneer Agreement (PAFW-2423). This form will be used for the appointment of an auctioneer by the MES for the auction of stores, the responsibility for the disposal of which lies with them. g. Running contract for Supply of Materials (PAFW-1815). Rates at which materials are to be supplied, time allowed for delivery etc. are specified. h. Contract for Conveyance of Supply of Materials (PAFW-1815-A). Only to be used when the Army Service Corps (ASC) are unable or unwilling to carry out the conveyance of materials on behalf of the MES. j. Tender and Contract for Piecework (PAFW-1780), used where a rate only is agreed upon without reference to the total quantity of work to be done, or to the work to be done within a given period. This form of contract should be confined to the execution of a specific work. 102 k. Tender and Contract for Work in Tribal Areas (PAFW-1781). The use of this form will be restricted to cases in which contracts are placed with persons who are nominated by the local political authorities. l. Supply of electric energy to private buildings (i.e. buildings not owned, hired, leased/requisitioned or appropriated or used by the Government of Pakistan in the Ministry of Defence PAFW-2195). Consumer's application for a supply of water for non-domestic purposes in all cases and/or for domestic purposes not within the boundaries of a cantonment-PAFW2308. Supply of water to private buildings i.e. buildings not owned, hired, leased/requisitioned or appropriated or used by the Government of Pakistan in the Ministry of Defence-PAFW-2310. These will require a reference to the C of A concerned if the rates are not the AllPakistan recovery rates in force from time to time.

Q.3. Para 348 DSR

348. On completion of a work, completion reports will be rendered in accordance with the following procedure on PAFW-2266-A :-

a) Part 'A' of the form will be completed as soon as the project is physically completed, and will be forwarded through engineer channels to the DW&CE concerned in the case of work over Rs. 4,50,000 and to the CMES for minor works. After being noted they will be returned direct to the GE concerned for the completion of Part 'B' and resubmission of the form in duplicate to the UA who will, after verification and check, transmit the original to the CMES for disposal, retaining the duplicate in his office for subsequent check by the Local Audit Staff. In the case of services administratively approved by higher authority the reports will be forwarded by the MES through engineer channels to the engineer adviser of that authority. Completion report for minor works approved by an authority lower than the Government of Pakistan will be sent only to the CMES. They will be returned to the CMES who will record all completion reports. A note that the completion report has been rendered will be made in the construction account.

b) Once Part 'A' of the completion report has been completed the work will be regarded as completed for all purposes of the Regulations although the accounts may not have been settled ; no further new works will be authorized against the sanctioned project and no further supplementary estimates may be accepted.

Q.4. After PPRA Para 386 of DSR is not applicable Para 386 DSR read with rule 12 of PPRA 386. Tenders will be called for by public notice on PAFW-2162 or 2162-A. Tenders for all works costing Rs. 25,00,000 and over will be advertised.

Q.5. Appendix III, Part-II Audit Code 2000
IN THE CASE OF AUDIT OF RECEIPTS

1) See that the rules in A.R. Quarters and Rent and Government of Pakistan, Ministry of Defence (Army Branch) O.M. No. 5651/1/Qtg.), dated 27.4.48 as amended from time to time regarding quarters and rents, water and electrical installation and furniture are complied with and that all accounts are properly maintained under the above rules.
2) See that the capital cost of buildings, furniture electrical installations etc., agrees with the annual return of public Military Buildings, Construction Accounts, etc, before the standard rent is calculated.
3) See that the assessed rent is calculated in accordance with the prescribed rules in para.9 of A.R. Quarters and Rent.

4) See that quarters are allotted in such a way that there is no loss to the State by way of payment of lodging allowance for want of quarters or compensation of inferior quarters and hiring of quarters.
5) See that rent is charged from private persons in accordance with the rule in para.13 of A.R. Quarters and Rents.
6) See that rent bills incorporating all dues to Government are promptly issued.
7) See that in case of pensioners and private persons rent is recovered in advance .
8) Review the Revenue ledger (P.A.F.W.2240) and see that adequate action is being taken to watch the recovery of all outstanding bills. See that all outstanding items are entered in the statement of items under objection separately viz:-
    a) Recoveries for which the P.M.A. Dept ,is responsible.
    b) Recoveries for which the M.E.S. is responsible.

   See that rent for Officer's Messes is charged at1/3 of the Mess Allowance or the assessed rent whichever is less.
9) See that the procedure prescribed in the Regulations for the M.E.S. in respect of manufacturing and quasi commercial concerns and other Arms of Service is complied with .
10) See that the rules with regard to recoveries of expenditure referred to in para.444 of the Regulations for the MES are complied with.
11) See that the procedure prescribed in MES Regulation is followed in respect of refunds of revenues.
12) Check the Returns of recoveries P.A.F.W.2218(PAFW 2298) and see that it is correctly made out from the consumer's Ledgers and Meter Reader`s Books (PAFW 2184,PAFW 2170 and PAFW 2299).
13) Check the revenue Ledger PAFW 2240 with occupation returns and change statements.
14) Audit the revenue Ledger(PAFW 2240).
15) Audit the Assessment Ledger (PAFW 2239) and verify the capital cost with A.R.P.M.B. every year.
16) Check the consumption of water and electric energy by entitled consumers and see that administrative action is being taken towards the prescribed scales being adhered to.
17) See that there is no disregard of rules or defects of procedure likely to lead to loss of revenue.
18) See that a separate page is set apart in the Ledger for the Miscellaneous items of Revenue receipts other than regular revenue, if any, peculiar to local conditions and that realisations of amounts due are effected on due dates.
19) Check the Register of buildings and lands under MES charge and see that it is kept corrected upto date.
20) See that credits for sale proceeds of buildings and lands and materials received from demolition of buildings are properly adjusted.
21) Check the capital and revenue of imperial civil buildings and see that they are compiled in accordance with chapter 16 of the Account Code.

Q.6. **S.NO 01 NOT IN ORDER,2 AND 3 are in order Para 51 DSR** After the 15th April no new Capital/Major Works will be commenced and no allotment will be made thereto unless on ground of urgent military necessity or for urgent medical reasons.

Q.7. 180,181, and 182 MES Regulations

Section II—Furniture General.

180. In the Army the provisioning and maintenance of furniture is the responsibility of the QMG whereas in the PN and PAF this responsibility rests with the MES

181. Lists of articles of MES supply together with the general dimensions approved by the Government of Pakistan and references to plans, etc., are given in a departmental publication entitled "List of Articles of Barrack and Hospital Furniture of MES Supply" issued by the E-in-C. Approved scales of these articles are laid down in Barrack and Hospital Schedule. Authorised scales of furniture will not be exceeded without the previous sanction of the Government of Pakistan, except as provided in this section.

182. Article of barrack and hospital furniture will be constructed in accordance with the general descriptions and dimensions sanctioned by the Government of Pakistan. The CNS/CAS may vary the actual design provided the general principles are not altered and the cost is not materially increased. For manufacturing special items of furniture required for the residences of senior officers who are entitled to a permanent approved by the offices concerned.

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