

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
CENTRAL BOARD OF REVENUE**

Dated the 17th August, 1999.

Custom General Order No. 32/99

**Subject :- REPORTING OF CASES OF TAX FRAUDS AND TAX EVASION TO THE
AUDIT IN ORDER TO COMPLY WITH THE PROVISIONS OF GENERAL
FINANCIAL RULES.**

In the past, Board has issued instructions regarding reporting of cases of tax frauds and tax evasion to the audit vide C.No.9(500) CA/96 dated 19.5.1999. According to para 20 of the General Financial Rules, vol. I, any loss of public money, departmental revenue, stores or property etc. held by or on behalf of the Government caused by defalcation or otherwise is required to be reported to Audit immediately, even if such loss has been made good by the party responsible for it.

2. If the audit reports for the year 1993-94, for example, certain major cases of losses/defalcation of public revenue are mentioned. These cases were either detected by Audit or came to its notice through formal or informal information media. However, none of these cases were reported to Audit by the concerned authorities as required under the Rules nor were details thereof intimated.

3. The PAC in its meetings appreciated the above requirements of Audit. Upon this, issued directions to the subordinate offices to comply with the codal provisions but in actual practice, their compliance was not visible. In fact, every audit report contains such observations which have to be replied by the Board. Such a situation also puts the Board in an embarrassing position before the PAC.

4. It has, therefore, been decided that in order to comply with the provisions of the General Financial Rules, to streamline the procedure, and to avoid inclusion of such observations, every Collector in future would personally ensure that all cases of tax fraud, defalcation and cases of tax evasions of substantial amounts are reported, without fail to Audit. In case of Collectorates, situated in the provinces of Punjab/NWFP such reports shall be sent to Director General, Audit Revenue Receipt Lahore, Whereas the Collectorates situated in the provinces of Sind, Baluchistan shall be sent to the Director General, Audit Revenue Receipt, Karachi.

5. Any lapse in this regard shall be seriously viewed.

**(Muhammad Nasir Khan)
Secretary (Custom Audit)**

C.No.9(500)CA/96.